



# **Joint Commission on Transportation Accountability**

## **Interstate Maintenance Contracting Briefing**

September 20, 2010  
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## Background

### Code of Virginia § 33.1-49.1

- Requires that, with a few exceptions, all maintenance on components of the Interstate Highway System in Virginia shall be carried out under contracts awarded by the Commissioner and approved by the Commonwealth Transportation Board by July 1, 2009.

# Outsourcing Methods

## Traditional Contracts:

- Rehabilitation and reconstruction contracts for items such as pavements, bridges and major assets are done by traditional contracts.

## Turnkey Asset Maintenance Services (TAMS) Contracts:

- Performance-based services contracts were initially developed:
  - To transition from the expiration of the Pilot Maintenance PPTA (July 1, 2007).
  - To provide maintenance services for the repair or replacement of roadway assets, vegetation control, emergency and incident response, and snow and ice control services.
  - To deliver the same or higher level of service in response to decreasing VDOT personnel resources.














## Current Status

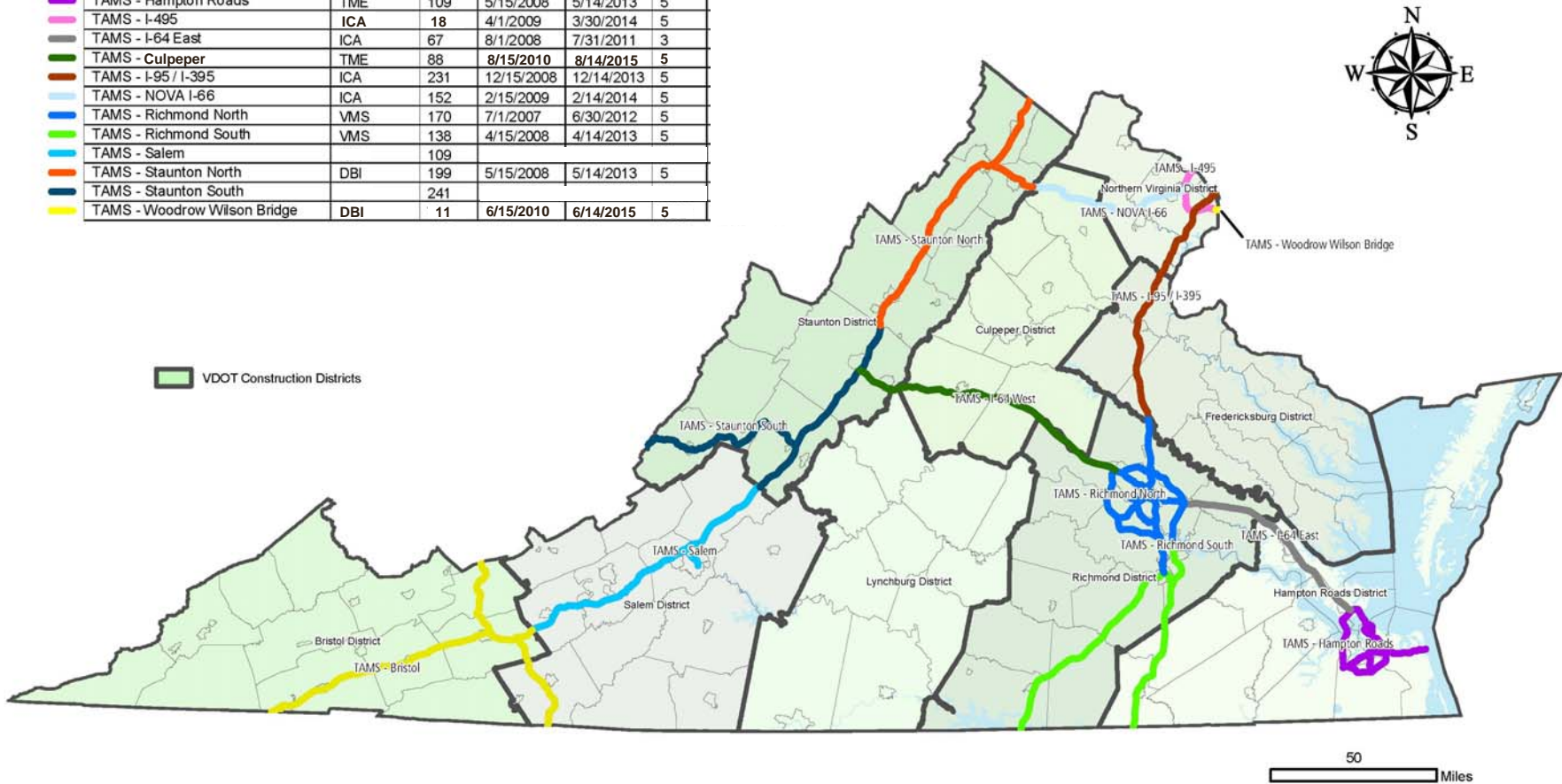
Today there are 13 TAMS contracts:

- Contract terms are primarily five (5) years; one (1) contract has a contract term of three (3) years
- Three (3) contracts in NOVA do not include snow and ice control services; these services are provided by three (3) additional but separate contracts
- Nine (9) contracts were recently modified to reduced standards (non-safety related) to achieve cost reductions in response to economy
- Two (2) contracts were recently defaulted for snow and ice control non-performance.

# VIRGINIA DEPARTMENT OF TRANSPORTATION

## Turnkey Asset Maintenance Services (TAMS) Contracts

	Contractor	Miles	Start Date	End Date	Years	
	TAMS - Bristol	TME	149	7/1/2007	6/30/2012	5
	TAMS - Hampton Roads	TME	109	5/15/2008	5/14/2013	5
	TAMS - I-495	ICA	18	4/1/2009	3/30/2014	5
	TAMS - I-64 East	ICA	67	8/1/2008	7/31/2011	3
	TAMS - Culpeper	TME	88	8/15/2010	8/14/2015	5
	TAMS - I-95 / I-395	ICA	231	12/15/2008	12/14/2013	5
	TAMS - NOVA I-66	ICA	152	2/15/2009	2/14/2014	5
	TAMS - Richmond North	VMS	170	7/1/2007	6/30/2012	5
	TAMS - Richmond South	VMS	138	4/15/2008	4/14/2013	5
	TAMS - Salem		109			
	TAMS - Staunton North	DBI	199	5/15/2008	5/14/2013	5
	TAMS - Staunton South		241			
	TAMS - Woodrow Wilson Bridge	DBI	11	6/15/2010	6/14/2015	5



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# TAMS Contract Details

TAMS Contracts	Contractor	Lane Miles	Estimated Annual Value	End Date
Williamsburg I-64*	ICA	357	\$3,628,580	2011
Richmond North I-64/95/others	VMS	1102	\$9,621,078	2012
Richmond South I-85/95/295	VMS	621	\$5,087,805	2012
Bristol I-81/77/381	TME	670	\$7,926,863	2012
Staunton North I-81/66	DBI	428	\$3,558,104	2013
Hampton Roads I-64/264/others	TME	690	\$5,850,186	2013

# TAMS Contract Details

TAMS Contracts	Contractor	Lane Miles	Estimated Annual Value	End Date
NOVA I-95/395	ICA	651	\$3,329,589	2013
NOVA I-66	ICA	392	\$2,729,493	2014
NOVA I-495	ICA	211	\$1,427,576	2014
NOVA WWB	DBI	103	\$7,267,132	2015
Culpeper I-64**	TME	374	\$5,563,629	2015
Staunton South I-81/64	pending	502	na	na
Salem I-81	pending	460	na	na
<b>TOTALS:</b>		<b>6565</b>	<b>\$55,990,036</b>	

## Lessons Learned

- **Performance-based contracting requires different tools and skill sets from traditional contract management:**
  - measurement systems for performance over the life of the contract
  - timeliness requirements due to some public safety aspects of the work.
- **Performance based contracts are still relatively new in the US and we continue to learn from our own contracting experiences as well as those in other states.**
- **Due to budget reductions last fiscal year, modifications had to be made to reduce service levels.**
- **Contract modifications have resulted in cost savings, improved contract enforceability and statewide consistency.**
- **Recently awarded I-64 Culpeper contract include lessons learned from modifications, NOVA's WWB TAMS contract, and recently defaulted contracts.**

## Lessons Learned

- **Limited market competition – very few vendors have entered into this new market.**
- **VDOT continues to search for the best methods for contracting for critical maintenance and emergency services.**
- **VDOT initiated meetings with the industry have helped us partner to improve the contracts and service deliver.**
- **Transfer of risk into 24 hour interstate emergency services contracts is costly. More importantly, such risk can and does impact public safety.**
- **Legislated outsourcing mandate has impact on the leverage of VDOT in contract negotiations.**

## Future Actions

### Fall 2010:

- Completing incorporating stakeholder ideas into a new template contract
- Staunton South TAMS Contract, based on the new template, for portions of I-81 and I-64 in the Staunton District, will be advertised this Fall
- Continuing our partnership with companies interested in this work through VDOT – TAMS Industry Meetings



## Interstate Maintenance Contracting

**Questions?**