

# Models of contract award procedures for maintenance tasks on national roads



*October 2016*

# What are the objectives we must deliver?

## Strategic objective

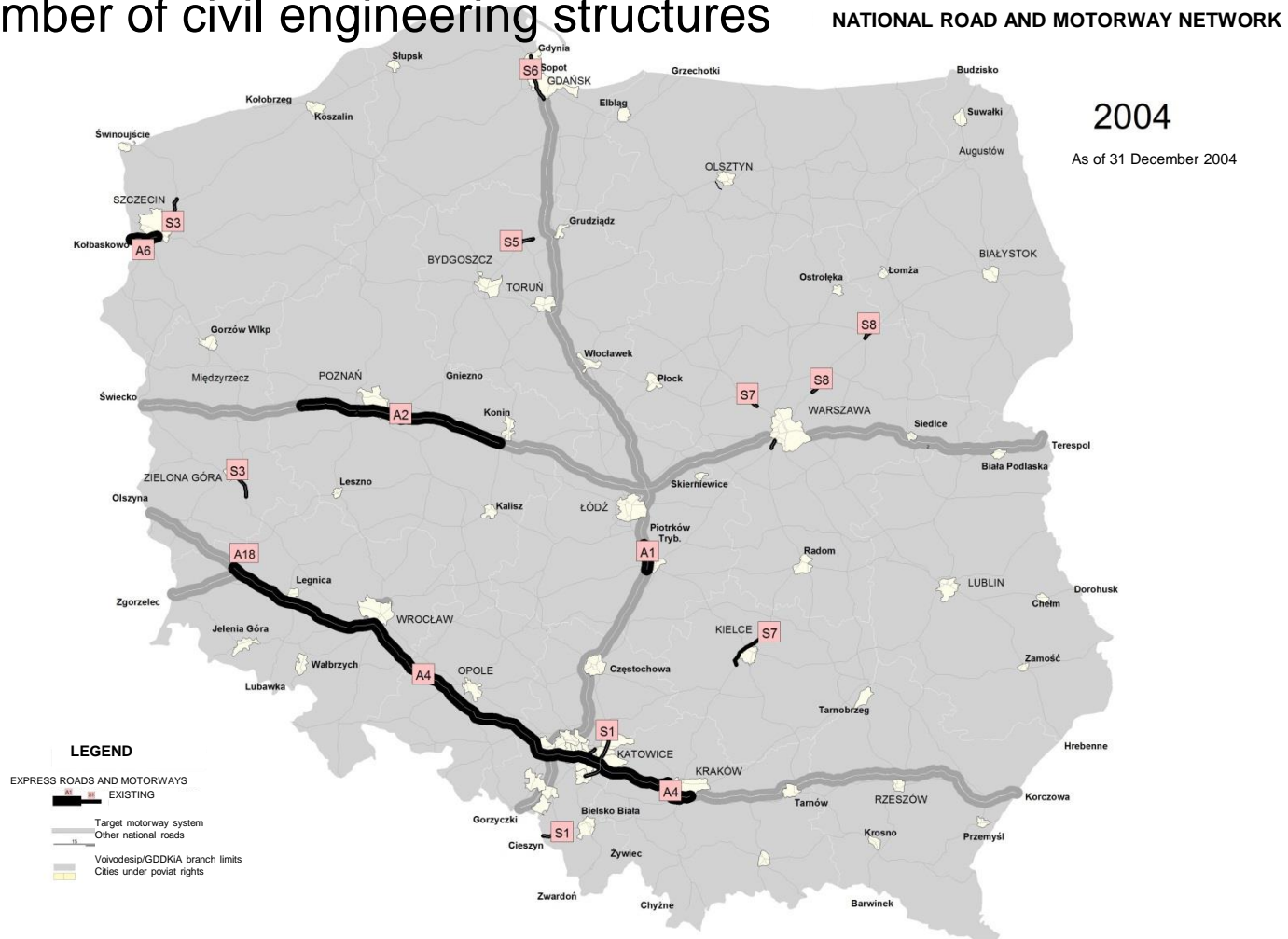
The strategic objective of GDDKiA in the area of road and bridge management is establishment and continuous development of linear service structures and selection of optimal maintenance tools to ensure regular improvement of national road network quality and thus to provide their users with adequate and acceptable safety and travel comfort level.

## Operational objectives

1. Working-out and implementation of an optimal model of contract award procedure and delivery of maintenance task in a way to use the available resources as effectively as possible in context of strategic objective and at the same time to ensure relevant flexibility of the organization in the case of crisis responding.
2. Review, modernization and unification of GDDKiA maintenance structures – with a view to enhance the road network maintenance and protection-related activities, including civil engineering structures, ensuring their stability, guaranteeing road traffic safety and effective traffic management.

# Why is it so important?

- ✓ Current development of road network and significant increase in the number of civil engineering structures



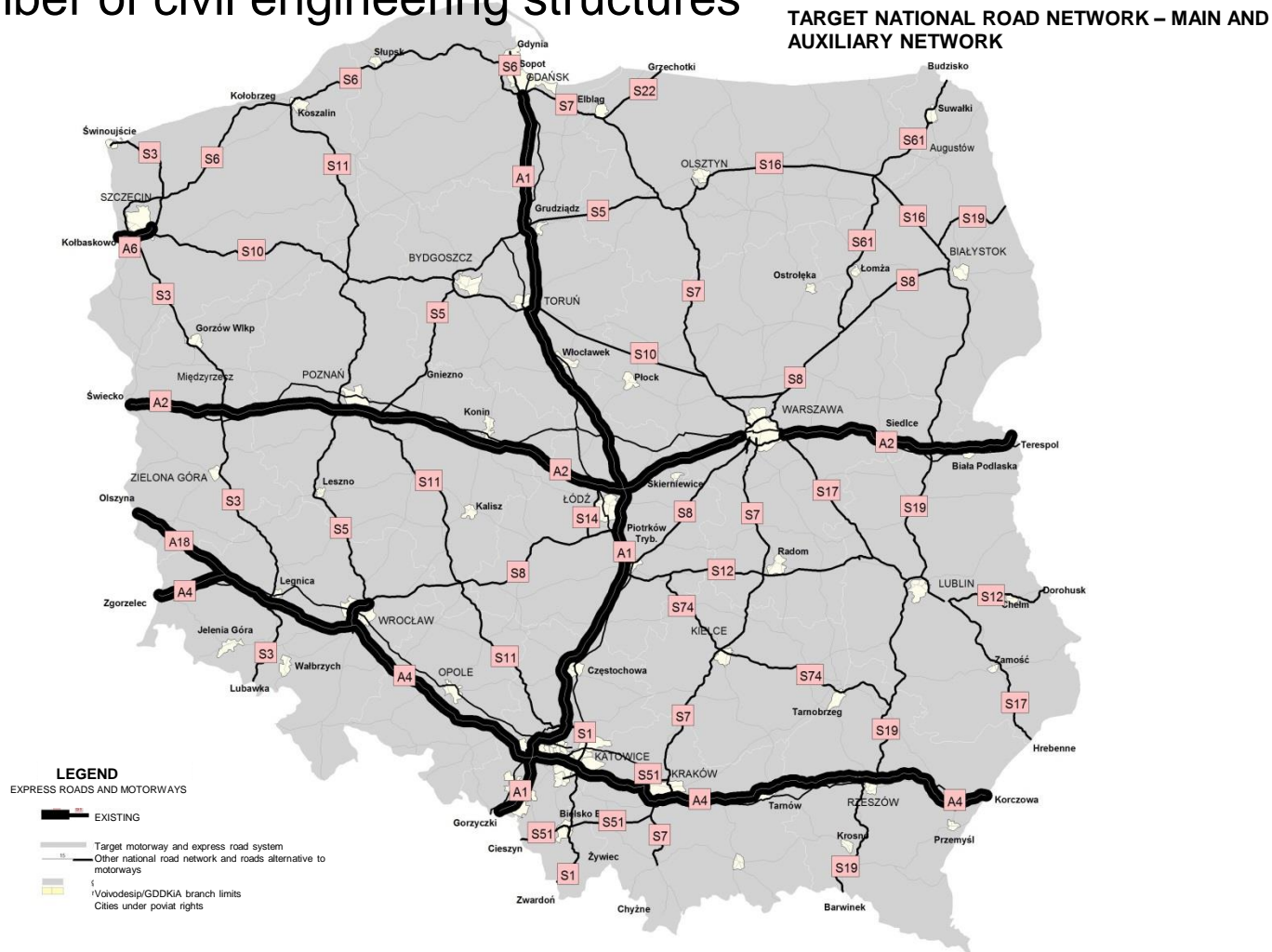
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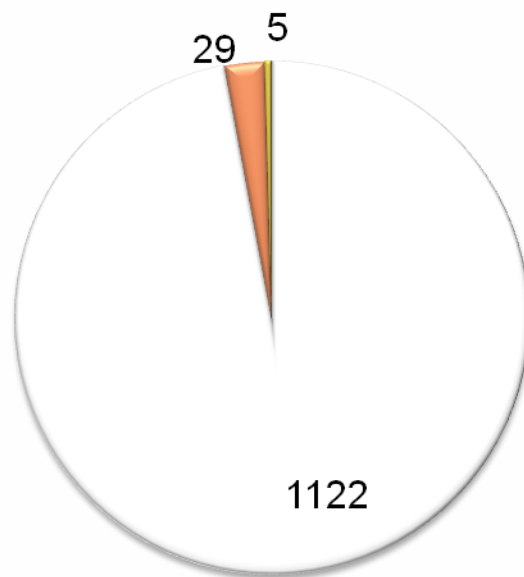
## Why is it so important?

- ✓ Increasing expectations of road users in the area of safety and comfort of travelling.
  - Service available in 24h/day mode
  - Response time to road traffic threats – handling road events
  - Dynamic road traffic management
  - Delivery of tasks in compliance with standards in each case

## Why is it so important?

- ✓ Need to rationalise the number of controlled maintenance work contracts in context of increasing number of linear service tasks.

Total	mixed	1122
	linear	29
	area	5
Total		1156




□ mixed    □ linear    □ area



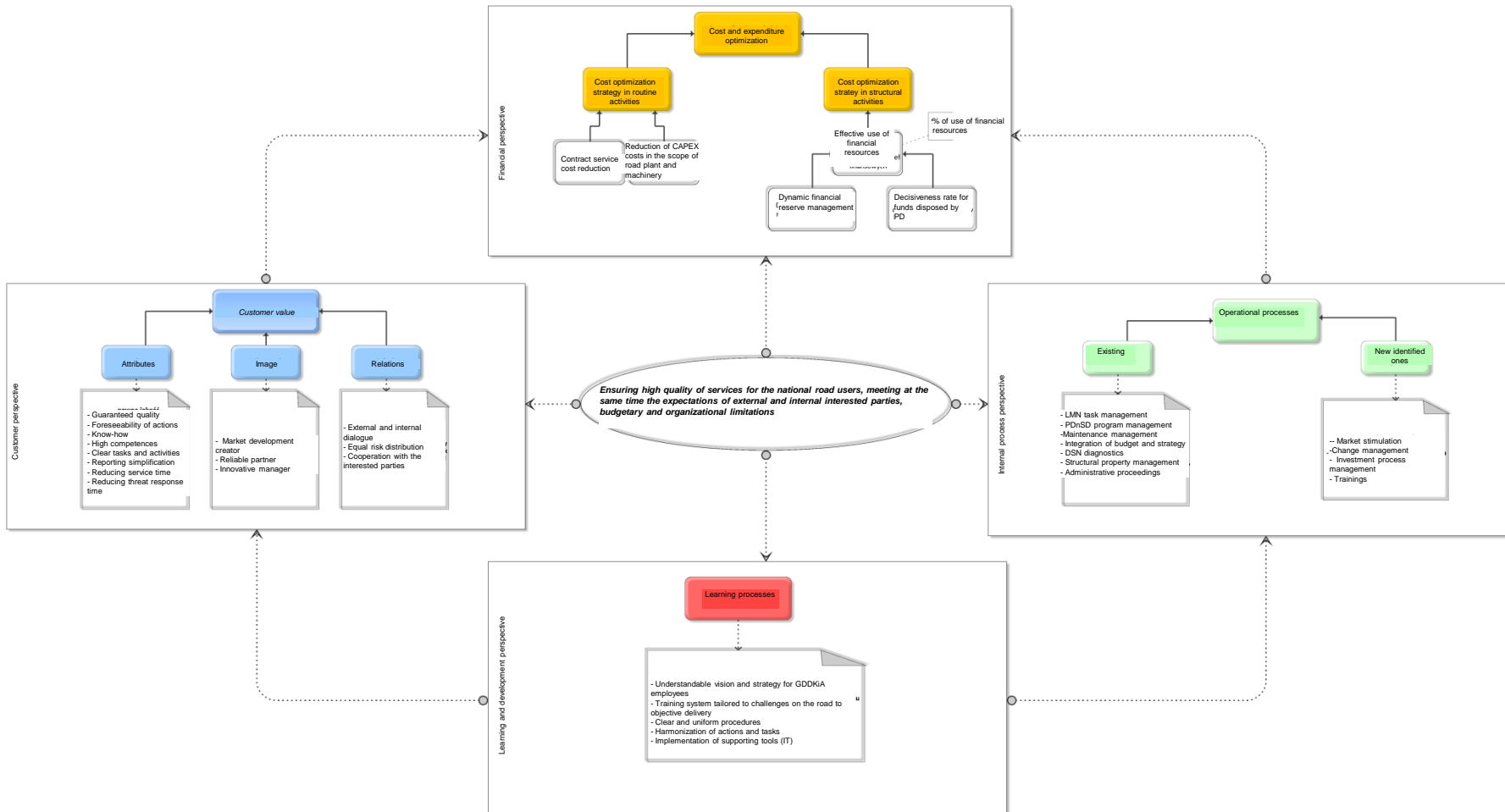


## How we achieved this?

- ✓ 2005 – World Bank Transport Bulletin– *„Input based contracts for maintenance and enhancement of road infrastructure”*.
- ✓ 2011 – GDDKiA received the Report under the *Better Government* Program (Ernst & Young, „Effectiveness of national roads maintenance management in Poland”) – international comparison of methods of effective road maintenance management in terms of finance and function.
- ✓ 2012 – Financial analysis by Price Waterhouse Coopers pt. *„Comparison of financial effects of road maintenance models for GDDKiA on the example of the selected express road section”*
- ✓ 2013 – Ministry of Regional Development refers to the correspondence with the European Commission, in which the Commission states that *„One of the potential methods ensuring maintenance of road infrastructure at the optimal level are multi-annual maintenance contracts, including the „Keep the standard” model already presented to the European Commission services”*
- ✓  **2015 – Establishing of the Permanent Standardization Committee of GDDKiA involved in preparation of the template documentation forming a basis for contracting all-year and complex maintenance of national roads in a given area.**

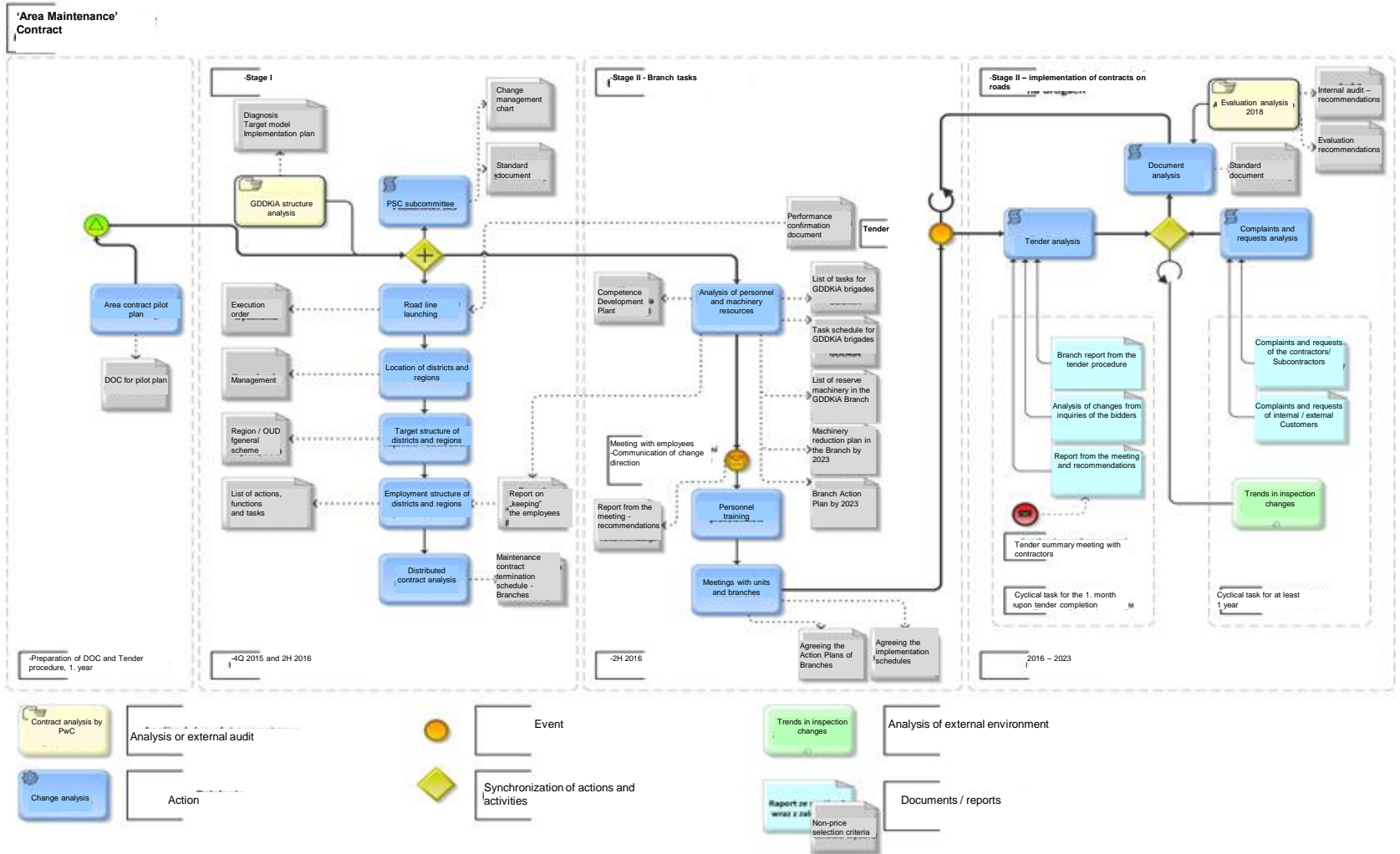
# How we achieved this?

## Strategy Map



# How we achieved this?

## Action Plan



# How we achieved this?

## Analysis of different maintenance models

### Own resources

Jobs:  $0.6 \text{ full contract job per km} \times 17582 \text{ km} = 10550 \text{ full contract jobs}$   
Equipment replacement value of PLN 1795 x 12 months\* x 17582km  
app. PLN 380 million per annum for 5 years

### Mixed model

### „Keep the Standard” model

### Quasi-Standard model

### Area model

Area model recommended by the Permanent Standardization Committee is a model based on settling the contractor for its expected outputs (performance-based), however eliminates the risk which may arise when applying the Keep the Standard model and uses the Quasi-Standard model as an intermediate stage.

# Area model – target model

## Key assumptions

- ✓ Use of template documentation for all maintenance contracts
- ✓ Uniform terms and conditions of participation in the tender procedure.
- ✓ Uniform criteria for contractor selection.
- ✓ The contract is signed for the period of 5 years.
- ✓ The contract is signed for all-year maintenance of national roads administered by the Branch, 50-70 km long sections.



***Thank you for your  
attention***