

# Domestic Scan 11-01

## Best Practices of Privatization of Maintenance Activities

NCHRP 20-68A

U.S. Domestic Scan Program

# ORIGIN OF SCAN 11-01

- Problem statement originated by Utah
- Became part of NCHRP 20-68A
- One of about 24 Scan subjects
- Outsourced to Arora and Associates, P.C., Lawrenceville, NJ

# BASIC STEPS IN SCANNING PROCESS

- Team and Subject Matter Expert (SME) Selection
- Focus Areas
- Amplifying Questions
- Desk Scan
- Decision to hold Workshop vs. visit DOTs
- Scheduling of Workshop
- Conduct Workshop
- Key Findings and Recommendations
- Summary Report and Presentation
- Implementation
- Draft and Final Report

# SCAN TEAM MEMBERSHIP



Greg  
Duncan  
TNDOT  
Chair



Caleb  
Dobbins  
NHDOT



Jennifer  
Brandenburg  
NCDOT



Augi  
Rosales  
CalTrans



Chris  
Christopher  
WADOT



Tim  
Lattner  
FLDOT



Carolyn  
Dill  
TxDOT

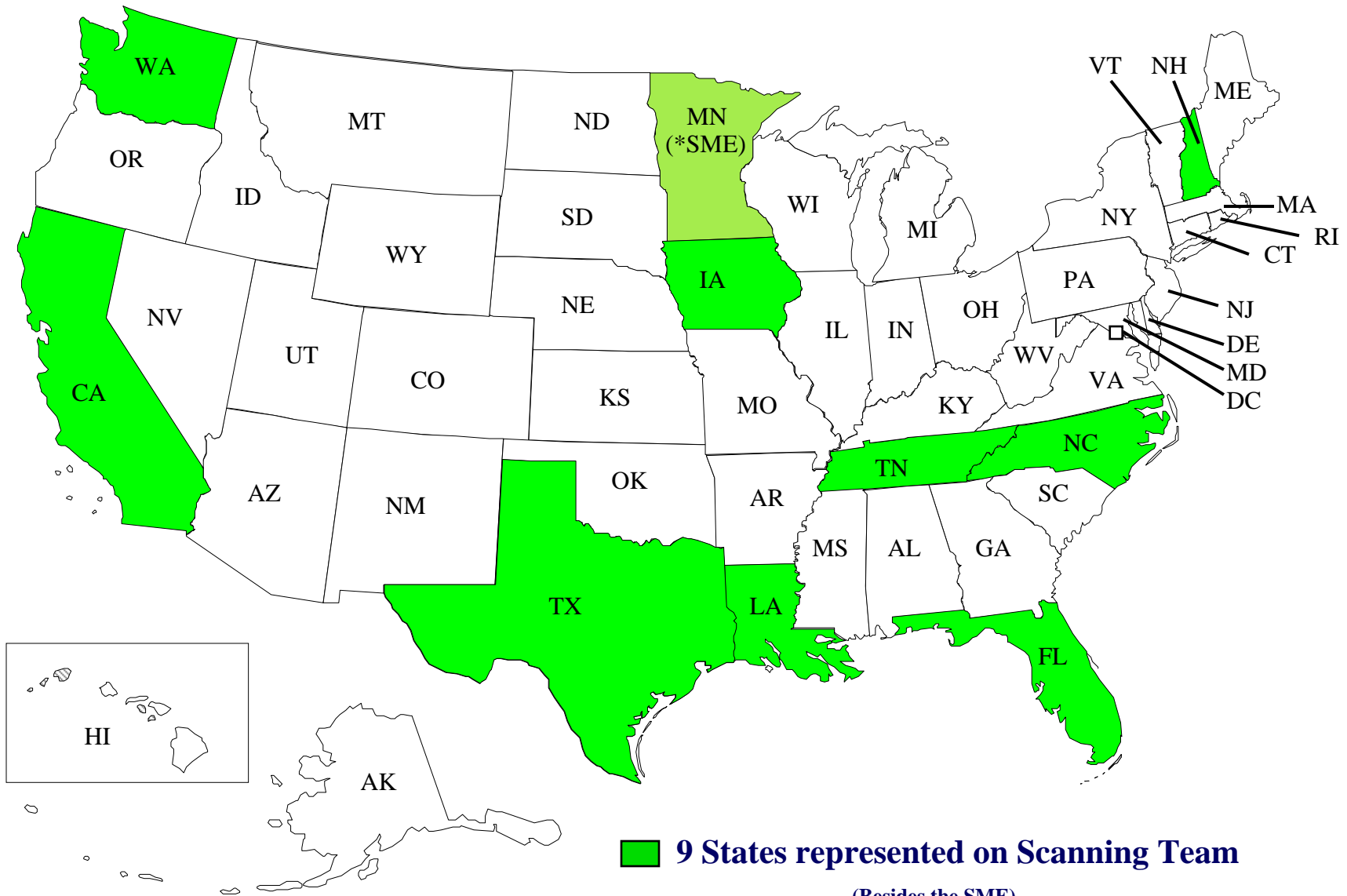


Bob  
Younie  
IADOT



Leslie  
Mix  
LADOT

# Scan 11-01 Team Members



# SUPPORTING STAFF



Harry Capers  
Arora and  
Associates, P.C.



Melissa Jiang  
Arora and  
Associates, P.C



Rod Pletan  
Subject Matter Expert  
Retired MnDOT

# Privatize vs. Outsource

... a play on words...

# ACCORDING TO MOST DICTIONARIES

- Both terms mean transferring certain responsibilities from the public to the private sector
- Both would include transferring **production of work**, possibly including **planning, design, management** and **supervision**
- Privatizing, however, is most often used if **ownership and control** is also transferred



# For Purposes of Scan 11-01

There is no ownership, ultimate responsibility nor overall control being transferred from public to private domain

therefore.....

# The Objective of Scan 11-01

is to identify the best practices of DOT's that

*are **Outsourcing** maintenance activities*

# TOPICAL AREAS

- Maintenance Functions Subject to Insourcing vs. Outsourcing
- Outsourcing Decision-Tree Factors
- Contract Specifications
- Administering Contracts
- Costs and Benefits

# AMPLIFYING QUESTIONS

The Team developed 4-8 amplifying questions for each topical area to guide all participants during the SCAN

# DOT'S INVITED TO ATTEND AND MAKE PRESENTATION AT THE WORKSHOP

## State DOT Representatives

- Utah DOT.....Kevin Griffin
- Wisconsin DOT.....Todd Matheson
- Michigan DOT .....Steven Cook
- Maine DOT.....Brian Burne
- Rhode Island DOT.....Joseph Baker
- Missouri DOT.....Elizabeth Wright
- Virginia DOT.....Rob Prezioso
- Maryland DOT.....Russ Yurek
- Nevada DOT.....Anita Bush
- Georgia DOT.....Eric Pitts
- Pennsylvania DOT.....Charles Goodhart

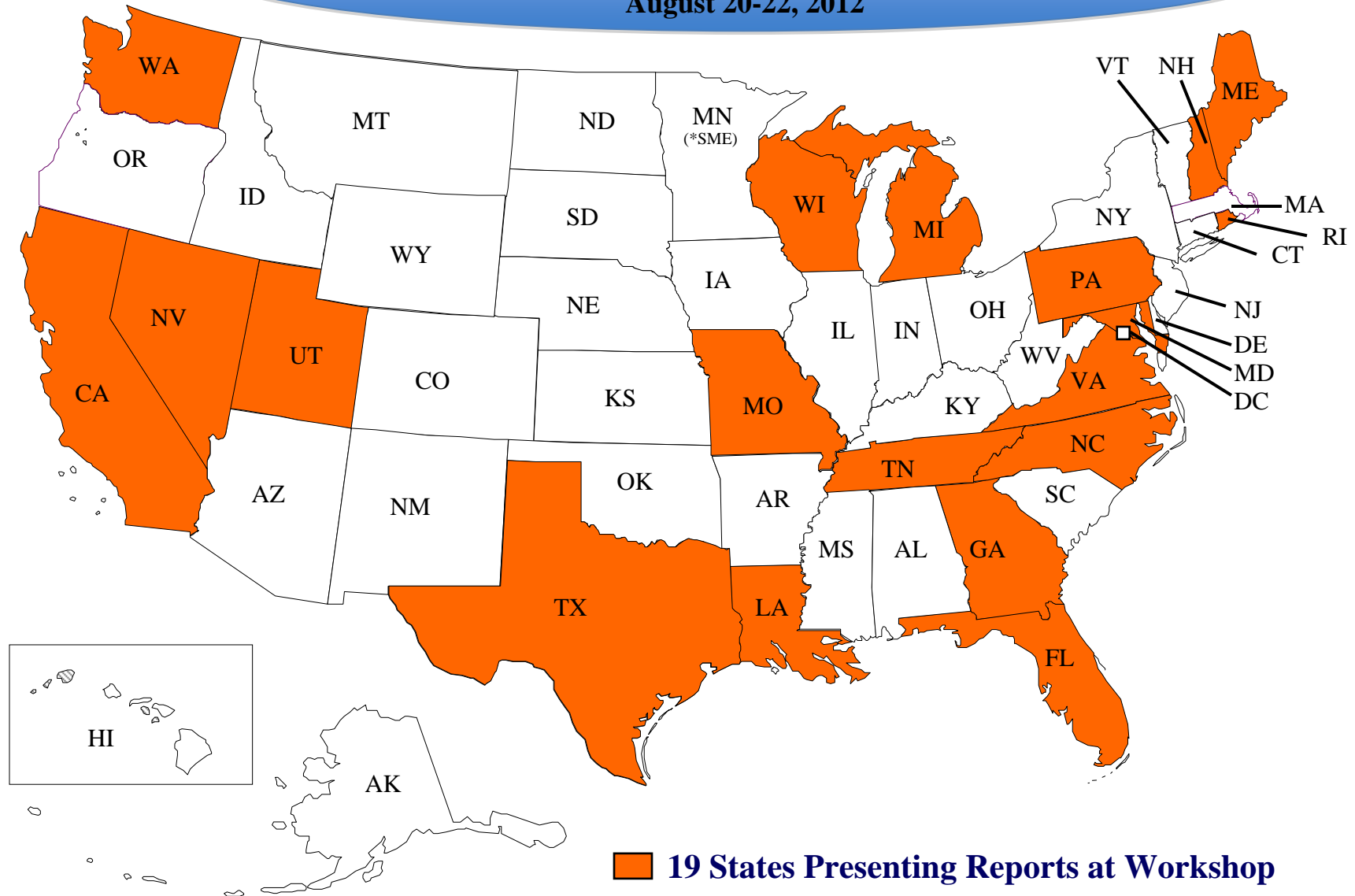
## Scanning Team Members

- Tennessee DOT .....Greg Duncan
- Florida DOT..... Tim Lattner
- New Hampshire DOT.....Caleb Dobbins
- Louisiana DOT..... Leslie Mix
- North Carolina DOT.....Jennifer Brandenburg
- Texas DOT .....Carolyn Dill
- California DOT .....Agustin Rosales
- Washington DOT.....Chris Christopher

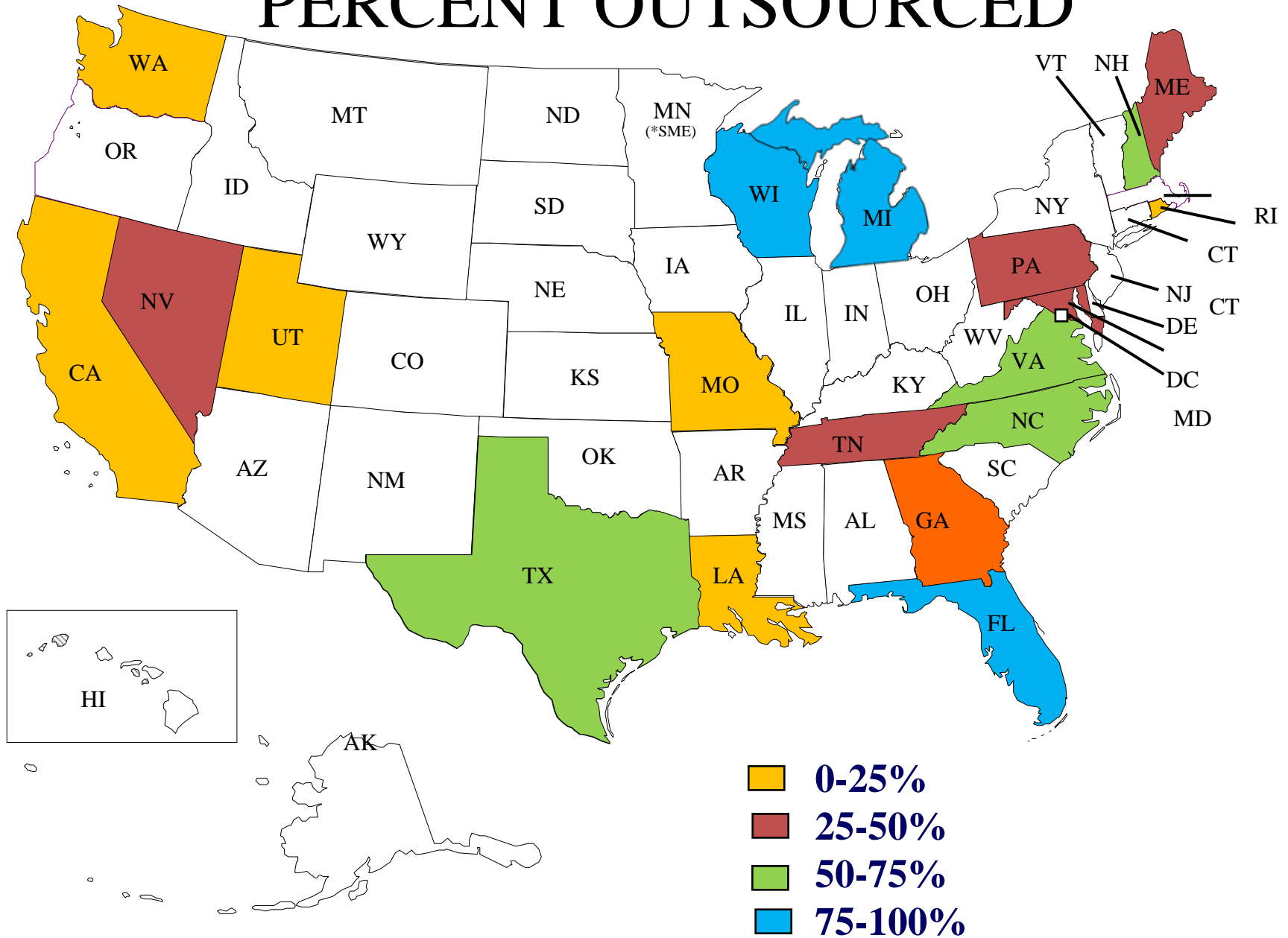
■Plus one session with AMOTIA,  
representing the contracting industry

# Scan 11-01 Workshop in Anaheim, CA

August 20-22, 2012



# PERCENT OUTSOURCED





Workshop Participants, Anaheim, Ca, August 20-22, 2012



# TYPES OF ARRANGEMENTS BETWEEN PARTIES

- Partnerships
- Contracts

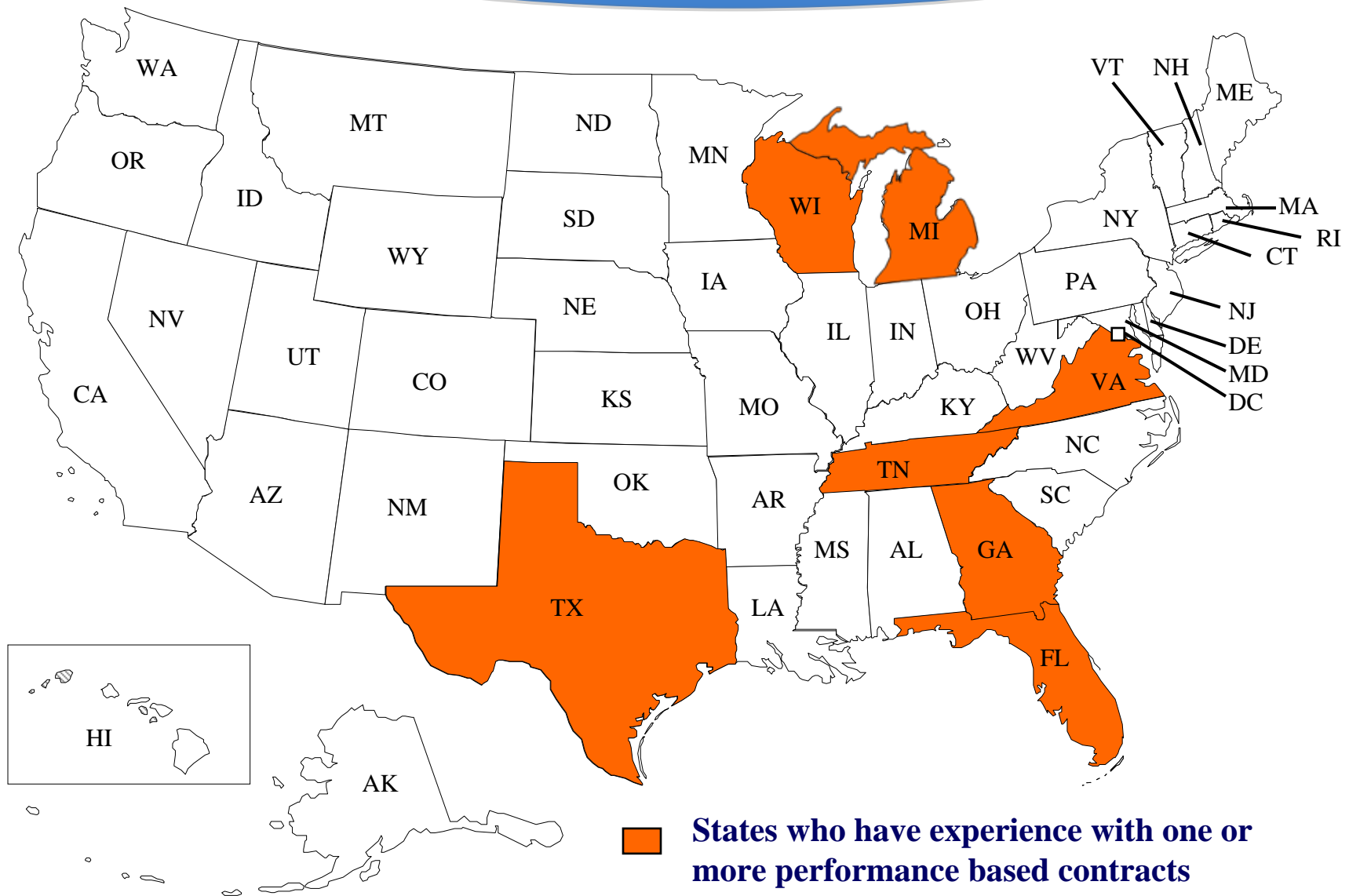
# PARTIES INVOLVED CAN BE

- Private Companies
- Public Agencies

# BASIC TYPES OF CONTRACTS

- Activity Based
  - Pay Items
  - Task work orders
  - Directed work
- Performance Based

# DOT's that do Performance Based Contracts



# WORKSHOP SESSIONS

- Opening Session
- #1 Full Asset Contracting with Public Agencies
- #2 Activity Contracting top Private Contractors
- #3 Full Asset Contracting to Private Contractors
- #4 Performance Measures
- #5 Industry Perspective
- #6 Cost Benefit
- #7 Outsourcing in General
- #8 Insourcing Maintenance
- Open Discussion of Lessons Learned & Significant Findings

# INITIAL FINDINGS

1. Risk to the contractor needs to be taken into consideration
2. Self-assessment will help in making decisions on best type of contract to use
3. Asset inventory and condition of asset is necessary
4. Training and education is critical
5. Desired level of service - needs to be defined and evaluated and must be same for state employees as well as contractor
6. Consider reasons for contracting – political climate, resources, funding, laws, unions, etc.
7. It takes time to implement contracts: communications with stakeholders, contractors, internal customers, unions, etc.
8. Outsourcing is a partnership with the contractor
9. Penalty to contractor should be commensurate to the risk

# RECOMMENDATIONS

1. Form a performance measures and contracts technical services program
2. Web upload of specifications
3. Develop PBMC training
4. Biennial MQA/contracting workshop

# PLANNED IMPLEMENTATION ACTIONS

1. NHI Webinar .....ASAP
2. AMOTIA Presentation .....Sept 2012
3. SASHTO Maintenance Presentation .....Oct 2012
4. TRB: Provide the results of scan to TRB maintenance liaison ....Jan 2013
5. WASHTO Maintenance Presentation .....Mar 2013
6. AASHTO SCOM presentation .....July 2013
7. Pursue pilot state to determine internal costs (i.e. Michigan)  
.....Summer 2013
8. Engage AASHTO SCOM leadership .....Summer 2013
9. APWA and NACE Presentation.....2013
10. Consider a survey to track implementation of best practices .....2014
11. Publish summary in technical magazines .....Ongoing



# Summary And Questions