

Turnkey Asset Maintenance Services Contracts

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Asset Management Contract Virginia Experience

- Virginia's Public Private Transportation Act (1995)
- 1996 Comprehensive Agreement with VMS, Inc. for Interstate Asset Management Services
 - Initial Period: Dec 1996 to June 2002 (\$131.6M)
 - Renewal Period: July 2002 to June 2007 (\$162M)
- 250 miles of Interstate (Approx. 1250 Lane Miles):
 - I-81: TN State Line to MM 87.44
 - I-77: NC State Line to West VA State Line
 - I-95: NC State Line to MM 101.33
- Included Routine, Preventive and Restorative Maintenance
- Fixed Price - no additional costs

Asset Management Contract (VMS)

Activities included:

- Snow/Ice events
- Incident/Accident response
- Traffic control
- Asset Repairs and Services
 - Bridges, Guardrail, Pavement
 - Pavement Markings, Signs, Lighting
 - Turf, Wildflower, Tree Trimming
 - Sweeping, Weed Control
- Third Party damage repairs: e.g. guardrail hit, bridge hit, sign damage (Claims value remains with VDOT)

Lessons Learned

- Contractor generally performs well in routine maintenance functions
 - ✓ Aesthetic Maintenance (mowing, litter, debris, sweeping)
 - ✓ Snow and Ice Control
 - ✓ Incident response
 - ✓ Mitigation of safety issues (potholes, guardrail damage)
- The only real consequence for failure to perform in the previous contract was finding the contractor in default.
 - ✓ Future contracts should include interim consequences for failure to meet performance requirements.
- The Contractor under the previous agreement had no incentive for preserving the long-term performance pavement and bridge assets.
 - ✓ No performance measure was included to adequately assess the long-term investment into the transportation infrastructure.

Turnkey Asset Maintenance Services (TAMS)

- Initially developed as a method to supplement our workforce as a way to delivery the same or higher level of service in the wake of decreasing in-house staff.
- Also identified as a concept that could be used for Interstate Maintenance after the expiration of the Asset Management contract (July 1, 2007).
- Includes “Routine”, ordinary maintenance services.
 - Snow and Ice Removal, Incident response, mowing, tree trimming, guardrail repair, sign cleaning, pot hole repair, etc.
- Contractor has the ability to pursue and keep the monetary value of the 3rd Party damage claims.

Turnkey Asset Maintenance Services (TAMS)

- Capital improvements to pavements and bridges are excluded and will be contracted separately as needed.

The TAMS contract is funded with state dollars. Capital Improvement to pavements and bridges may be funded with federal dollars.

- Has been developed to satisfy the requirements of any possible Interstate, Primary or Secondary Roadway.

- Initial Term: 3 Years with two 3-year renewal options

Initial Term of 5 Years with two 2-year renewal options may be requested on case by case basis.

- Performance Bond annually renewable for approximately 50% of the annual contract value. (Prime Contractor).

Increases opportunity for competition.

Turnkey Asset Maintenance Services (TAMS)

- Procured through a Combined Two-Step Low Bid Process
 - STEP ONE: Evaluation of Technical Bid
 - STEP TWO: Select the Price of the lowest qualified bidder
- Performance Monitoring
 - Annually for Asset Condition
 - On-going for Timeliness Compliance with monetary consequences for failure to perform.
 - Continued failure to meet contract requirements (asset performance and timeliness) may cause the Contractor to be declared in default of the contract.

Sample Performance Criteria

ASSET	OUTCOME	TARGET (%)	TOLERANCE & CRITERIA
Vegetation	Healthy Growing Neat appearance Acceptable coverage Proper sight distance	90	<ul style="list-style-type: none"> • < 10% of mowable area to exceed 12” in height All sight distances are clear • Neat / trimmed around guardrail, headwalls, paved ditches, signs and other fixed objects • < 10% bare ground per 10th mile section • No cut less than 4” in height • < 5% invasive species on the rights-of-way per 10th mile section • Litter pickup shall occur in advance of each mowing cycle <p>Timeliness Requirement:</p> <ul style="list-style-type: none"> • Vegetation affecting sight distance presenting a safety hazard shall be removed within 24 hours of notification or discovery.

Sample Performance Criteria

ASSET	OUTCOME	TARGET (%)	TOLERANCE & CRITERIA
Asphalt Surface	Safe Durable Smooth	95	<ul style="list-style-type: none"> • No potholes • Patches < 1/2" higher or lower than surrounding pavement • No pavement obstructions that present a safety hazard <p>Timeliness Requirement</p> <ul style="list-style-type: none"> • Temporary repairs to potholes 6" x 6" x 1 1/2" deep or larger shall be repaired immediately upon notification or discovery. All others within 2 days of notification or discovery • Permanent repairs to potholes/ pavement failures shall be completed within 30 days of notification or discovery • Pavement obstructions that present a safety hazard shall be mitigated immediately

Interstate Maintenance Outsourcing Contracts

- Bristol TAMS
- Salem TAMS
- South Staunton TAMS
- Charlottesville TAMS
- North Richmond TAMS
- South Richmond TAMS
- Williamsburg TAMS
- Hampton Roads TAMS
- Future TAMS

TAMS = Turnkey Asset Maintenance Services contracts



Common Concerns

What if the Contract Requirements are significantly higher than what we are currently providing?

- ✓ You will pay for the level of service specified in the contract not for what you are currently providing.
- ✓ Consider amending non-safety related performance requirements to “maintain at current condition with a 5% or 10% improvement per year until desired performance levels are met.”

Is an initial condition assessment needed?

- ✓ Yes, if possible. The information gained can become a valuable resource for both the DOT and the Contractor.
- ✓ If contract is for routine maintenance only, the initial assessment can be used to help define the scope of work for replacement or restorative contracts.

Common Concerns

Contract Administration

- ✓ Not your typical contract – realize that the contractor has some flexibility in meeting the performance requirements, which may be different than what you are used to.
- ✓ Issues need to be dealt with according to the contract specifications but should be approached as a partnership and non-adversarial.
- ✓ Contract should include an easy to follow and understand dispute resolution process to handle issues before they rise to the level of a claim.

Questions or Comments

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