

Performance Based Maintenance (PbM) Status

Winter Road School

January 15, 2014



Performance Based Discussion

- **Transportation Finance and Policy Commission (TFPC)**
- **MOU**
- **Budget Bill**

Background: TFPC

- **Areas for Transportation Finance and Policy Commission Analysis – Maintenance**

Reexamine how Wisconsin provides contracted state highway maintenance service.

Explore options for **private maintenance contracts**

Explore benefits of moving to **regional highway operations**

Clarify how a cross-section of **other states** maintains its networks



TFPC Recommendations

- The Commission on Transportation Finance & Policy recommended:

Retaining the state highway maintenance model;

Evaluating opportunities for regionalization of some maintenance functions; and, Improving the model to make it more performance-driven.



Memorandum of Understanding (MOU)

Performance-Based Maintenance

WisDOT and WCHA will establish a **working group to recommend changes** in the state maintenance manual and routine maintenance agreements **that will ultimately replace the actual cost reimbursement requirement** with language and procedures **that support performance based or unit price reimbursement where appropriate.**



2013 Wisconsin Act 20

- The 2013-15 budget bill created 84.07 (2) (b) of the statutes

84.07 (2) (b) When any county or municipality maintains the state trunk highways within or beyond the limits of the county or municipality, including interstate bridges, in compliance with the arrangement with the department, **the department and the county or municipality may agree to a payment method and terms other than that specified in par. (a), including payment according to a contract price for maintenance services rather than payment of actual costs of the maintenance.**



2013 – 15 Budget Provides

- ▣ New appropriation structure
 - Splits Highway Maintenance into two pots
 - Highway System Management & Operations
 - Routine Maintenance Activities (County Services)
 - More funding: **\$52.5 million**
 - **\$2.5 million** in year one
 - **\$50 million** in year two



New Appropriation Structure

Highway Maintenance, Repair and Traffic Operations (Appn. 365)

Base Funding **\$202.9** million

Highway System Management and Operations (Appn. 365)

FY14 Funding **\$82.9** million

FY15 Funding **\$82.9** million

Routine Maintenance Activities (Appn. 368)

FY14 Funding **\$122.5** million

FY15 Funding **\$170.0** million

Routine Maintenance Funding

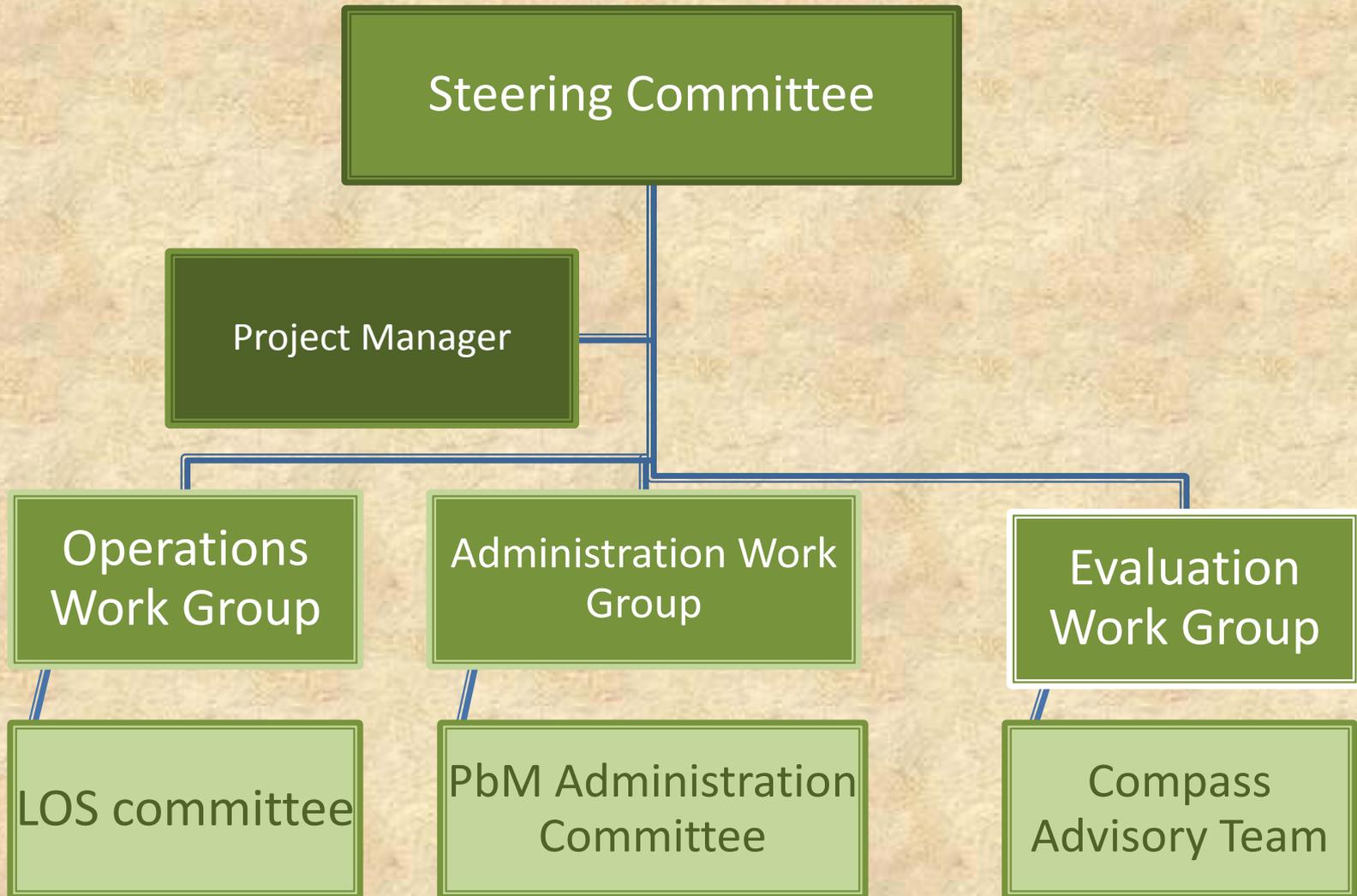
	FY 2014	FY 2015	TOTALS
Budget	\$122.5 M	\$170.0 M	\$292.5 M
CY 13 RMA	\$62.5 M	---	\$62.5 M
CY 14 RMA	\$60.0 M	\$85.0 M	\$145.0 M
CY 15 RMA	---	\$85.0 M	\$85.0 M

CY 14 Routine Maintenance Funding

- **Total Funds Available: \$145 M** (\$60 million from FY 14 and \$85 million from FY15)
- **This funding will be allocated as follows**
 - **\$132 million** for an LOS Model distribution to all counties
 - **\$4 million** for a contingency fund
 - **\$9 million** to initiate routine maintenance services delivered on a regionalized basis or under a performance-based agreement



Organizational Structure

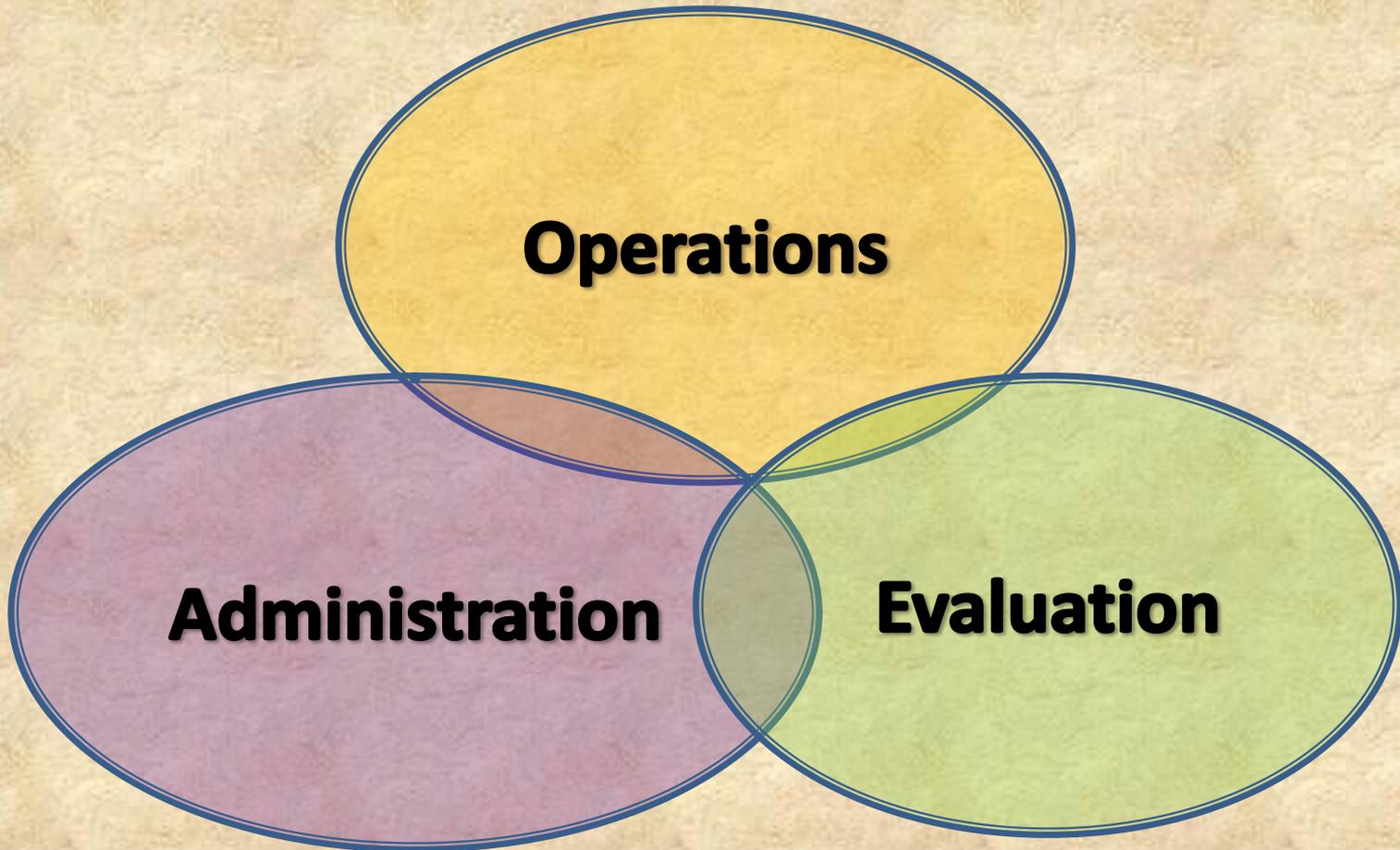


Steering Committee's Charge

To provide expertise and perspective on the efforts to employ alternate reimbursement methods for county delivered routine maintenance services and to improve program delivery, accountability, and performance.



Work Group Interactions



Tentative Timeline

- Information Gathering Oct-Feb '14
- Candidate Projects Identified Dec-Feb '14
- Projects Selected for CY 14 Feb–March '14
- CY 14 Agreements Finalized Mar-June '14
- CY 14 Projects Start July '14
- Winter Initiatives Discussed Summer '14
- Winter Initiative Selected By Oct '14
- CY 15 Initiatives Discussed Oct-Feb '15
- CY 15 Agreements Finalized Mar-June '15

Steering Committee Meetings

- Meeting Calendar

Oct. 2, 2013

Dec. 5, 2013

Feb. 6, 2014

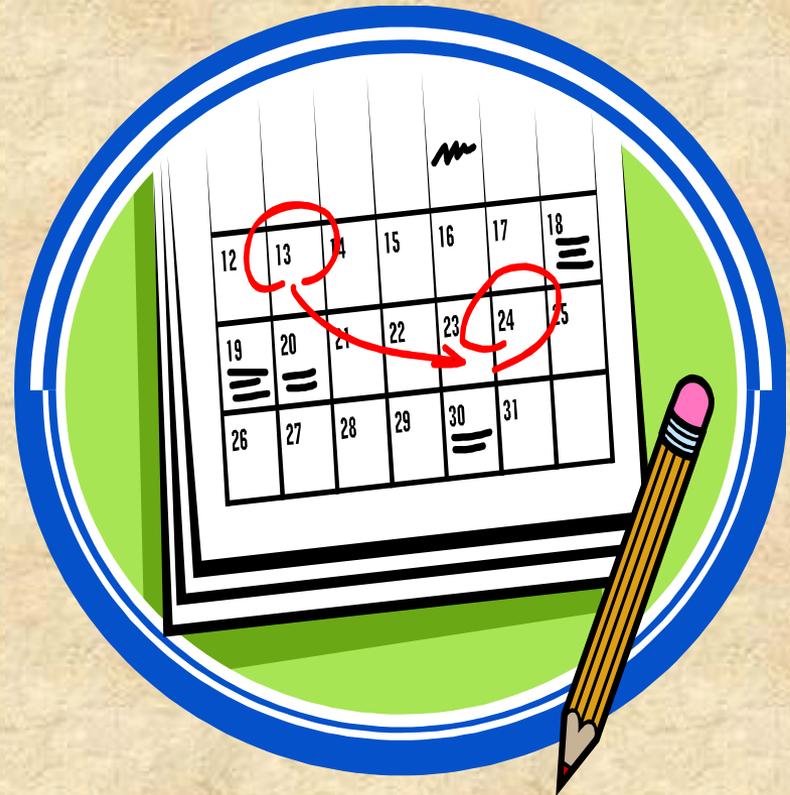
April 9, 2014

June 12, 2014

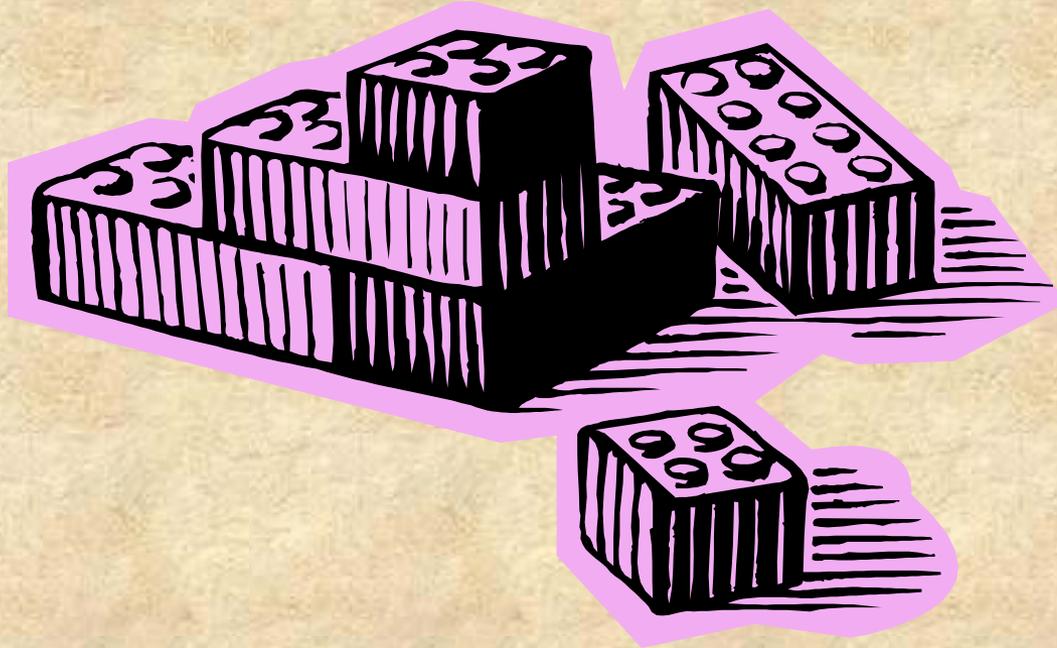
Aug. 7, 2014

Oct. 2, 2014

Dec. 4, 2014

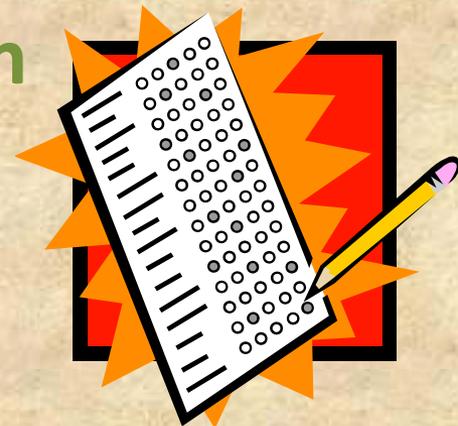


Pilot Program Assumptions



Program Assumptions

- **Maintain 72 County Providers**
- **Voluntary Participation in Pilot**
- **Four Year Evaluation Period**
- **Combination of RMAs and Pilots**
- **Segregated Funding Pots for RMAs and Pilots**
- **Set Funding Levels During Evaluation**
- **Multi-year Project Agreements**
- **Maximize PbM Opportunities**



2014 Work Activities

- Abbreviated Listing of Criteria
 - System Needs
 - Close Maintenance Target Gaps (COMPASS)
 - Quick Implementation
 - Best Management Practices
 - Promotes Asset Management Principals
 - Potential for Measured Results/Savings

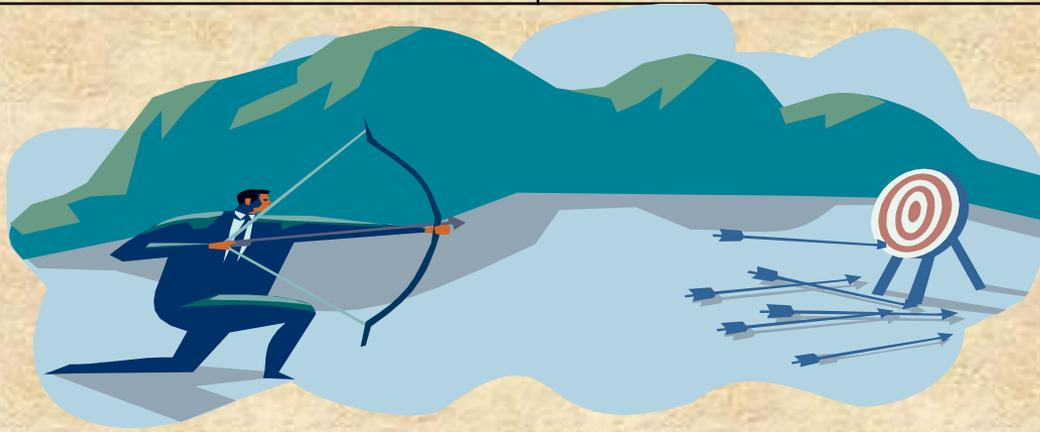
2014 Work Activities

- Shouldering
- Crack Filling/Route & Seal
- Structures (sweeping, cleaning and sealing)



LOS Model – Expenditure Comparison

Activity Description	Funding Shortfall (CY 10 – CY 12)
Roadways – Asphalt	- \$ 40.1 Million
Roadways - Shoulders	- \$ 8.2 Million
Structures	- \$ 5.9 Million
Total	- \$ 54.2 Million

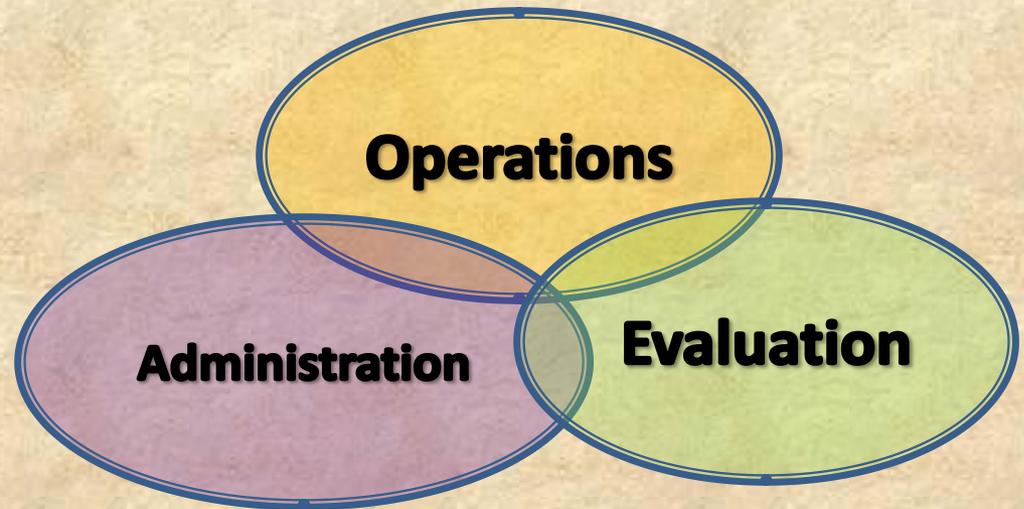


LOS Model – Expenditure Comparison

Activity Description	Work Category	Funding Shortfall
Roadways - Asphalt	Crack Sealing / Filling	- \$ 20.4 Million
Roadways - Shoulders	Grading Gravel Shoulders	- \$ 5.6 Million
Structures	Super & Substructure Maintenance and Repair	- \$ 9.4 Million
Total		- \$ 35.4 Million



Workgroup Updates



Work Group Activities

OPERATIONS

- **Prioritize Work Type for Pilot Projects**
- **Provide Project Selection Criteria**
- **Development and Preliminary Discussion**
 - > **State Furnished Materials**
 - > **Certification/Pre-qualification**
 - > **Incentive Contracts**
 - > **Pre-project Meeting Concept**



Work Group Activities

ADMINISTRATION

- Evaluating Field Manager as a DOT Mgmt Tool
- Creating a condensed work item and standard provision catalog
- Identifying Subjects for Thought Piece Development and Preliminary Discussion

Work Group Activities

- Reviewing documentation for contracts or project agreements
 - > Agreement Work Items
 - > Lump sum
 - > Unit Price
 - > Completion Date
 - > Local Force Account Record Keeping
 - > Agreement Documents



More Information & Updates

www.wisconsin.gov/Pages/doing-bus/local-gov/hwy-mnt/pbm/perf-based-mntc.aspx

WISCONSIN.GOV Agency Directory Online Services

State of Wisconsin
Department of Transportation

ONLINE SERVICES DMV DOING BUSINESS TRAVEL SAFETY PROJECTS AND STUDIES ABOUT WISDOT

Search Wisconsin DOT

Performance-based maintenance (PbM)

- Highway maintenance
- Performance-based maintenance
- Steering group

Performance-based highway maintenance is a way of effectively and proficiently preserving roads and structures.

Performance-based highway maintenance is based on the authority to contract with counties to perform specific highway maintenance tasks and is also based on an agreed-upon standard. Payment for specific

<http://www.wisconsin.gov/>



Google Search:
"Wisconsin DOT PBM"

Wrap-Up

