

Overview of the Performance Contracting for Construction Framework

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From Science to Solutions

Overview

- What is Performance Contracting?
- Why Performance Contracting for Construction?
- Framework Purpose
- Stakeholder Involvement
- Framework Contents
- Getting a Copy
- Pilot Program
- Seeking the Best Solutions Workshops

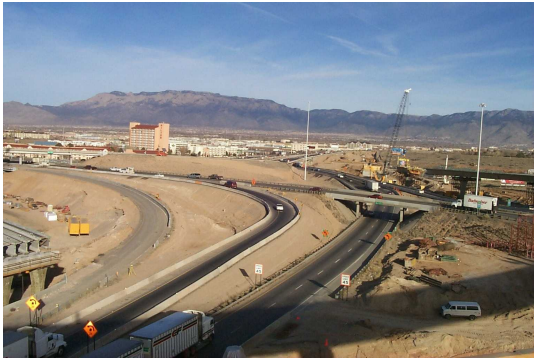


What is Performance Contracting?



- Innovative contracting technique
- Contractor is responsible for achieving a defined set of goals
- Performance goals are specified instead of prescriptive methods

Why Performance Contracting for Construction?



- Allows agencies to define and communicate to contractors specifically what they want to achieve
- Contractors will have the flexibility to determine how they do the work

Some Pros and Cons of Performance Contracting

- Pros

- Contractor is responsible for meeting the goals that they can influence
- Introduction of Innovation
- Defined Outcomes
- Contractor Flexibility
- Share of risk and rewards

- Cons

- New approach that requires a culture shift
- May not be applicable to all projects



Performance Contracting Framework - Purpose

- Provide processes and sample materials to accelerate the development of a solicitation package
- Serves as a reference guide
- Helps to avoid common obstacles and pitfalls

Performance Stakeholder Involvement

- The project team developed the materials working with:
 - A select group of stakeholders from State DOTs and Industry
 - Provided guidance and review at the 30%, 60%, and 90% stages
 - Subject matter experts from FHWA

State DOT and Industry Stakeholder Group

- Scott Jarvis - Caltrans
- Chuck Suszko - Caltrans
- Gene Mallette - Caltrans
- Peggy Chandler - Texas DOT
- Steve DeWitt - North Carolina DOT
- Kevin Dayton - Washington State DOT
- Dexter Newman - the Kentucky Cabinet
- Sid Scott - Trauner Consulting
- Brian Deery - AGC
- Bob Lanham - Williams Brothers Construction-
- Brian Burgett - Kokosing Construction
- Rich Juliano - ARTBA

Note: Participation did not involve formal endorsement of the final product

Framework Contents

- Overall process for performance contract development
- Guidance on selecting appropriate projects
- Processes, lessons learned, and sample solicitation package materials for:
 - Performance Goals
 - Measurement Methodology
 - Enhanced Low Bid Award Process
 - Best Value Award Process
 - SEP-14 Process

How Can I Get a Copy of the Framework?

- Online
 - <http://www.fhwa.dot.gov/hfl/framework/>
- Request a Hard Copy

Pilot Program

- Michigan
- Florida
- Colorado
- FHWA is seeking 1 to 5 additional agencies interested in piloting the Performance Contracting Framework.
- Pilot states will receive tailored technical assistance to help them implement this approach
- For more information contact Mary Huie at mary.huie@dot.gov or 202-366-3039

Seeking the Best Solutions Workshops

- A one-day workshop for State DOTs
- Instructs participants how to use Highways for LIFE and performance contracting concepts to deliver a project better, faster and cheaper.
- Leads participants through the process of:
 - identifying goals that respond to motorists', highway users' and the agency's highest priorities and
 - seeking the best ways to achieve those goals.
- For more information, contact Mary Huie at mary.huie@dot.gov or 202-366-3039

For More Information

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Questions

