

Survival Strategies: Maintaining Aging Infrastructure with Reduced Revenue

# Performance-Based Maintenance Contracting: Put Another Arrow in Your Quiver

**ICA** Infrastructure Corporation of America  
*More . . . Better . . . Different*



A central can of WD-40 is superimposed on a collage of six images: a warehouse interior, a highway sign for North Interstate 75, a worker on a lift, a construction site with a yellow excavator, a white ICA truck, and a road construction site with orange traffic cones. The can features the following text:

- Stops Squeaks
- Cleans And Protects
- Loosens Rusted Parts
- Frees Sticky Mechanisms
- Drives Out Moisture

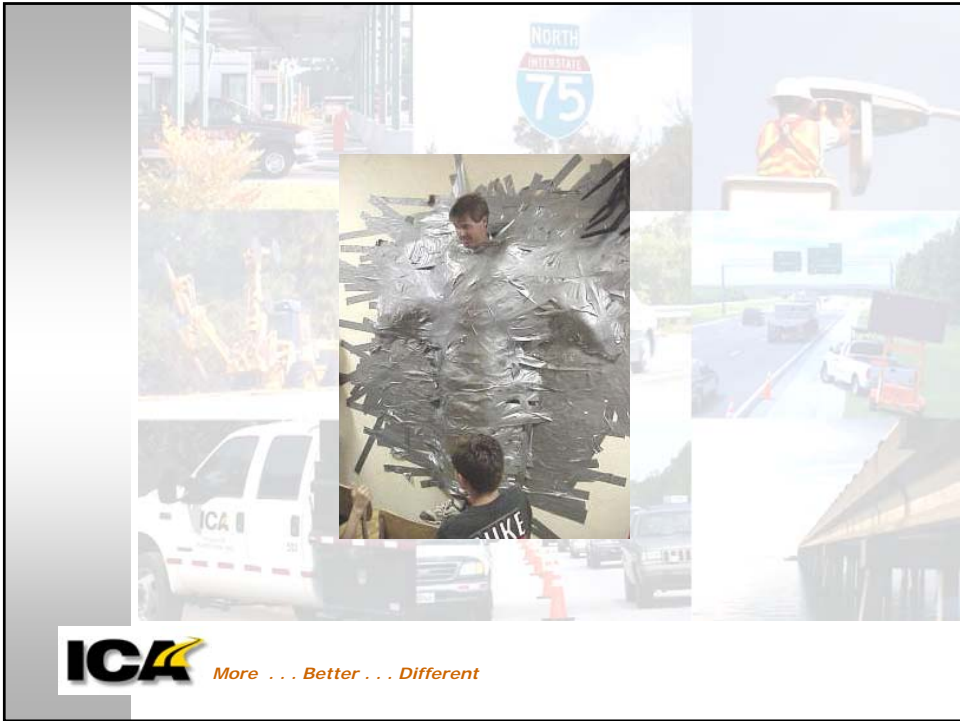
**! DANGER** FLAMMABLE VAPORS  
Keep out of reach of children.  
See other cautions on label.

NET WEIGHT 11 OZ (312g)

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A pair of silver pliers is superimposed on the same collage of six images as the top advertisement. The collage includes a warehouse interior, a highway sign for North Interstate 75, a worker on a lift, a construction site with a yellow excavator, a white ICA truck, and a road construction site with orange traffic cones.

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## Our Nation's Highway Network



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## THE CHALLENGE

INCREASING  
DETERIORATION

MORE VEHICLES  
MILES TRAVELELED

Performance  
Based  
Contracting

NO NEW RESOURCES

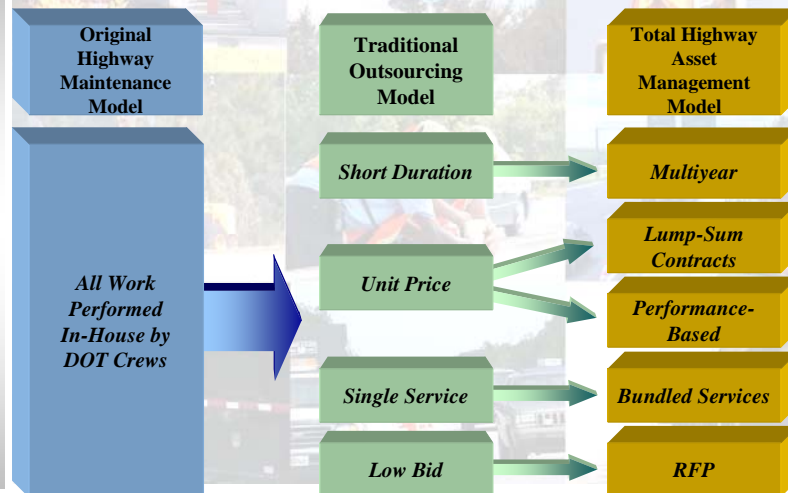
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## What is Asset Management Maintenance

- ❑ Comprehensive Maintenance Contracting Technique
- ❑ Performance Based
- ❑ Long-term Contract
- ❑ Lump Sum / Fixed Price
- ❑ Risk Sharing



## THE ASSET MANAGEMENT TRANSITION



## PERFORMANCE BASED MAINTENANCE CONTRACTING - RANGE OF SERVICE

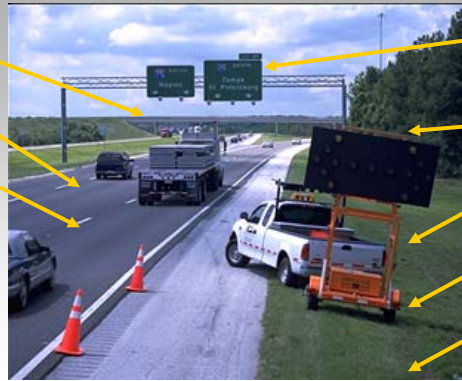
Bridge Inspection/  
Operation/Repair

Pavement Repair

Pavement Striping

Guardrail Repair

Toll Facility Maintenance /  
Rest Areas



Lighting/Signage

Traffic Control

Mowing/Seeding/  
Tree Trimming

Litter Removal

Drainage  
Cleaning/Repair



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## WHAT IS PERFORMANCE BASED MAINTENANCE CONTRACTING IN A NUTSHELL

- Focuses on what to achieve rather than how and when to achieve it.
- Emphasis on Outputs not Inputs



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## TYPICAL CONTRACT TYPES

- ❑ CORRIDOR
  - Highways/Interstates/Toll Roads
  
- ❑ GEOGRAPHIC / COMPONENTS
  - Roadways
  - Toll Facilities – Mainline/Ramp Plazas
  - Bridges - Stationary/Moveable
  - Rest Areas/Welcome Centers
  - Weigh Stations



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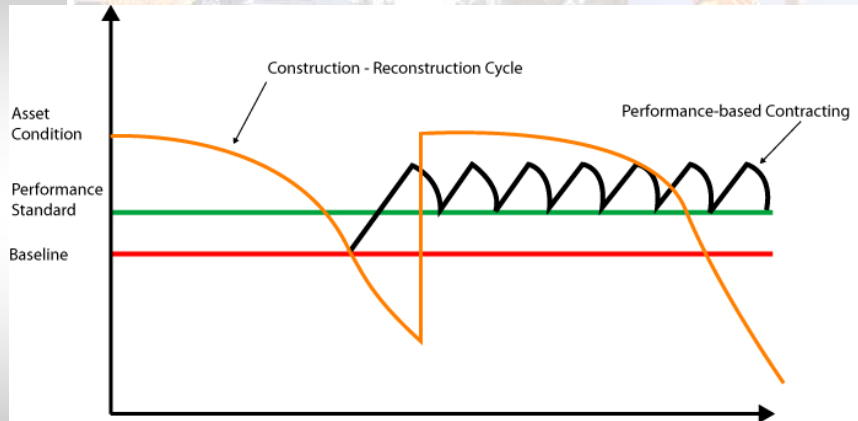
## ASSET MANAGEMENT ADVANTAGES

- ❑ Creates one-source outsourcing
- ❑ Offers lump-sum, fixed-price, multi-year contracts
- ❑ Uniform and Consistent Outcomes
- ❑ Operates to agreed performance standards
- ❑ Reduces administrative workload
- ❑ Assumes seen and unforeseen risks
- ❑ Provides specialized resources
- ❑ Flatten-out Peak Workloads
- ❑ Guarantees cost savings



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## Performance Based Maintenance – Quality Does Not Cost More



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## CHALLENGES OF PERFORMANCE-BASED MAINTENANCE CONTRACTING

- **New way of Doing Business – Requires a Culture Change**
- **Difficult to do a fair cost comparison**
  - Differences in Performance Levels
  - Difficult to quantify public agency overhead factors
- **Loss of Control is Myth – Owner agency does NOT give up control**
- **Both sides have to want it to work**

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