



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

JOHN ENGLER
GOVERNOR

GREGORY J. ROSINE
DIRECTOR

December 2, 2002

The Honorable Philip E. Hoffman, Chair
Senate Appropriations Subcommittee
on Transportation
Michigan State Senate
P.O. Box 30036
Lansing, MI 48909-7536

The Honorable Scott Shackleton, Chair
House Appropriations Subcommittee
on Transportation
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909-7514

Dear Senator Hoffman and Representative Shackleton:

Public Act 59 of 2001, Sec. 601 states:

The department shall work with the road construction industry to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30, 2002, to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

The Michigan Department of Transportation (MDOT), Bureau of Highway Operations, Administrative Services Section has reported the status of the warranties, future development plans, implementation strategy, tracking and evaluating the work, and issues or concerns of industry associates in the enclosed documents.

Sincerely,

Gregory J. Rosine
Director

BFA:FOD:ET:kv

Enclosure

cc Gary S. Olson, Director
Senate Fiscal Agency
Mitchell Bean, Director
House Fiscal Agency

bcc D. Byers MURRAY D. VAN WAGONER BUILDING • P.O. BOX 30050 • LANSING, MICHIGAN 48909

M. Frierson
E. Timpf

Michigan Department of Transportation Pavement Warranty Status Report

Public Act 79 of 1997 included the following provision for development of warranties on state trunkline construction projects;

“Of the amounts appropriated for state trunkline projects, the department shall, where possible, secure warranties of not less than five year full replacement guarantee for Contracted Construction Work.”

In response to this, the department has worked in partnership with the road building and surety industries to develop warranty specifications where possible. The following is a summary of what MDOT has done to date and what is planned for future years.

Definitions

Materials and Workmanship (M&W) Warranty - The Contractor is responsible for correcting deficiencies in the pavement caused by materials and workmanship during the warranty period. Since the owner is responsible for the pavement design, the Contractor assumes no responsibility for deficiencies that are design related.

Performance Warranty - The Contractor assumes full responsibility for pavement performance during the warranty period, being responsible for materials selection, workmanship, and certain aspects of the design. The Contractor is responsible for deficiencies caused by factors under his control.

1997 to 2000 Construction Program

Pavement Reconstruction (5 Year Material and Workmanship Warranty)

- 18 concrete and asphalt projects let since 1998.
- Two projects were let in Fiscal Year 2000 that included an Extraordinary Pavement Performance Incentive.
- Projects are primarily on the high truck volume network.

MDOT has developed an Extraordinary Pavement Performance Incentive specification that encourages the contractor with possible future incentive payments, if the Contractor delivers a new or reconstructed pavement product that performs at an extraordinary level. Extraordinary performance is defined using the Department's Pavement Management System data and is based on actual pavements that have been constructed that are providing an exceptionally long Design Service Life. The Department will be monitoring these projects with the Pavement Management System, as we do the rest of the trunkline network. If these pavements actually perform at an exceptional level, which is defined in the specification, MDOT will pay the Contractor an incentive. The incentive is based on what annualized cost savings MDOT is realizing because the pavement is performing at a level that will provide a longer than anticipated Design Service Life. The key to this specification is that it rewards the contractor for providing a high quality product only if the pavement is really performing, in the future, at an extraordinary level.

Pavement Rehabilitation Projects (5 Year Materials & Workmanship Warranty)

- 30 asphalt overlay projects let since 1998.
- Projects are primarily on the high truck volume network.

Capital Preventive Maintenance (CPM) Projects (2-3 Year Material & Workmanship and Performance Warranties)

- Approximately, 178 projects let since 1997.

The CPM program includes pavement treatments that extend existing pavement life. These treatments are used on pavements that have a significant Remaining Service Life and are in good or fair condition. The program includes pavement treatments such as thin bituminous overlays, surface seals, crack sealing, concrete joint resealing, diamond grinding, and concrete pavement patching.

Year 2001 & 2002

The Department continued to require five year M&W warranties on projects meeting the same criteria as in previous years. This criteria requires five year M&W warranties on the majority of new or reconstructed concrete pavements and R&R asphalt overlay projects placed on the high truck volume network. Seventy-five projects were let in 2001 and 2002.

MDOT is continuing to require either a performance or a M&W warranty on approximately ninety percent of all the Capital Preventive Maintenance projects. These warranties are for two or three year durations. These projects totaled 185 in 2001 and 2002.

Performance Warranties

The language in the Department's FY1999/2000 and 2000/2001 appropriation bills, 1999 PA 136, Section 602 and 2000 PA 271, Section 601, reads as follows:

"The legislature encourages the Department to work with the road construction industry to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects."

In response to this directive, the Department has been working with industry since early 2001 to develop a performance warranty specification for newly constructed roadways.

The Contractor will be required to warrant performance-related deficiencies caused by factors under his control. These will include specific deficiencies related to materials, workmanship and design. The Department is allowing the Contractor wider flexibility with regard to asphalt and concrete mix design than has typically been allowed. In return, the Department is requiring the Contractor to warrant deficiencies that may occur due to these Contractor-related decisions.

The warranty term is seven years from the date of initial acceptance of the pavement. The warranty also includes pavement ride quality for the seven-year period which is a first for warranties at MDOT. Traditional materials & workmanship warranties have not included pavement ride quality as a warranty performance measure.

The acceptance document for a performance warranty project will be the warranty document. No other acceptance documentation will be required based on understandings with the Federal Highway Administration.

The Department is including this new performance warranty document on three trial projects in 2003. These include the second M-6 paving contract, which is presently advertised for a December 2002 letting; M-84 project in Saginaw and Bay Counties; and US-12 in Wayne County will also include a pavement performance warranty.

C&T:SCB
11-15-02