Contracting Interstate Maintenance

Turnkey Asset Maintenance
Service Contracts
(TAMS)

Constance S. Sorrell
Chief of System Operations
CTB Presentation
February 15, 2007

Quinton Elliott
Asset Management Division
Administrator
Board Action Item

Approve 4 Contracts to Outsource Interstate Maintenance

Legislative Mandate
Background Code of Virginia §33.1-49.1 requires that
By JULY 1, 2009 all Interstate highway maintenance, with few exceptions, be contracted by the Commissioner and approved by the Commonwealth Transportation Board. (2006 Session)

Current Status
• 77% of all interstate expenditures go to the private sector.
• TAMS Contracts will be the main tools used to achieve 100%.
• 100% outsourcing will be complete before July 1, 2009 or sooner.
All pavement and bridge repair and rehabilitation work is outsourced

250 miles of ordinary and rehabilitative Interstate System work outsourced under a single PPTA contract

The PPTA contract ends July 1, 2007 and cannot be extended

Strategies to meet statutory deadline:
- Replace PPTA contract with multiple ordinary maintenance contracts based on industry best practices
- Outsource remaining ordinary maintenance activities system-wide
- Best Practice — Turnkey Asset Management Service (TAMS) primarily ordinary maintenance and incident response
TAMS Contracts
- Performance-Based Contracts
  - Performance standards include quality of work to be performed
  - Timeliness requirements
- “Routine” ordinary maintenance services (such as mowing, drainage, pothole patching), snow removal and incident response

Maintenance Repair and Rehabilitation Contracts
- Pavements and Bridges repair and/or rehabilitation
- Separate contracts awarded based on funds available to perform work
Procurement process: a combined two-step competitive sealed bidding

- **STEP ONE:** Evaluation of technical bids to determine vendors that meets Agency’s needs based on mandatory requirements
- **STEP TWO:** Select the lowest price of those technical proposals evaluated as acceptable

**VDOT cost estimating methodology**
Agency’s expenditures + overhead + inflation factors

**Performance monitoring**
Annual review of Asset condition
Periodic review for Timeliness Compliance

**Contract Length**
- First two contracts - 3 Year term limit; two 3-year renewal options
- All new contracts - 5 Year term limit; two 2-year renewal options.
<table>
<thead>
<tr>
<th>Project Information</th>
<th>Williamsburg TAMS I-64</th>
<th>Charlottesville TAMS I-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Length</td>
<td>67 miles 306 lane miles</td>
<td>88 miles 352 lane miles</td>
</tr>
<tr>
<td>Contract Value</td>
<td>$14,590,000 for 3-years</td>
<td>$10,800,000 for 3-years*</td>
</tr>
<tr>
<td>Annual Cost/ lane mile</td>
<td>$13,820/ lane mile</td>
<td>$10,280/ lane mile Negotiated</td>
</tr>
<tr>
<td>Contract Start Date</td>
<td>August 1, 2005</td>
<td>October 1, 2006</td>
</tr>
<tr>
<td>Contract End Date</td>
<td>July 31, 2008 (two 3-year renewals)</td>
<td>September 30, 2009 (two 3-year renewals)</td>
</tr>
<tr>
<td>Contractor</td>
<td>ICA (Nashville, TN)</td>
<td>TME (Norfolk, VA)</td>
</tr>
<tr>
<td># of Responses</td>
<td>3 Responses</td>
<td>4 Responses</td>
</tr>
<tr>
<td>Project Information</td>
<td>Bristol</td>
<td>Salem</td>
</tr>
<tr>
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</tr>
<tr>
<td>Project Length</td>
<td>149 miles 629 lane miles</td>
<td>109 miles 437 lane miles</td>
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<tr>
<td>Anticipated Contract Start Date</td>
<td>July 1, 2007 5-year term</td>
<td>July 1, 2007 5-year term</td>
</tr>
<tr>
<td># of Responses</td>
<td>7 Responses</td>
<td>6 Responses</td>
</tr>
<tr>
<td>Lowest Bidder</td>
<td>TME -$42,952,440 Protest received by two bidders. Both bidders technical proposals were unacceptable.</td>
<td>ICA - $28,560,000* * Negotiated</td>
</tr>
</tbody>
</table>

Award of these contracts contingent upon establishment of any necessary license agreements for use of VDOT facilities.
Future TAMS Contracts

Future Actions

• Contracts for CTB Approval:
  Fall Advertisement
  Staunton
  Hampton Roads
  
  Fall Advertisement
  NOVA/Fredericksburg
  Williamsburg (if not renewed)

• An evaluation of the contracts will be conducted by the Virginia Transportation Research Council and reported to the CTB.
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