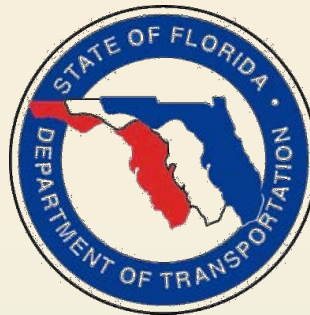


***Asset Maintenance &  
Performance-Based Contracting  
Florida Department of Transportation***



*Tim Lattner, P.E.  
Director, Office of Maintenance  
Florida Department of Transportation  
September 29, 2011*

# Florida DOT Breakdown

- ❖ 7 Districts, 1 Turnpike Enterprise
- ❖ 34 Maintenance Areas
- ❖ 67 Counties
- ❖ 6371 Employees
- ❖ 2099 Maintenance Employees



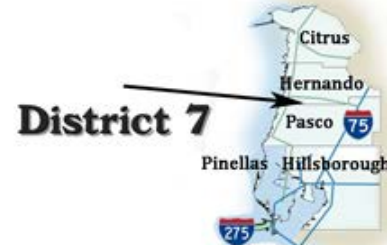
**District 3**



**District 2**



**District 5**



**District 7**



**Turnpike District**



**District 1**



**District 4**



**District 6**

District Offices	
District 1	Bartow
District 2	Lake City
District 3	Chipley
District 4	Fort Lauderdale
District 5	DeLand
District 6	Miami
District 7	Tampa
Turnpike Enterprise Orange County	

# Contract Types

## 1. Work Directed Contract

- Work Order Driven
- Project Specific

## 2. Performance-Based

- Asset Maintenance
- Other Performance Based

## 3. Others

- Memorandums of Agreement (MOA)
- Emergency / Hurricane Cleanup/ Pre-Event Contracts
- Contractual Service Contracts

# Asset Maintenance Contracting

- Asset Maintenance Contracting is long-term, performance-based contract encompassing all (or most) maintenance functions, including asset management, required to serve the public and maintain the roadways within specific roadway corridors or entire geographical areas.
- Does not include major roadway resurfacing or repairs due to damage eligible for FHWA/FEMA reimbursement.

## Other Performance-Based Contracts

- Other performance-based contracts are shorter term (usually 2 to 5 years) focusing on a particular maintenance functions, such as aesthetics, landscaping, or roadway striping & RPMs.
- Some use AM performance measures, while others feature specific list of performance measures unique to contract requirements.

# Key Elements of AM Contracts

- **Performance Based**, not Work Document based
- **Long term contracts**
  - *7 to 12 years (up to 24 years with renewals)*
- **Fixed lump sum monthly payments**
- **Dynamic** - Asset Maintenance Contracts require Contractors to use the most current policies and procedures
- **Clear Performance Measures**

# Expectations

- Perform work needs survey & analysis to plan where to focus work efforts
- Consistently maintain roads, structures, & facilities according to performance measures outlined in the AM Scope and according to established Department policies, procedures, and guidelines
- Take responsibility for the condition of roads, structures, & facilities along with successes and failures of maintenance efforts

# Evaluations

- Compare actual performance to MRP criteria and to targeted performance measures outlined in Scope
- Monitor Bridge Work Order system and perform Quality Assurance reviews of structure inspections and maintenance
- Evaluate rest areas monthly with the new Rest Area Evaluation Report
- Grade Contractor semi-annually through Asset Maintenance Contractor Performance Evaluation Report (AMPER)

# Performance Measures

- Performance-based contracts feature reductions in compensation (consequences) for failure to meet established performance measures
- Performance measures are based on:
  - MRP Criteria
  - Bridge Work Order inspection & maintenance criteria
  - Rest Area evaluation criteria
  - Safety related & other specific criteria
    - Additional disincentive categories not covered by MRP
    - Most are primarily related to roadway safety features
    - “Catch-all” for violation of policy or procedure requirements
    - “Catch-all” for violation of submitted Technical Proposal - Technical proposals are made part of contract terms – they must deliver what they promise

## Performance Measures, Quantified

- Semi-annual Asset Maintenance Contractor Performance Evaluation Report (AMPER)
  - Generates a numeric contractor performance score based on a variety of Performance indicators
  - Recently finalized (January 1, 2011)
  - Good reviews from both Industry and Department
- Poor evaluation results can lead to:
  - Declare Contractor Non-Responsible (suspended from bidding on new jobs until AM job improves)
  - Default of current contract
- Good evaluation results can lead to better chances to get future contracts (future plan is to use past AMPER results as criteria to evaluate future contracts)

# Performance Measure Example (MRP)

Deficiency Identification	Deduction/Retainage
a. Failure to meet overall MRP score requirements (Periods 1 & 2)	<b>Retain</b> one half percent (.5%) of one-third of the annual contract amount for each MRP point below procedural requirements for overall MRP score
b. Substandard MRP for individual elements (Periods 1 & 2)	<b>Retain</b> one quarter percent (.25%) of one-third of the annual contract amount for each MRP point below procedural requirements for each element rating
c. Substandard MRP for individual characteristics (Periods 1 & 2)	<b>Retain</b> one eighth percent (.125%) of one-third of the annual contract amount for each MRP point below procedural requirements for each characteristic rating
d. Failure to meet overall MRP score requirements (Final Annual Rating)	<b>Deduct</b> one half percent (.5%) of the annual contract amount for each MRP point below procedural requirements for overall MRP score
e. Substandard MRP for individual elements (Final Annual Rating)	<b>Deduct</b> one quarter percent (.25%) of the annual contract amount for each MRP point below procedural requirements for each element rating
f. Substandard MRP for individual characteristics (Final Annual Rating)	<b>Deduct</b> one eighth percent (.125%) of the annual contract amount for each MRP point below procedural requirements for each characteristic rating
<p><b>PERFORMANCE CRITERIA NOTES:</b></p> <ol style="list-style-type: none"> <li>1) For <b>ALL</b> performance measures identified in all charts found in this scope, the “Time Allowed/Criteria” is <b>PER APPLICABLE PROCEDURE</b>. If the applicable procedure is non-specific for time allowed or criteria, then use the “Time Allowed/Criteria” given in the applicable chart.</li> <li>2) For all times allowed in all charts found in this scope, the District Maintenance Engineer/Administrator may grant a time extension for unusual circumstances if the extension is requested during the original time period allowed.</li> <li>3) All deductions withheld from the Contractor will occur through adjustments to the next monthly invoice amount.</li> </ol>	

# Performance Measure Example (Guardrail)

<b>GUARDRAIL</b>		
<b>Deficiency Identification</b>	<b>Time Allowed/Criteria</b>	<b>Deduction</b>
a. Failure to perform timely inspections	Per Procedure 850-050-003	\$500 per day per delinquent inspection
b. Failure to timely submit Inspection Sheets/Reports	Due within 15 days after completion of inspection	\$100 per day per delinquent report
c. Failure to make repairs identified in Inspection Reports	Within 30 days of identification	\$500 per day per guardrail
d. Failure to make temporary safety repairs resulting from incidents	Must secure with proper MOT before leaving the site	\$1,000 per day per guardrail
e. Failure to make permanent repairs resulting from incidents	Repair within 10 calendar days of Incident	\$1,000 per day per guardrail

# Performance Measure Example

<b>EMERGENCY RESPONSE</b>		
<b>Deficiency Identification</b>	<b>Time Allowed/Criteria</b>	<b>Deduction</b>
a. Failure to properly respond to incidents/events as required in Emergency Management section of this scope or according to the goals established in the Open Road Policy.	Per Emergency Management section requirements established in this scope and in the Open Road Policy.	\$1,000 per hour, prorated, per incident/event

<b>SUBMISSION OF DEPARTMENT REQUESTED DOCUMENTS</b>		
<b>Deficiency Identification</b>	<b>Time Allowed/Criteria</b>	<b>Deduction</b>
a. Upon Department request, failure to submit any documents the Contractor is required to maintain	Submit document by the end of the business day following the day of the Department's request	\$100 prorated per business day per requested document

## Challenges – Lessons Learned

- Original concept was to have Asset Maintenance Contractor self evaluate their own MRP – this caused some concern by auditors
- Original concept to have AM Contractor to handle all natural disasters, regardless of severity – Federal requirements and red tape prompted change
- Preemptive training for inspectors and administrators – we must change our mindset from “we tell them what to do” to “they decide what they need to do”
- Bridge risk reworked a bit to reduce impact of large cumulative delays in 3<sup>rd</sup> party reimbursement
- Bridge risk to be further reworked to reduce impact of high number of large, expensive maintenance projects
- Originally Contracts varied dramatically causing many District inconsistencies - AM Scope Customization System was developed to standardize language

# Best Practices

## Performance Expectations

- Establish clear performance measures that allow changes to statewide practices updated during the contract period (Dynamic)
- Use existing performance evaluation methods (MRP/Bridge Work Order) wherever possible
- Avoid subjective performance requirements
- Require the Contractor to self evaluate and certify reported performance results (call logs, emergency response)

# Best Practices

## Administration & Project Management

- Build on the successes of previous contracts
- Expect (allow) the Asset Maintenance Contractor do his job, don't micromanage
- Do not over-inspect. Your main focus should be on the final product, not all the tiny steps needed to get there
- Hold Asset Maintenance Contractor responsible for record keeping, storage & retrieval

# Best Practices

- Incorporate all active traditional maintenance contracts into new AM Contracts
- Carefully consider how to handle Emergency Response and Recovery
- Have regular meetings with Industry to allow for feedback/discussion (AM Liaison meeting)



# Asset Maintenance Contract Status

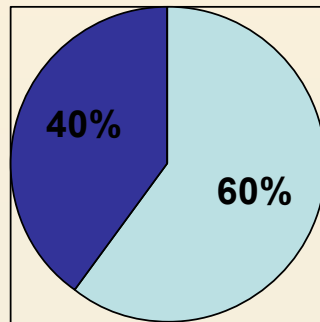
- Early 2004, \$484 Million in 17 executed contracts
  - \$64 Million annually
- Early 2006, \$700 Million in 23 executed contracts
  - \$95 Million annually
- Currently, \$900 Million in 30 executed contracts
  - \$129 Million annually



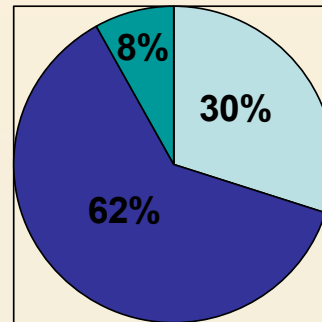
# Statewide Balance Charts for Expenditures in In-house, Traditional & AM Contracts

- In-house
- Traditional Contract
- Asset Maintenance

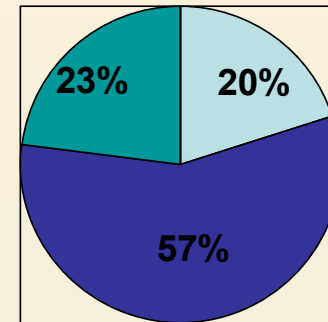
1994



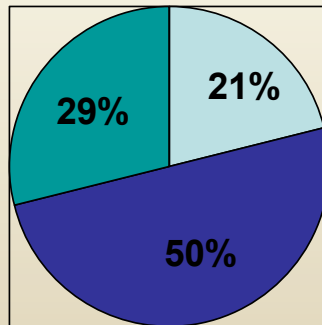
2002



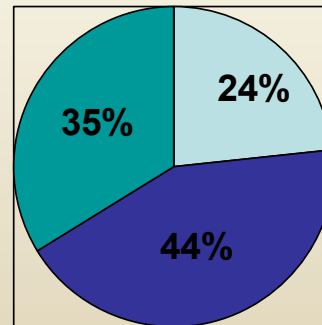
2005



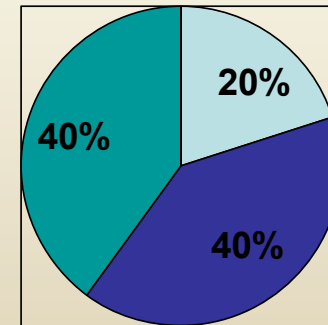
2006



2007



met goals in 2009

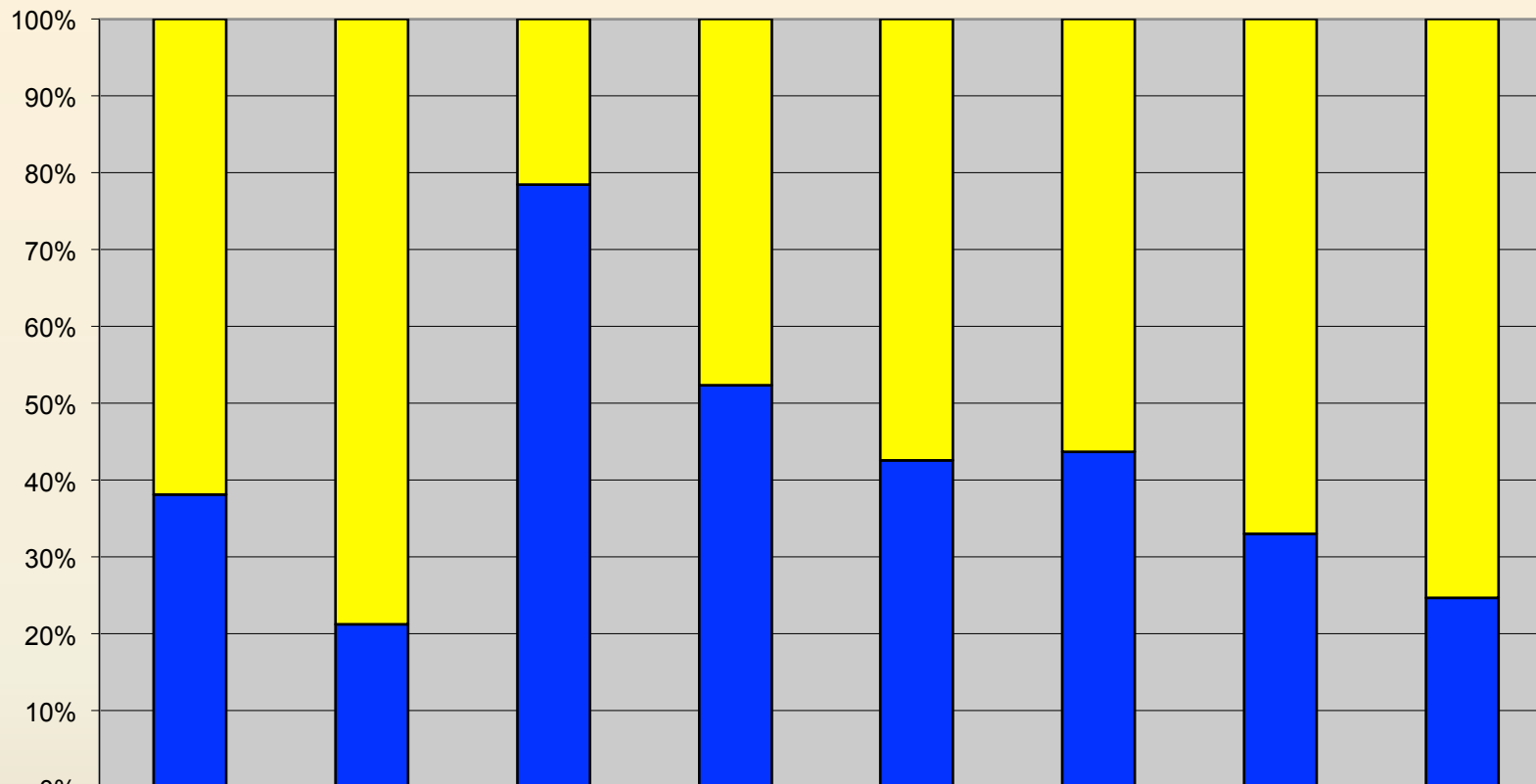


# FLORIDA DEPARTMENT OF TRANSPORTATION

## Statewide Maintenance

FY 2010/2011

■ AM  
■ Non-AM



	Rural Roadways	Urban Roadways	Rest Areas Maintain	Rest Areas Security	Bridges Inspect	Bridges Maintain	Ancillary Structure	Funding (Schd B)
■ Non-AM	3782	5061	14	31	98,466	80,243	9618	75%
■ AM	2332	1361	51	34	73,174	62,318	4741	25%

Centerline Miles

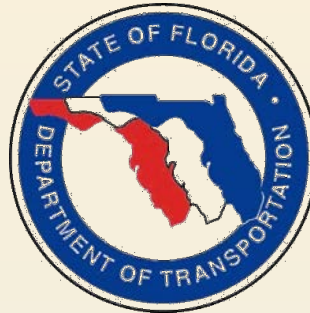
# of Rest Areas

Deck Area (1000SF)

# of Struct



# *Questions?*



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