Performance Contracting for Construction
M-115, Clare County Michigan

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(MDOT)

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Michigan DOT M-115
Highways for Life Performance-Based Contract

- 5.5 mile, rural, two-lane road and bridge reconstruction
- Best-value contract award
- Formula for evaluating price and non-price factors
# Best-value determination

<table>
<thead>
<tr>
<th>Contractor Name</th>
<th>Contractor Score</th>
<th>Cost Multiplier</th>
<th>Contractor Bid</th>
<th>Best Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rieth-Riley Construction Company, Inc.</td>
<td>111</td>
<td>0.8520</td>
<td>$5,755,413.00</td>
<td>$4,903,611.87</td>
</tr>
<tr>
<td>Central Asphalt, Inc. (Awarded)</td>
<td>80</td>
<td>0.8933</td>
<td>$4,477,777.77</td>
<td>$3,999,998.88</td>
</tr>
<tr>
<td>Pyramid Paving and Contracting Company, Inc.</td>
<td>62</td>
<td>0.9173</td>
<td>$4,190,777.00</td>
<td>$3,844,199.74</td>
</tr>
</tbody>
</table>
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MDOT’s Successes:

• Highways for LIFE (HfL) Awarded $1,000,000 to MDOT

• Incentive/Disincentive ($) Available to Contractor

• Gain Contractor’s Innovations
MDOT’s Successes - Continued

• Achieving the Established Goals
  – Open to Traffic - 20 days early
  – Cleanup - 12 days early
  – Ride Quality - under RQI under 30
  – Worker Safety (no workers injured)
  – Work Zone Crashes - only two (animal)
  – Measured Delays - 54 (average delay 2 minutes, 16 seconds!)
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Central Asphalt’s Successes:

• Temporary Lanes to Reduce Delays and Crashes

• Bridge Construction Utilizing Hy-Span Type Design

• Pavement Design (rubblizing existing pavement)
Central Asphalt’s Successes - Continued

• Fully Open Roadway

• Alternate Traffic Routes

• Use of Polymer Modified Asphalt Cement in Top Course Pavement

• 24-Hour Traffic Assistance
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MDOT’s Challenges:

- Setting up Goals that are achievable.
- Setting up Stakeholder Groups & Meetings

Highways for Life
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MDOT’s Challenges – Continued

• Stakeholder’s Agreeing

• Financing

• All New Process

• Contractor Selection/Team Scoring
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MDOT’s Challenges – Continued

• Award (Pavement Warranty Bonding)

• Letting go of Control
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Central Asphalt’s Challenges:
• Risk of Performance Warranty
• Weigh Cost Of Innovations
• Lack of Provisions to Accommodate Change
• Meet Performance Goals Specified
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MDOT & Central Asphalt’s Lessons Learned

- Pavement Warranty
- Innovations in Violation
  - Bridge 2 ft. narrower
  - No seed on the slopes
- Test Project Requirements/Goal
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MDOT & Central Asphalt’s Lessons Learned – Continued

• Inaccurate Existing Bridge Plan

• Provisions to Accommodate Site Changes
Hy-Span Bridge Design
Hy-Span Bridge Design
Self-Adjusting Temporary Traffic Signals
Rubbling Existing Pavement
Continuous Topcourse Paving: POB-POE
Thank You