

Performance Based Maintenance

Commissioner Training

October 22nd, 2013



Routine Maintenance Funding

	FY 2014	FY 2015	TOTALS
Budget	\$122.5 M	\$170 M	\$292.5 M
CY 13 RMA	\$62.5 M	---	\$62.5 M
CY 14 RMA	\$60.0 M	\$85.0 M	\$145.0 M
CY 15 RMA	---	\$85.0 M	\$85.0 M

CY 14 Funding for Routine Maintenance

- **Total Funds Available: \$145 M** (\$60 million from FY 14 and \$85 million from FY15)
- **This funding will be allocated as follows**
 - **\$132 million** for an LOS Model distribution to all counties
 - **\$9 million** to initiate routine maintenance services delivered on a regionalized basis or under a performance-based agreement
 - **\$4 million** for a contingency fund



2013 Wisconsin Act 20

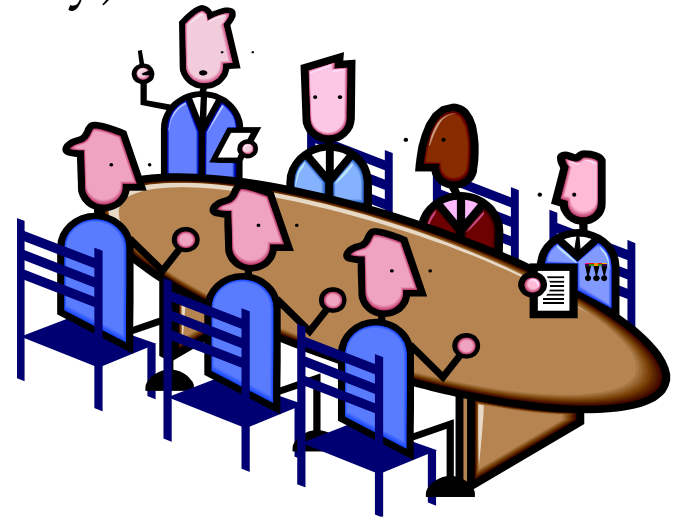
The 2013-15 budget bill created 84.07 (2) (b) of the statutes

When any county or municipality maintains the state trunk highways within or beyond the limits of the county or municipality, including interstate bridges, in compliance with the arrangement with the department, the department and the county or municipality may agree to a payment method and terms other than that specified in par. (a), including payment according to a contract price for maintenance services rather than payment of actual costs of the maintenance.



Steering Committee Members

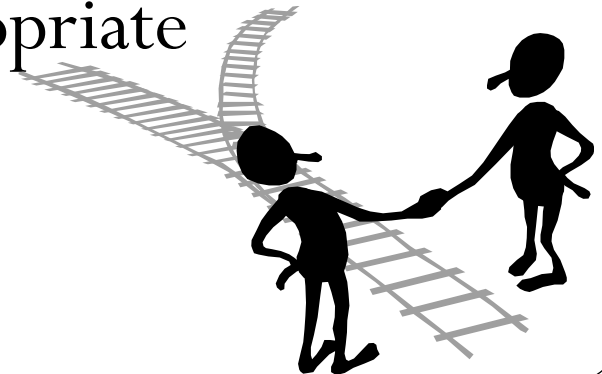
- WCHA Executive Committee Members
(Dan Fedderly, Bruce Stelzner, Emmer Shields, Paul Halverson)
- Alison Bussler (Waukesha County)
- Ernie Winters (Winnebago County)
- Ron Chamberlain (La Crosse County)
- Brian Field (Dodge County)
- Rory Rhinesmith (WisDOT)
- John Corbin (WisDOT)
- Russ Habeck (WisDOT)
- Joe Olson (WisDOT)



Memorandum of Understanding (MOU)

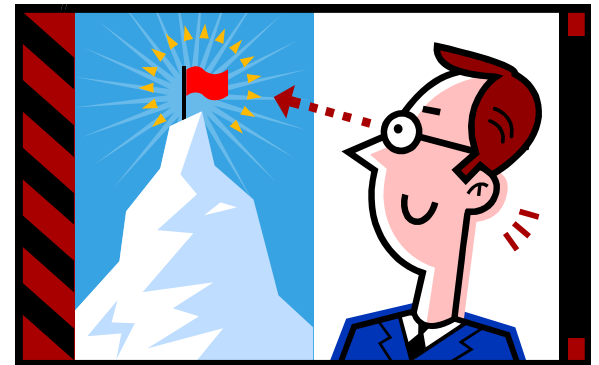
Performance-Based Maintenance

WisDOT and WCHA will establish a working group to recommend changes in the state maintenance manual and routine maintenance agreements that will ultimately replace the actual cost reimbursement requirement with language and procedures that support performance based or unit price reimbursement where appropriate



Steering Group's Charge

To provide expertise and perspective on the efforts to employ alternate reimbursement methods for county delivered services and to improve program delivery, accountability, and performance.



Steering Group's Charge

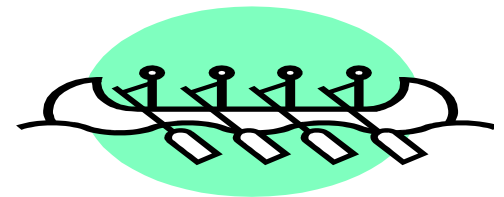
The group will focus on:

Serving as the clearinghouse about concerns and opportunities that relate to employing alternative approaches for payment

Promoting a strong working relationship between the Department and its county service providers

Initiating reviews and pilot projects of various aspects of Performance Based Maintenance identified by the work groups

Assisting the work groups by discussing issues brought to it relating to the work groups research



Steering Group's Objectives

Partnership: Recognize shared risk and shared rewards

Performance: Focus on measurable outcomes and accountability

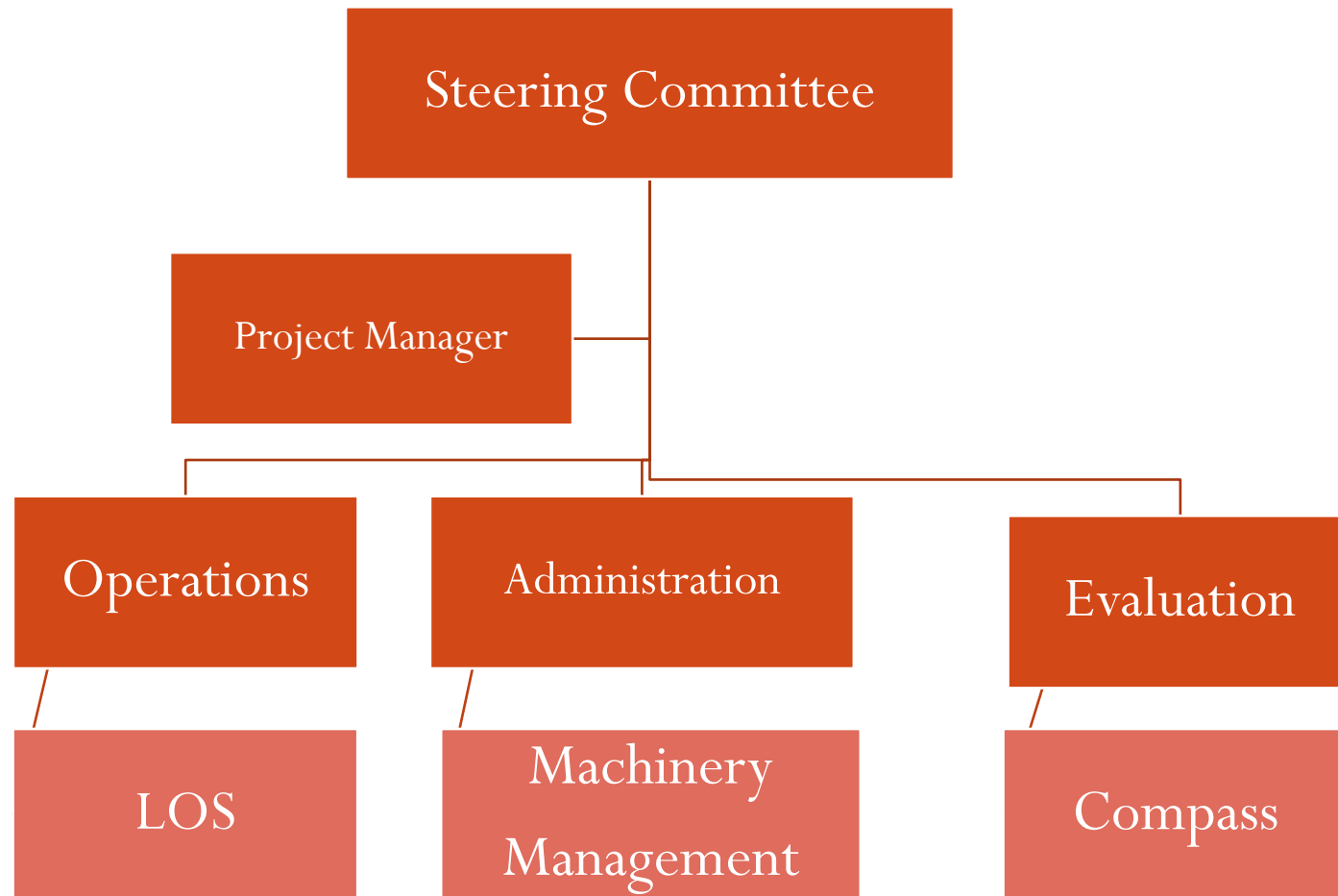
Innovation: Identify and sponsor preferred practices

Fiscal Stewardship: Support methods based on cost effectiveness, cost containment, and cost predictability

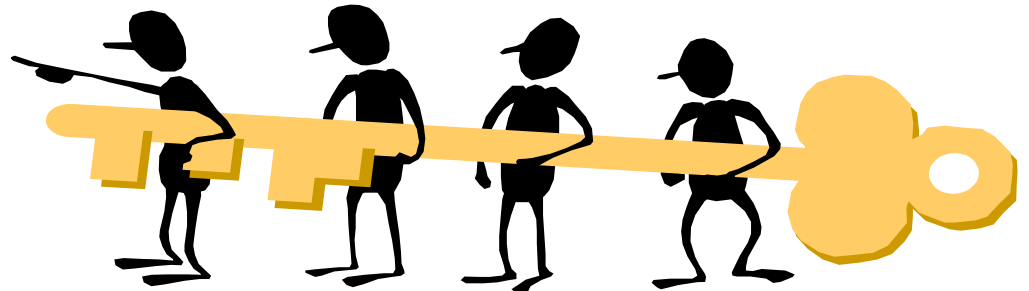
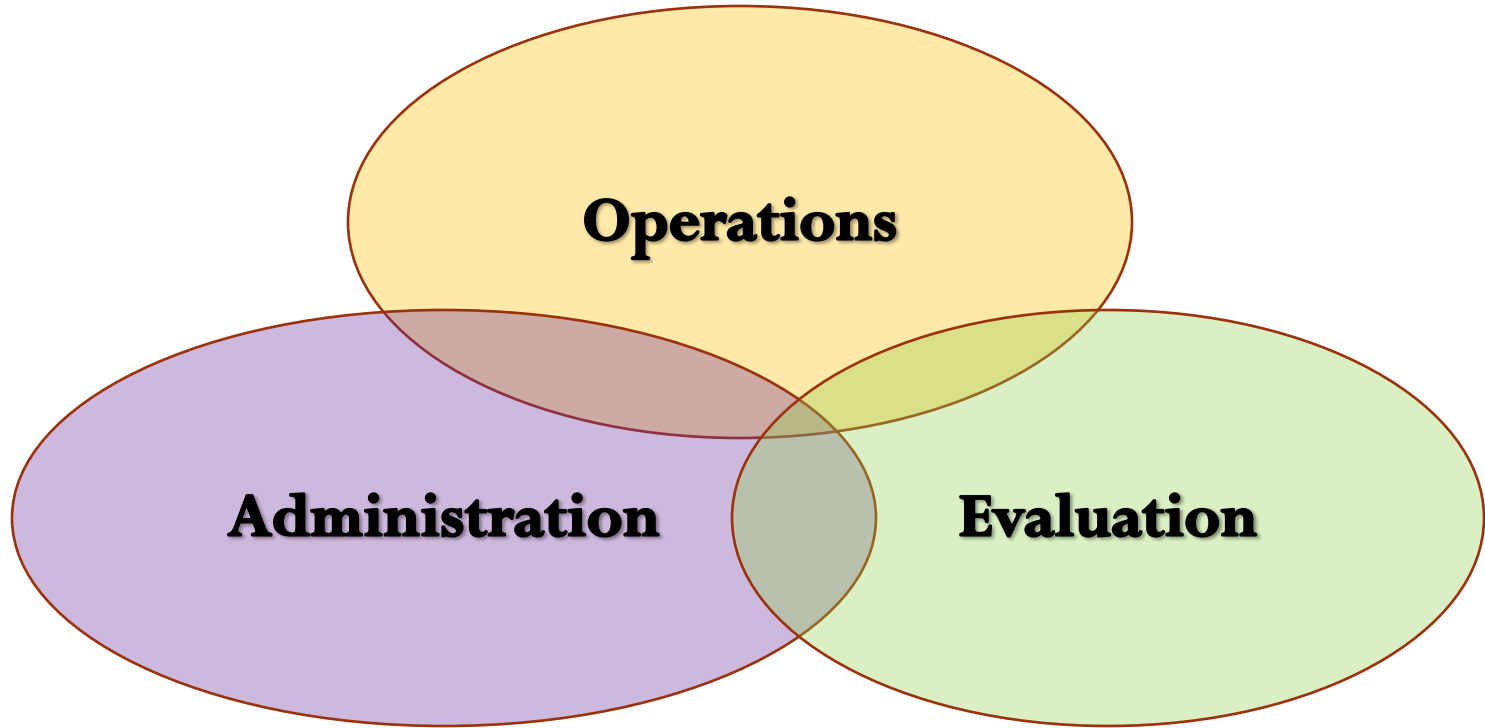
Communication: Maintain an open and positive dialogue



Proposed Organizational Structure



Work Group Cooperation



How it will work



- WisDOT identifies need on the system.
- Operation Workgroup details workable solution / methods
- Admin Workgroup creates supporting documents
- Evaluation Workgroup designs assessment plan
- Workgroup products and recommendations shared w/ paired committee for refinement and endorsement
- Workgroup results and endorsed recommendations presented to Steering Committee
- Regions with BHM support execute the plan and initiate discussions with County Highway Department to execute the plan

Steering Committee Meetings

- October 2, 2013 Hill Farms, Madison
- December 5, 2013 Hill Farms, Madison
- February 6, 2014 SW Region, Madison
- April 9, 2014 SW Region, Madison
- June 12, 2014 SW Region, Madison
- August 7, 2014 SW Region, Madison
- October 2, 2014 SW Region, Madison
- December 4, 2014 SW Region, Madison



Steering Committee Tasks

- Oversee Regional Self-Assessment of System Need & County Providers
- Evaluate Existing Tools & Resources
- Study & Endorse Practices from Other States
- Monitor Pilot Projects
- Coordinate Outreach Opportunities



Regional Self - Assessment

- System Needs Driven Approach
- Identify Existing Gaps in Services
- Other Considerations
 - Geographic
 - Provider Capabilities (Special Skills)
- Kick-Start Operations Workgroup



Related PBM Efforts in other States

- Missouri DOT – Job Order Contracting
- Michigan DOT – Performance Initiative
- New Hampshire DOT – Rate setting for winter services
- Virginia DOT – Corridor Approach Winter
- North Carolina – Corridor Approach Summer
- Florida DOT – Full Service Outcome Based



Outreach Opportunities

- **Planned Presentations**
 - Winter WCHA Conference (January 2014)
 - Commissioner Training
 - Summer WCHA Conference (June 2014)
- **Presentations (as needed or appropriate)**
 - Monthly MMC Meeting Status Reports
 - Regional Commissioner Meetings
 - Monthly WCHA Board of Director Mtgs
- **Other**



Proposed CY 2014 Timeline

- Information Gathering Oct. to Feb. '14
- Pilot Project Selections Feb. to May '14
- CY 14 Non-Winter Agreements Finalized May to July '14
- 2014-15 Winter Related Agreements Finalized October 2014
- CY 15 Agreements Finalized Dec. 2014

