

System of maintenance contracting  
under Performance Based Contracts -  
biggest transparency and savings in  
contracts



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ENSURING  
SERVICES OF  
THE BEST  
POSSIBLE  
QUALITY FOR  
THE CLIENTS



BECOMING A  
PUBLIC ENTITY  
FOCUSED ON  
MEETING THE  
CLIENT'S NEEDS

*Defining 'a service' and its performance mode*

# AREAS AND STRATEGIC PROJECTS

## II.1. Managing the assets:

- A. Routine maintenance strategy
- B. Periodic maintenance strategy
- C. Profit generation strategy

## II. Efficient and effective management:

1. of the assets

2. of the traffic

**I. Functional and safe grid of national roads**

3. of the safety

## II.2. Traffic management:

- A. ITS strategy – development and implementation in the grid of national roads
- B. The strategy of labelling and organising the traffic

## II.3. Safety management:

- A. National Road Traffic Safety Programme
- B. Strategic safety management

**Basic objective**

Subject matter and mode of managing to achieve the objective

Strategic collections of tools used to achieve the objective

## *Diagnosis of the starting point*

- Poor method of funds distribution
- Lack of supervision over spending the funds
- Lack of connection between the diagnostics of the road grid with the realized tasks
- Lack of uniform maintenance standards throughout the entire grid
- Lack of a consistent model of maintenance management
- Lack of a national action plan concerning maintenance, renovations and reconstructions
- Low financial efficiency

## *Undertaken actions*

- Working out a model of maintenance management
- Introducing uniform maintenance standards
- Introducing contracts for routine maintenance based on indicative settlements – *PBC*
- Preparing and realizing a multi-annual action plan within the existing grid based on the data and algorithms
- Changing the system of road diagnostics in connection with the action plan and programme for the existing grid

*Diagnosis of the Asset  
Management status*

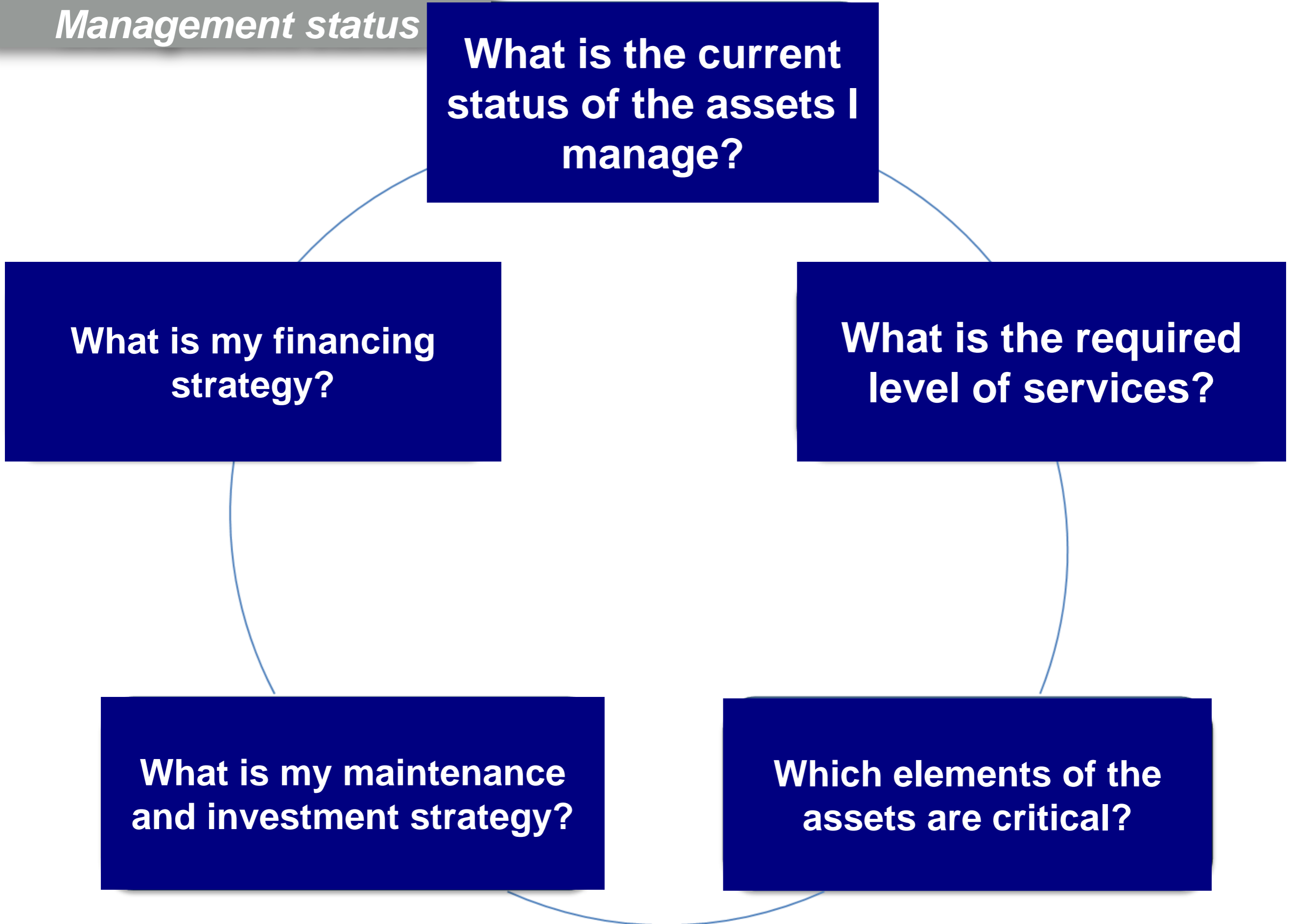
**What is the current  
status of the assets I  
manage?**

**What is my financing  
strategy?**

**What is the required  
level of services?**

**What is my maintenance  
and investment strategy?**

**Which elements of the  
assets are critical?**



**What elements are present on the roads**

**What financial benefits has been gained as a result of the changes**

**What is the required maintenance standard**

**How we regulate formal issues**

**What is needed by the Contractors to perform the services**

*Maintaining indicated  
standard of the road*

*Performing maintenance  
work*

*Managing maintenance  
work*



# Indicators

## Technical

Roughness  
Evenness  
Carrying capacity  
Depth of ruts and reductions

## Non-technical

Performance  
Result  
Type objective/performance

## Efficiency indicators

## Movement

Traffic capacity  
Fluidity  
Safety

## Economic

Cost-efficiency  
Financing level  
Social-economic efficiency

## The use of a single, measurable indicators – determination of the indicators value

Elements of road and its equipment	Standard I			Standard II			Standard III		
	description	deviation from a rule		description	deviation from a rule		description	deviation from a rule	
		Taking actions / deadline to act	removal		Taking actions / deadline to act	removal		Taking actions / deadline to act	removal
<b>greenery</b>	Area evenly covered with plants Accepted high of grass: - in median lane max. 15 cm, - from lane edge to cut slope max. 15 cm, - for cut slope to edge of road max 25 cm.	Up to 24 hours	Up to 2 weeks	Area evenly covered with plants Accepted high of grass: - in median lane max. 20 cm, - from lane edge to cut slope max. 20 cm, - from cut slope to edge of road max 30 cm.	Up to 24 hours	Up to 4 weeks	Area evenly covered with plants Accepted high of grass: - in median lane max. 25 cm, - from lane edge to cut slope max. 25 cm, - from cut slope to edge of road max 30 cm.	Up to 24 hours	Up to 6 weeks

## **The use of a single, measurable indicators – control**

- 1. Indicator: Length of grass**
- 2. The method to determine whether the indicator has been achieved: the measurement**
- 3. Principle of indicator measurement: the measurement is done with a simple tool - straight edge angle on selected areas of the surface of 10 m<sup>2</sup> with different lighting conditions and irrigation**

## **Minimalization of organizing the maintenance works**

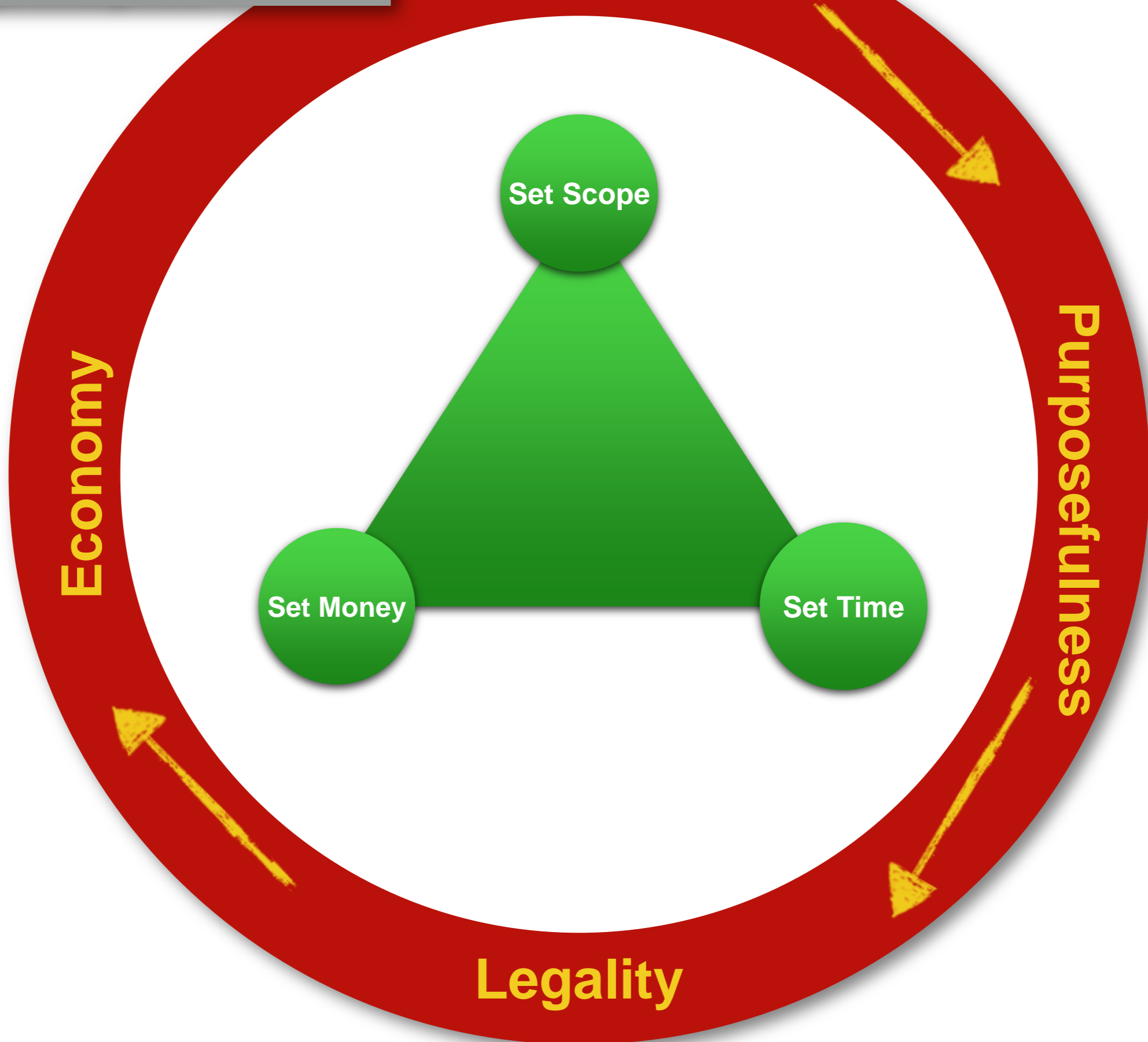
**GDDKiA does not  
indicate the  
frequency and  
method of  
maintenance and  
ad hoc works**



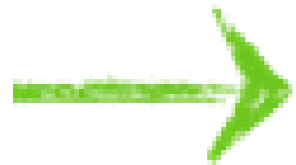
**Contractor manage  
maintenance and  
ad hoc works**

*Uniform cooperation  
principles*

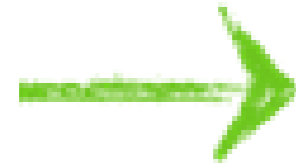
**Principles:**



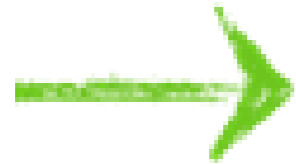
## **The use of a unified tender documents**



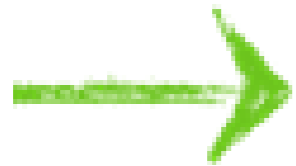
**description of the contract**



**penalty card**



**performance monitoring indicators**

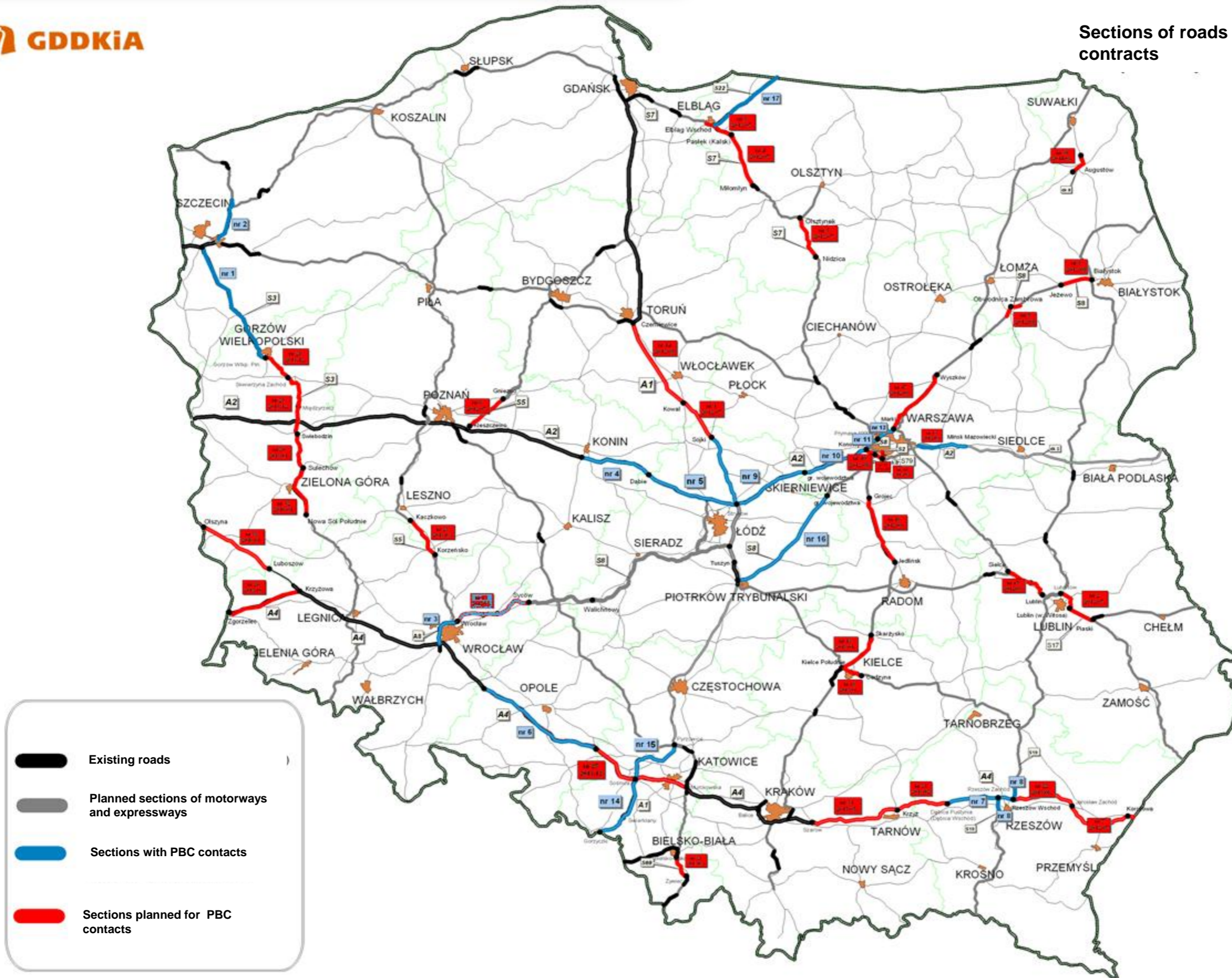


**the model contract**

# All PBC contracts – app. 850 km



Sections of roads with PBC contracts



*Important words as a conclusion*

MANAGING  
THE  
ORGANISATION

MANAGING  
THE PROCESS

MANAGING  
THE CONTRACT

EFFICIENCY

COUNTABILITY

PURPOSEFULNES  
S

EFFECTIVENESS

MEASURABILITY

LEGALITY

ECONOMY





## EFFICIENCY

- achieving best results
- maximizing profits
- optimal use of resources

## EFFECTIVENESS

- relation of results to expenses
- careful supervision and reduction of costs
- applying relevant processes

# Savings

**Investor's cost-estimate for PBC contracts – 100%**

- *PWC indicates savings at about 10%*
- *The World Bank indicates savings up to 40%*
- *GDDKiA, comparing the investor's cost-estimate with the contract price, indicates 30% difference compared with the planned amount*

**Average contract prices – 70%**

## *Next steps*

- **Developing the provisions of standard documents and standard road maintenance**

- **Preparing the road user card (analysis of users' needs)**

- **Introduction of area road maintenance in the PBC model**

- **Preparing and implementing indicators concerning the structure and surface of the road (DSN)**