

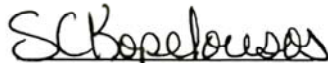
2/18/2008: Pen & Ink to correct repealed statutory reference.

Approved:

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Office: Maintenance

Topic No.: 375-000-005-b


Stephanie C. Kopelousos
Secretary

ASSET MAINTENANCE CONTRACTS

PURPOSE:

To establish the Department's process for District development, administration, and implementation of Asset Maintenance Contracts.

AUTHORITY:

Chapter 120, Sections 337.11, 337.11(15), 337.168, 337.18, and 339.135, Florida Statutes (F.S.)

Rule Chapters ~~14-25~~ 28-110, and 14-78, Florida Administrative Code (F.A.C.)

SCOPE:

This procedure applies to all offices responsible for developing, processing and administering Asset Maintenance Contracts.

BACKGROUND:

Asset Maintenance (AM) is a performance-based contracting method whereby the Department contracts with private or public entities for the management and performance of the maintenance of the transportation facility components of specific roadway corridors or entire geographical areas. In some cases, AM Contracts may include only specific transportation facility components such as rest areas or bridges.

The Department began utilizing AM Contracts for maintenance and management of Florida's transportation infrastructure in July 2000. AM, originally called Asset Management, was conceived as an innovative contracting method under authority of **Florida Statute 287**, allowing solicitation of competitive sealed proposals. AM was realigned to fall under authority of **Florida Statute 337**, but was allowed to retain the ability to solicit competitive sealed proposals.

The four types of AM Contracts currently in use are: 1) Road corridor contracts centered around a core roadway; 2) Facility contracts including rest areas, weigh stations, and

welcome centers; 3) Geographic contracts with multiple transportation facility types; and 4) Fixed and movable bridge contracts.

This procedure supplements ***District Contracts Procedure 375-000-001*** and ***Contract Maintenance Inspection and Reporting Procedure 375-020-002***. The Department will utilize the Request for Proposals (RFP) method to solicit AM Contracts. AM Contracts are developed and administered by the Districts.

DEFINITIONS:

For purposes of this procedure, the following definitions apply:

AM Contractor: The company, firm or local government agency awarded the contract with the Department to perform management oversight.

Contract Documents: includes Florida Statutes, Florida Administrative Code, Design Standards, Maintenance Activity Standards, Rules, Procedures, Handbooks, Guides, Manuals, and applicable Department Specifications.

District Contracting Unit: is the unit in the District that is responsible for procuring AM Contracts. This unit may mean either the Contracts Administration Office or the Professional Services Unit, whichever is appropriate for the task required.

Grievous Hazard: Any situation that causes, or has the ability to create, an unsafe or hazardous condition to the traveling public or presents the possibility to cause damage to public and/or private property. The Director, Office of Maintenance is the final authority on what does or does not constitute a grievous hazard.

Maintenance Program Types:

AM Contracts are performance-based contracts for the management and performance of the maintenance of all or most of the transportation facility components of specific roadway corridors or entire geographical areas. In some cases, AM Contracts may include only certain specific transportation systems such as rest areas or bridges. In all cases, AM Contracts feature performance expectations and measures. Also, AM Contracts are long in duration (5 to 10 years) and are governed by the most up-to-date Contract Documents throughout the contract life. AM Contracts include a standard AM **Scope of Services**, an RFP, and submitted Technical Proposal. They require compliance with the latest Department policies, procedures, standards, manuals, handbook, guides and specifications including other governmental rules and regulations.

In-House Forces are used where the Department intends to use their own crews and equipment to perform maintenance work. In-House crews are generally comprised of Department employees who are based at a Maintenance

Yard/Operations Center.

Traditional Contracts are contracts let to perform specific maintenance activities and may be work-order driven contracts or performance-based contracts.

Traditional contracts are normally smaller in scope than AM Contracts and include a specification package.

MRP Dispute: a formal declaration by the AM Contractor claiming the Department's MRP Team has incorrectly scored one or more MRP Yes/No evaluations.

MRP Dispute Resolution: an agreed resolution between the Department's representative and the AM Contractor's equivalent representative concerning an MRP Dispute. If an MRP Dispute reaches the level of the Director, Office of Maintenance, the Director's decision is final if resolution cannot be reached.

Non-Responsive refers to any proposal that does not comply with the criteria defined in the **Request for Proposal**.

Proposals:

A **Technical Proposal** will be submitted by Proposers for consideration and evaluation on AM Contracts. The proposal will include sufficient information to enable the District to evaluate the capability of the Proposers to provide the desired services. The information provided will be pertinent to the contract and will be innovative, when appropriate, and practical. After execution of the contract the Technical Proposal becomes a component of the contract.

The **Bid Price Proposal** will be submitted on the Bid Blank form (See form in the RFP) and will include one lump sum price for the complete contract term. The lump sum price will include all costs necessary to fully and timely complete the contract in accordance with the Contract Documents.

Request for Proposal (RFP) is the package to be provided by the Department to prospective Proposers clearly and completely identifying all Proposer Technical Proposal requirements/expectations. After execution of the contract the RFP becomes a component of the contract.

Other Contractual Requirements: The AM **Scope of Services Customization System** provides a section where Districts may insert additional duties and responsibilities required of the AM Contractor that are not included in the Standard AM **Scope of Services** language. This section is titled “Other Contractual Requirements”.

Proposer: The company, firm, or local government agency which has submitted a Technical and Price proposal to the District for the evaluation process as described in the standard AM **Scope of Services** and RFP.

Scope of Services: provides a summary of the contract’s objectives and furnishes sufficient information upon which the Proposers may prepare bid proposals (Technical and Price).

Technical Evaluation Committee: consists of at least three persons, with no more than five, who collectively have the background, experience, knowledge and/or professional credentials in the relevant service area(s)/ program area(s) for which the AM Contract is being sought. The committee members will be appointed by the District Secretary or designee to evaluate proposals.

Traffic Operations Work Orders: are defined as typical work that Traffic Operations requests Maintenance to perform. This work is typically the addition of signing (post-mounted and overhead), sign messages, pavement marking, or roadway striping.

1. CONTRACT DEVELOPMENT

1.1 STATEWIDE MAINTENANCE PROGRAM GOALS

The Department maintains state roadways using three primary Maintenance programs: AM Contracts, Traditional Contracts and In-House Forces. The Department has established statewide goals for achieving a balance between these programs. Each District is required to contribute in meeting these statewide program goals by properly balancing their Maintenance programs at the District level.

The Office of Maintenance will track current and future AM Contracts to ensure that Districts are working toward achieving and maintaining the statewide program goals. Districts will identify potential AM Contracts and notify the Office of Maintenance. The Office of Maintenance will place the candidate AM Contracts on the AM Schedule of Contracts posted on the Office of Maintenance web site.

1.2 DEVELOPMENT OF SCOPE OF SERVICES

The AM **Scope of Services** shall clearly and completely identify all AM requirements/services. The Office of Maintenance has developed a standard AM **Scope of Services** to ensure clarity and consistency statewide.

The Office of Maintenance has developed a web-based AM Scope Customization System to allow Districts to develop a standardized AM **Scope of Services** that addresses specific District needs. The web-based Scope Customization System provides the Districts with a variety of options to include or not include in their AM **Scope of Services**. The District simply selects specific options they desire to be included in the AM **Scope of Services** and enters appropriate information in provided blank spaces throughout the standard AM **Scope of Services**. Then the web-based System will automatically generate the District-customized standard AM **Scope of Services**.

1.2.1 Contract Length and Renewals

Through the Customization System, the District will input the desired contract length into the blank space provided in the standard AM **Scope of Services**. The District will also enter the desired length and number of renewals into the standard AM **Scope of Services**. The contract length will be from five to ten years and the total length of all renewals will be no longer than original contract length. If the District and AM Contractor elect to renew, the renewal lump sum amount will be calculated as follows:

a = Original Total Lump Sum Contract Amount

b = Number of Years of Renewal Term

c = Number of Years of Original Contract Term

Inflation factor = 0.0215 (represents 2.15% per year)

Inflation = $a \cdot b \cdot \text{Inflation factor}$

Renewal Period Total Lump Sum Amount = $(a \cdot b / c) + \text{Inflation}$

The Renewal Period Total Lump Sum Amount will be calculated in this manner at each contract renewal.

1.2.2 Other Contractual Requirements

The standard AM **Scope of Services** provides a section to enter Other Contractual Requirements the District determines to be essential to the contract. The Other Contractual Requirements are entered through the Scope Customization System. The Office of Maintenance will review District submitted Other Contractual Requirements annually. Those found to be repetitive statewide will be incorporated into the AM **Scope of Services**. All Other Contractual Requirements, as with all modifications to the standard AM **Scope of Services**, are subject to the review and approval of the Office of Maintenance.

1.2.3 Maintenance Rating Program (MRP)

The AM **Scope of Services Customization System** allows the Districts the option of performing MRP themselves or having the AM Contractor perform the MRP. The AM Contractor will, at a minimum, achieve and maintain an MRP rating as required in the latest **MRP Handbook**. The standard AM **Scope of Services** purposely does NOT expressly state MRP targets, they are instead required by reference to the latest MRP Handbook in order to keep the MRP requirements dynamic. If a District desires an increase in the target MRP scores for a particular AM Contract, the District will establish the increased MRP targets in the Other Contractual Requirements section of the standard AM **Scope of Services**.

A. Option 1 – Department performs MRP

The District will perform a complete MRP rating three times per year using criteria outlined in the **MRP Handbook** and procedures. The Office of Maintenance will randomly generate locations to be rated each period. The District will input MRP rating data and calculate MRP scores for the AM Contractor. The District may choose to not perform an MRP period if an area has been negatively affected by an event such as a hurricane, tornado or wildfire.

The District will give the AM Contractor written notice at least five working days in advance of scheduled MRP evaluations. The District will invite the AM Contractor to accompany the MRP team in their reviews. The AM Contractor may accompany the District's MRP team with their own MRP Team consisting of a maximum of two individuals. The AM Contractor's MRP Team members will have successfully attended the State's most recent annual MRP training. If the AM Contractor elects not to accompany the MRP Team during an MRP evaluation, the AM Contractor cannot contest or dispute the MRP scores.

B. Option 2 – Contractor performs MRP

The AM Contractor will perform a complete MRP rating three times per year using criteria outlined in the **MRP Handbook** and procedures. The Office of Maintenance will randomly generate locations to be rated each period. The District will input MRP rating data and calculate MRP scores for the AM Contractor.

1.2.4 Partnering

The objective of partnering is to establish a partnership charter, dispute escalation matrix and action plan between the AM Contractor, the District and other parties associated with this contract. The District is responsible for when and how often Partnering meetings are held. The District will fill in the blank shown in the standard AM **Scope of Services** (through the Scope Customization System) and the AM Bid Proposal Sheet (attached to the standard RFP) showing the total lump sum cost for the non-bid pay item that has been established for Partnering.

1.2.5 Traffic Operations Work Orders

If Traffic Operations Work Orders are selected as an option for the standard AM Scope of Services, the District will identify the amount projected to be used on the contract for Traffic Operation Work Orders and fill in the blank field shown in the AM **Bid Proposal Sheet** (attached to the standard RFP). The Traffic Operations Work Orders pay item is a non-bid lump sum pay item. In order to make an accurate projected amount, it is recommended that the District look at historical records to determine the annual cost of Traffic Operations Work Orders. The District will provide the Work Order to the AM Contractor and the AM Contractor will provide to the Department a cost estimate to perform the work. Once the cost to perform work is agreed upon, the AM Contractor shall perform the work and keep District required documentation (**Standard Specifications, Subarticle 4-3.2** or other approved method).

1.3 DEVELOPMENT OF REQUEST FOR PROPOSAL (RFP)

The RFP shall clearly and completely identify the requirements and expectations of the Technical Proposals. The Office of Maintenance and Office of Contract Administration have developed a standard RFP to ensure clarity and statewide language consistency. RFP general content requirements are listed below. All blank fields in the standard RFP will be entered manually.

1.3.1 Contract Time/Schedule

The RFP will state an approximate time period in which the services and/or products are to be delivered. The RFP will include a blank section (**Schedule of Events**) that will be filled in by the District showing the schedule of the entire selection process and shall include all activities from initial advertisement to notice to proceed. The schedule shall be stated in specific calendar dates and it shall clearly identify the time allotted for the preparation of qualification statements and for AM proposals.

1.3.2 Mandatory Pre-Proposal Meeting

The RFP will include language requiring or providing details of a meeting for the purpose of providing an open forum for discussion on the standard AM **Scope of Services**, the Proposal Requirements and/or any other matter associated with the RFP. The RFP will only be issued to attendees. Attendance at the Pre-Proposal meeting is mandatory and any Proposer who fails to attend will be deemed non-responsive and automatically disqualified from further consideration.

During and after the meeting, it is the responsibility of the District Contracting Unit to ensure that each Proposer develops their technical proposal with the same information. If a Proposer receives information from the District relating to the project prior to the information cutoff date, the Department will ensure that all Proposers receive the same information concurrently. The project file will clearly document all communications by the District Contracting Unit or the Project Manager with any Proposer regarding the

contract details.

1.3.3 Request for Proposal Questions and Answers

The RFP will address guidance for any technical questions arising from the information contained in the RFP. Questions will be forwarded, in writing, to the procurement agent at the address indicated in the RFP. In order for technical questions to be answered in a timely fashion, technical questions must be received no later than the date and time shown in the RFP.

The Department's written responses to written inquiries submitted timely by a potential Proposer will be provided to all prospective Proposers by hard copy or Internet. It is the responsibility of all potential Proposers to monitor this site for any changing information prior to submitting their proposal.

Only written inquiries from potential Proposers, which are signed by persons authorized to contractually bind the Proposers, will be recognized by the Department as duly authorized expressions on behalf of the potential Proposers.

1.3.4 Contract Renewal

The Department will complete the blank field in the RFP concerning renewal options. Renewals will be at the sole discretion and option of the Department and will be agreed to in writing by both parties. If the renewal option is exercised, the Department will adjust the original lump sum amount for inflation according to the standard AM **Scope of Services**.

1.3.5 Disadvantaged Business Enterprise (DBE) Requirements

The RFP will address the Department's commitment to diversity in contracting. The Department encourages recruitment and utilization of certified and non-certified minority businesses. It is the responsibility of the AM Contractor to report DBE utilization in the Department's tracking system.

1.3.6 Contract Bond

The RFP will address bond requirements. Upon award, the AM Contractor will furnish to the Department, and thereafter continue to furnish to the Department during the term of the contract, a **Payment and Performance Bond** guaranteeing the AM Contractor's contract obligations for each twelve month period of the contract. AM Contracts with other governmental agencies do not require performance bonds.

1.3.6.1 No later than the date of contract execution the AM Contractor will provide to the Department a **Payment and Performance Bond** in a penal sum equal to the first year's annual contract amount under the contract. Annually thereafter, between thirty and forty-five days prior to the contract anniversary

date, the AM Contractor will provide to the Department a **Payment and Performance Bond** in a penal sum equal to the upcoming year's annual contract amount. Regardless of the number of separate bonds or bond continuations provided by the Surety hereunder, the Surety's liability for each bond or bond continuation will be limited to the contract amount for the twelve month period for which the bond or bond continuation is provided.

- 1.3.6.2** Each **Payment and Performance Bond** will be provided by a surety company authorized to conduct business in the State of Florida. Each **Payment and Performance Bond** will be executed only on the forms provided by the Department. Failure to provide any of the required **Payment and Performance Bond** to the Department within the aforementioned time frames will entitle the Department to annul the award, declare the AM Contractor in default, terminate the contract, or decline to renew the contract, all in the Department's sole discretion.

1.3.7 Technical/Price Proposal Evaluation Criteria

The RFP will include well-defined Technical/Price proposal requirements. This shall include detailed instructions regarding the content and format.

The RFP will include the evaluation criteria and point system to be used by the Technical Evaluation Committee to evaluate technical proposals.

- **Technical Proposal** accounts for 60% to 70% of total score (established by the District to meet the specific needs of a particular contract)

Technical Score = (Average Technical Score from Technical Evaluation Committee) x (established Technical Proposal %)

- **Price Proposal** accounts for 30% to 40% of total score (established by the District to meet the specific needs of a particular contract)

Price Score = $100 \times (\text{Lowest Price} / \text{Proposer's Price}) \times (\text{established Price Proposal \%})$

The sum of the established percentages of the Technical Proposal (60% to 70%) and the Price Proposal (30% to 40%) will equal 100%

- **Total Proposal Score** = Technical Score + Price Score

The Proposer's Technical Proposal must receive a score of at least 70% in order for the Proposer to be considered responsive. Should a Proposer receive a score less than 70% for their Technical Proposal, the entire proposal will be declared non-responsive and the price will not be opened or considered.

1.3.8 Insurance Requirements

All insurance is required as per the **Standard Specifications**. If additional coverage is desired the details of insurance will be stated in the RFP.

1.3.9 Payment Schedule

The RFP will feature a chart showing the percent of total contract amount to be paid to the AM Contractor for each month of the contract term. This chart is standard and shall not be edited for a specific AM Contract. After the AM Contract is awarded, the Department will use the percentage chart in the RFP to complete the blank payment schedule shown as an attachment in the standard AM **Scope of Services**. For original contract years, the monthly dollar amount will be the total contract amount multiplied by the monthly factor listed in the RFP. For each renewal year, the monthly dollar amount will be the contract renewal amount multiplied by the monthly factor listed in the RFP. After completion, the standard AM **Scope of Services** payment schedule will show the precise amount to be paid to the AM Contractor each month. The AM Contractor will be paid monthly according to the payment schedule.

1.4 OFFICIAL ESTIMATE

The District will be responsible for developing the official estimate prior to opening the price proposal for each AM Contract. The preferred method of developing the official estimate is the process used to develop the Department's Maintenance Budget. Other estimating methods can be used to develop the official estimate, such as: the development of costs per lane mile by applying the Department's unit prices to the workload associated with the typical inventory of features located within the contract defined limits, and/or the historical costs of significant features located within the contract limits such as rest areas and bridges. The official estimate shall accurately and specifically quantify Department costs and/or budgeted amounts for all of the work included within the proposed AM Contract. The official estimate will be retained in the contract files with a copy submitted to the Office of Maintenance.

1.5 PROPOSALS SUBMITTAL

1.5.1 Prior to advertisement and release to prospective Proposers, the District will submit to the Office of Maintenance their completed RFP along with their output from the web-based standard AM Scope Customization System, which includes the customized standard AM **Scope of Services**, Other Contractual Requirements, and summary of Selected Options. The Office of Maintenance will review the contract proposal package and notify the District Maintenance Engineer/Administrator or designee in writing/electronically within fifteen working days of package approval or of area(s) of concern. The District Maintenance Engineer/Administrator will respond in writing/electronically giving clarification and justification for the points of concern. If the Office of Maintenance finds the

justification valid, no further action is necessary. However, if the Office of Maintenance finds there is still reason for concern, the Office of Maintenance will contact the District Maintenance Engineer/Administrator or designee to discuss and attempt to clarify and resolve these areas of concern. In the event the District Maintenance Engineer/Administrator or designee and Office of Maintenance are unable to resolve the issue, the Director, Office of Maintenance will have final authority. Written documentation will be retained at the State and District levels.

- 1.5.2** The proposing firms will be asked to develop and submit proposals based on the standard AM **Scope of Services** and RFP. Proposals will be segmented into two parts: **Technical Proposals** and **Price Proposals**. Technical and price proposals will be received by the date, time and appropriate office, as noted in the RFP. Technical and price proposals will be submitted in separate sealed packages and appropriately labeled. Price proposals will include all standard bid forms (i.e., **Performance Bond, Form No. 375-020-59, DBE Utilization Certification, Form No. 700-050-30**, etc.) The designated District Office receiving the proposals will send the technical proposals to the Technical Evaluation Committee members and hold the sealed price proposal until the technical proposal scores are provided by the Committee. If a proposing firm withdraws from consideration, the Department may continue, if at least two proposals are received.

2. CONTRACT SELECTION

2.1 TECHNICAL EVALUATION COMMITTEE

The Technical Evaluation Committee will evaluate each Proposer's technical proposal based on the rating criteria provided in the RFP. The technical evaluation process shall be accomplished using the following method:

- 2.1.1** Each Technical Evaluation Committee member is responsible for obtaining a score for each evaluation criteria. As there are many different disciplines involved with an AM Contract it is not reasonable to expect each member of the Evaluation Committee to be familiar with all disciplines involved. Therefore, members may select other non-voting Technical Experts to assist them in those areas where they do not possess an appropriate level of expertise. As an example, a maintenance person may call upon a roadway designer for assistance in scoring each Proposer's roadway approach details, or a permitting or environmental person for input on environmental mitigation details. (Non-voting experts are for advice only, they do not assist in scoring, that is the sole responsibility of the Technical Evaluation Committee member.)
- 2.1.2** When scoring the Technical Proposal the Technical Evaluation Committee members shall consider the following:

- A. Technical Proposals shall be evaluated based solely on the criteria set forth in the RFP and standard AM **Scope of Services** in comparison with the other Technical Proposals.
- B. The basis for each score shall be documented in an identical manner for all proposals. Scores shall be defensible.
- C. Evaluations shall be performed on an individual basis, not as a consensus.
- D. Each member of the Technical Evaluation Committee will base their evaluation on the same criteria (any pre-determined category and category weight) as established in the RFP.
- E. Calculations will be verified by the District Contracting Unit.

2.1.3 When the Technical Evaluation Committee members are preparing comments on the Technical Proposal, they shall consider the following:

- A. Each Technical Evaluation Committee member shall provide substantive comments to support their scores.
- B. Comments shall be clear and concise. Comments shall only be related to technical proposals. Comments must be in complete sentences and identify the strong/weak points of each proposal. Comments must agree with the scores given to each proposal.
- C. Each Technical Evaluation Committee member shall sign their respective scoring documentation.

2.1.4 Each Technical Evaluation Committee members will submit their final technical proposal score and supporting documentation for each proposal to the District Contracting Unit.

2.1.5 The District Contracting Unit will publicly open the sealed price proposals. It is the Department's intent to award the contract to the Proposer with the highest combined **Technical** and **Price Proposal** scores.

2.2 FINAL SELECTION PROCESS

The District Contracting Unit will review the evaluations of the Technical Evaluation Committee and the **Price Proposal** of each Proposer and make a final determination of the highest adjusted score. The District Contracting Unit has the right to correct any minor errors in the evaluation and selection process that may have been made. The contract will be awarded to the Proposer determined by the District Contracting Unit to

have the highest adjusted score; however, the Department is not obligated to award the contract and the District Contracting Unit may decide to reject all proposals.

2.3 BID AWARDS

Unless all proposals are rejected, the District Contracting Unit will approve an award to the Proposer with the highest adjusted score. The Department will enter into a contract for the price proposed. In the advertisement and pertinent bid documents, the Department will reserve the right to reject all proposals and waive minor proposal irregularities.

The Department will post the results of the award of the contract or rejection of all proposals within thirty days of final selection or determination to reject all proposals.

3. CONTRACT ADMINISTRATION

3.1 PRE-WORK CONFERENCE

- 3.1.1** A pre-work conference will be required on all AM maintenance contracts. The pre-work conference will be scheduled after execution of the contract and before any work begins on the contract.
- 3.1.2** A complete and concise record of persons in attendance and the proceedings will be kept in the contract file and distributed in written form to participants. A tape recording of the meeting may be made and kept in the contract file.
- 3.1.3** A dispute escalation matrix should be established at the pre-work conference. The escalation matrix will be used to resolve any dispute, including MRP disputes arising from **Option 1** of **Section 1.2.3** of this procedure.
- 3.1.4** Additional information on pre-work conferences can be found in **Subarticle 8-3.5** of the **Standard Specifications, Contract Maintenance Inspection and Reporting, Procedure No. 375-020-002** and the **District Contracts, Procedure No. 375-000-001**.

3.2 INSPECTION

- 3.2.1** AM Contracts are intended to require very little administration/inspection work from Districts. It is important to remember, the primary indicator of AM Contract success is the quality of maintenance of the roadways under contract at any given point in time and the responsiveness of the AM Contractor to the needs of the Department and the traveling public. The how, why, when, and quantity of work accomplished is much less important. Therefore, the District's goal shall be for the AM Contractor to perform in accordance with the contract with minimal District oversight and inspection. In some cases, a quality AM Contractor may

prove himself to require almost no oversight or inspection. In other cases, more attention may be necessary until the AM Contractor proves himself to be a quality AM Contractor. The level of inspection of AM Contracts will be left to the discretion of the managing District and based on the performance of the AM Contractor. The Department's standard AM Monitoring Plan provides an excellent guide as to what shall be reviewed periodically to ensure quality work from the AM Contractor.

- 3.2.2** The District may periodically perform informal reviews of field conditions. If issues are identified and remain unresolved, the District may elect to apply deductions allowed by Performance Measures found in the AM **Scope of Services**.

3.3 CONTRACTOR RATING

- 3.3.1** The AM Contractor is expected to maintain the road system uniformly and consistently throughout the contract period by meeting performance specifications. Continued poor performance of work, continued unresponsiveness or failure to perform in accordance with the AM Contractor's proposal will result in a poor periodic rating of the AM Contractor and may further result in contract default and suspension from all Department work.

3.4 ASSET MAINTENANCE MONITORING PLAN

The Office of Maintenance has developed a standard **AM Monitoring Plan** and requires each District to use this plan or a customized modification of it and conduct a quality assessment review of their AM Contractor every six months. In addition, the Office of Maintenance will annually review the District's monitoring plans and the District's overall administration of AM Contracts. See Maintenance web page for **AM Monitoring Plan**.

3.5 MAINTENANCE DISPUTE REVIEW BOARD (DRB)

The role of the Maintenance DRB is to provide specialized expertise to assist the Department and the AM Contractor in resolving disputes in a timely and equitable manner. All details concerning usage and setup of the Maintenance DRB can be found in the **Maintenance DRB Standard Maintenance Special Provision**. The District will fill in the blank shown in the standard AM **Scope of Services** (through the Scope Customization System) and the AM **Bid Proposal Sheet** (attached to the standard RFP) showing the total lump sum cost for the non-bid pay item that has been established for the Maintenance Dispute Review Board.

3.6 MRP REQUIREMENTS

3.6.1 MRP Administration

For MRP evaluation of each of the District's AM Contracts, Districts will generate random sample points using the Random Sample Generator located on the SharePoint website. The number of generated sample points per facility type will normally be 30 or a minimum of 3 samples per available mile. The number of sample points may be increased depending on the magnitude of the AM Contract. AM Contracts may be written so that either the Department or the AM Contractor is responsible for conducting MRP evaluations of the AM Contractor. The responsible party will evaluate the SharePoint-generated MRP sample points. The District will enter the results of all evaluated sample points into the SharePoint website. The SharePoint website will calculate the AM Contractor's MRP score.

3.6.2 Interim MRP Ratings

At any time, the District may perform interim MRP ratings for one or more specific characteristics as quality assurance checks of the AM Contractor and to ensure that the AM Contractor is uniformly and consistently maintaining the State Highway System. The District may choose to interim-rate as many or as few sets of characteristics as desired. The District will generate a set of randomly generated points from the SharePoint MRP samples system to conduct interim MRP checks. The District will consider these interim rating scores when determining the AM Contractor's semiannual grades and when making decisions concerning contract renewal and default. The District is not required to give notice or invite the AM Contractor to participate in interim MRP evaluations; therefore, there will be no "Yes/No" disputes associated with interim MRP evaluations.

3.6.3 MRP Disputes & Re-Evaluations

3.6.3.1 Department Disputes of AM Contractor MRP Self-Evaluation – For AM Contracts requiring the AM Contractor to perform MRP self-evaluations, if the District suspects the Contractor's MRP self-evaluation is not 100% accurate, the District has the authority to perform a re-evaluation of the suspect MRP points within the contract limits. The District will invite the AM Contractor to observe the re-evaluation in order to improve the overall consistency and coordination between the District's and the AM Contractor's MRP teams. If any changes in "Yes/No" evaluations are deemed necessary, the Department's re-evaluation rating is final. After all "Yes/No" disputes are resolved the District will recalculate MRP scores accordingly.

3.6.3.2 AM Contractor Disputes of Department MRP Evaluations – For AM Contracts requiring the Department to perform MRP evaluations, if the AM Contractor's MRP Team disagrees with a specific MRP "Yes/No" evaluation, attempt to resolve the dispute in the field with the AM Contractor MRP team.

If no resolution can be reached in the field, both parties will document the dispute. It is then the AM Contractor's onus to elevate the issue, if desired, to the District's designated Project Manager within two business days.

If the AM Contractor does not receive a satisfactory ruling from the Contract Administrator, the AM Contractor may elect to further escalate the dispute to the District Maintenance Administrator/Engineer, then to the District Director of Operations, and finally to the Director, Office of Maintenance, whose decision is final. For each level of escalation, the AM Contractor will present their dispute to the next level within two business days. Furthermore, once the AM Contractor selects a basis for their dispute of the "Yes/No" evaluation, the AM Contractor will stay with their originally presented argument – they cannot change the basis of their dispute in the midst of the escalation process.

If the AM Contractor violates any of these restrictions, the dispute will be ruled in favor of the Department. Beginning from the time the dispute is presented to the District's designated Project Manager, the District is allowed a total of ten business days to resolve the dispute, not including the time the AM Contractor take to escalate the dispute to the next appropriate level. After all "Yes/No" disputes are resolved, the District will recalculate MRP scores accordingly.

3.6.4 Insufficient MRP Sample Size

There will be instances when the quantity of any individual characteristic existing within the samples for a facility type may fall below ten, making a fair and reasonable determination of the AM Contractor's performance using only the MRP difficult. When this occurs, prior to assessing contract deductions or retainage, the District will attempt to increase the sample size to a minimum of ten sites containing that characteristic, for each facility type. It is up to the District to determine how to randomly select additional sites. If a minimum of ten sites cannot be identified within the facility type, an on-site review of all existing sites will be conducted. For each additional site selected, only review the characteristic(s) affected by insufficient sample size. For this on-site review the District will invite the AM Contractor to participate in assessing the overall maintenance condition of the characteristic, taking into consideration evidence of AM Contractor activity to maintain the system, and other conditions including weather, impact and sensitivity to adjacent property owners, etc.

3.6.5 Discretionary Consideration

If provided with sufficient AM Contractor documentation, the District may reduce or eliminate a deduction or retainage based upon sound engineering judgment, to be fair and reasonable. When this occurs, the District will document the circumstances and outcome of the review to the AM Contractor, and retain all documentation within the contract file. The MRP is a vital tool for evaluating performance and administering AM

Contracts. When used to assess retainage and deductions, the District's Project Manger will ensure that the action is fair and reasonable.

Since deductions are calculated based upon the point deficiency of an individual characteristic, element, or overall MRP rating, an item having a small number of samples can result in an excessive deduction. The Districts are authorized, and responsible for ensuring that any deduction assessed is fair and reasonable. The reasonableness of any retainage adjustment or payment reduction will be reviewed by the District and discussed with the AM Contractor. The District will document the reasonableness of such actions, and retain all documentation within the contract file.

3.6.6 Process to Give a "NO" Rating Discretionary Consideration

- 3.6.6.1** The MRP SharePoint system allows the MRP Evaluation Team to score each sample point by placing "Y" or "N" or "X" on the coding sheet. A "Y" rating indicates "Yes", the sample point passed MRP criteria. An "N" rating indicates "No", the sample point failed MRP criteria. An "X" rating indicates that the sample point has technically failed MRP criteria, but that this point is in good maintenance status and only failed due to a design anomaly or some other reason warranting discretionary consideration.
- 3.6.6.2** In determining if an "X" or "N" score is more appropriate the MRP team should take into consideration evidence of AM Contractor activity to maintain the system, and other conditions including weather, impact and sensitivity to adjacent property owners, etc.
- 3.6.6.3** After the MRP Evaluation Team completes the MRP coding sheets, the District shall review the sheets to ensure that all "X" ratings warrant being left as "X" or if the "X" should be changed back to an "N" because discretionary consideration is not warranted. All remaining evaluations marked with "X" will be credited as a "Y" in calculating the AM Contractor MRP score.
- 3.6.6.4** The District may also decide to change an "N" to an "X" if it is decided the point warrants discretionary consideration. If this change is desired, the District must take care not to give discretionary consideration to a point that normally warrants it, but for the current review cycle was in poor maintenance condition.
- 3.6.6.5** For any discretionary consideration (and resulting scoring of "X") the MRP Evaluation Team and/or District shall document the reasonableness of such decisions, and retain all documentation within the contract file.

3.7 REST AREAS

Because rest areas are not covered by MRP, they are to be inspected as required in the

Roadway and Roadside Maintenance, Procedure 850-000-015 and Form No. 850-045-02, Rest Area Inspection Checklist. Rest Areas shall be inspected in the same manner as MRP, i.e., if the AM Contractor is performing MRP, the AM Contractor shall perform the Rest Area inspections and if the District is performing the MRP, the District shall perform the Rest Area inspections, similarly inviting the AM Contractor to accompany. The AM Contractor is responsible for the overall maintenance of the facility not just the items covered on the inspection form. The AM Contractor will be responsible for the cost of repairing damage caused by negligent maintenance. All modifications to the facility, wastewater and water treatment systems will be approved by the District Maintenance Engineer/Administrator or designee prior to implementation. The AM Contractor is also responsible for the payment of fines resulting from negligent maintenance and noncompliance with permit requirements, procedures or rules.

3.8 PERFORMANCE REQUIREMENTS

3.8.1 AM Contracts are performance-based. The AM Contractors will maintain the facility uniformly and consistently throughout the contract period by meeting the performance specifications/measures established in the standard AM **Scope of Services**. The District will evaluate the AM Contractor performance in two ways: 1) by comparing actual work performance to the performance criteria established within the standard AM **Scope of Services**, and 2) by semiannually grading the AM Contractor. Unsatisfactory performance of work, failure to perform in accordance with the AM Contractor's technical proposal or other contract documents or not being responsive to the needs of the Department or traveling public will affect the AM Contractor's semiannual grade and may further result in contract default and/or AM Contractor being declared non-responsible. Performance measures that failed as shown in the standard AM **Scope of Services** will be deducted on the monthly estimate.

3.8.2 Once the contract is executed, the District monitors the AM Contractor's maintenance management program and conducts evaluations based upon performance specifications established in the contract.

3.8.3 The AM contracting process and contract administration follows standard Department practices, unless differences are otherwise identified. Districts are responsible for the AM contracting process for projects within the managing District.

3.9 EMERGENCY MANAGEMENT

The Department categorizes Emergency Management into two classifications: "Governor Declared Emergencies" and "Other Emergencies".

3.9.1 For Governor Declared Emergencies it is the AM Contractor's responsibility to perform pre-event preparation and provides initial response post-event to protect

the traveling public from grievous hazards (roadway washouts/cave-ins, downed electrical lines, non-traversable bridges, etc.) created by the event as defined in the standard AM **Scope of Services**. Unless otherwise noted in the AM Contract, the Department/FHWA/FEMA will not provide additional compensation to the AM Contractor for these Emergency Management activities. If the Districts determine it's necessary to bid out an Emergency Contract, the AM Contractor may place a bid to do the work if they meet all the pre-qualification requirements as shown on the Contract Administration Office web site.

- 3.9.2** For Other Emergencies it is the AM Contractor's responsibility to respond to the incident/event, including pre-event preparation, post-event initial response, and post-event cleanup and repair as defined in the standard AM **Scope of Services**. Other Emergencies will most commonly be traffic crashes, guardrail hits, severe potholes, debris within travel lanes, attenuator hits, roadway shoulder wash-outs, roadway cave-ins, bridge and overhead sign hits, and downed light poles but can include natural disasters/events/storms (Acts of God), marine collisions with bridges and/or bridge fender systems, and incidents/events resulting from human interactions.
- 3.9.3** The Districts will provide guidance and ensure AM Contractor compliance with the Emergency Management section of the standard AM **Scope of Services**. The Districts will continually evaluate the AM Contractor's quality of work performed and if applicable rules and procedures were followed to achieve results. (See attached **Emergency Management Flowchart**)

3.10 TRNS*PORT

The District Contract Trns*Port System will be used for AM Contract Administration, AM Contractor grading and AM Contractor payment.

4. TRAINING

An AM training class is being developed.

5. FORMS

Proposal Blank AM, Form No. 375-020-56
AM Contract, Form No. 375-020-58
AM Performance Bond, Form No. 375-020-59
Rest Area Inspection Checklist, Form No. 850-045-02,
DBE Utilization Certification, Form No. 700-050-30

These forms may be accessed through the Department's Forms Library.

