



South Carolina
Department of Transportation

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U.S. Department
of Transportation

**Federal Highway
Administration**

SUMMARY REPORT

**Report No. FHWA-SC-07-06
November 2007**

South Carolina
Department of Transportation
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Performance Based Contracting and Improving the Current Contracting Process

Summary

The primary objective of the research described in this report was to suggest improvements to the maintenance contracting process currently utilized by the South Carolina Department of Transportation (SCDOT). A secondary objective was to examine to what extent SCDOT could migrate more toward performance based, as opposed to method based, highway maintenance specifications.

A comprehensive literature review indicated some states had successfully implemented performance based specifications for a wide range of maintenance activities, whereas others had not. Some states have adopted performance based specifications as part of a comprehensive asset management program whereby the contractor typically performs all routine maintenance activities within a specified geographic region. The literature also indicated that performance based contracting is often driven by legislative mandates to outsource maintenance activities. The literature review further indicated the Maintenance Rating Program (MRP) that has been implemented by the Florida Department of Transportation (FDOT) has the potential to serve as a template for examination and discussion within SCDOT.

In an attempt to solicit input from the SCDOT maintenance contractor community, a survey was executed to document contractor perceptions with respect to cost, training, and ease of implementation issues associated with performance based specifications. In general the contractors indicated that performance based specifications would increase the need for additional manpower training, but the additional cost of implementation would be minimal.

To obtain input from SCDOT field maintenance personnel, brainstorming workshop sessions were conducted in all six SCDOT district offices. Both the utilization of performance based specifications and the overall improvement of the SCDOT maintenance contracting process were discussed in the workshop sessions. A document comparing the FDOT MRP to current SCDOT contracting practice was distributed to the district offices prior to the workshop sessions. In general, the concept of performance based specifications was not well received by

SCDOT maintenance personnel. Budget concerns, district control of mowing cycles, and contractor performance were common issues raised by the workshop participants. However, workshop participants endorsed a suggested contractor prequalification concept as a means of improving the maintenance contracting process. Increased inspector training, the use of regional specifications, and the implementation of reasonable liquidated damages were among the additional suggestions put forth during the workshop sessions.

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