ROADS

Asset Management Firms See Big Future on Public Programs

Outsourcing asset management of roads, pioneered by the Virginia and Florida transportation departments less than 10 years ago, finally is starting to catch on.

Lacy Love, director of asset management for the North Carolina Dept. of Transportation, says it recently obtained legislative approval for two pilot projects. "We are finalizing a request for proposals for one project" that entails 139 highway miles near Charlotte, she says. "We're still developing a cost estimate."

Nine years ago, Virginia DOT signed VMS Inc., Richmond, to maintain 250 highway miles in a five-year contract, says Quentin D. Elliott, VDOT asset management director. Since then, VDOT has refined its contract process to utilize invitations for bids and emphasize performance-based goals. VDOT's aim is to outsource 100% of its Interstate maintenance by 2009.

Florida has outsourced asset maintenance for six years, says Tim Lattner, FDOT director of maintenance. FDOT issued an RFP to provide "fence-to-fence" services on 253 miles of I-75 between Miami and Ocala. The scope of work includes maintenance of the road and parallel public lands, medians, bridges, rest areas and call boxes. Infrastructure Corp. of America, Nashville, won a seven-year contract that began in 2000. There are 23 other contracts in Florida and 28 more to come by 2008.

Utah, Missouri, California and Mississippi, plus tolling authorities, are expressing interest. Aging DOT work forces and shrinking budgets are helping to spur the trend, says Richard Herlich, VMS president and CEO.

"In the last 12 months or so, there's definitely been an uptick in interest level," notes Butch Eley, chief operating officer of ICA. "I think states will begin to adopt a programmatic approach."

Eley notes that lessons are being learned with this relatively new process. "One of the biggest challenges we've seen is how to deal with major catastrophes, like hurricanes," he says. For example, maintaining Florida roads hit by hurricanes in past years proved tough in terms of both work conditions and payments. ■

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