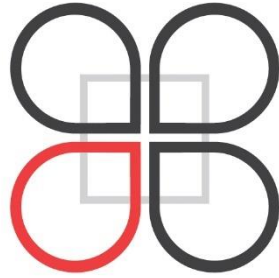


**ORBA**



ONTARIO ASPHALT PAVEMENT COUNCIL

# **MEETING ON ASPHALT QUALITY**

## **CURRENT LANDSCAPE & SURVEY FINDINGS**

APRIL, 2017



*Keeping Ontario Moving*

# Shared Goals

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- Safety
- Value for Ontarians
- Quality & durability
- Competitive environment
- Trusted & transparent
- Environmentally responsible
- Fair/Not open to abuse
- Promote innovation/productivity
- Simple but effective

# AG Report & Response: Opportunity

3



## Committed to action plan within 60 days focused on:

1. Addressing asphalt quality, durability & repair - so paving lasts 15 years
2. Ensure decisions are made in best interests of Ontarians
3. Strengthen oversight of contractor performance
4. Promote continued safety and quality

## □ Proactive

Address reputational issues raised as an association. Develop recommendations for future system-based approach.

Get ahead of issues and demonstrate industry taking responsibility for issues raised to win public trust. Opportunity to work together with MTO and municipalities to address concerns.



Gathering ORBA member views and understand municipal challenges to build a system that works for everyone.

# Overall Objectives

4

Maintain collaborative long-term relationship between ORBA and owners to determine an effective approach to deliver safe, quality roads, and good value for Ontarians

1. Fully understand the current issues and experiences around MTO and municipal asphalt paving contracts;
2. Firmly address reputational issues by taking strong action as an association and respond quickly to issues arising;
3. Present a forward-looking approach to help develop an effective, fair and consistent system across the province.

5

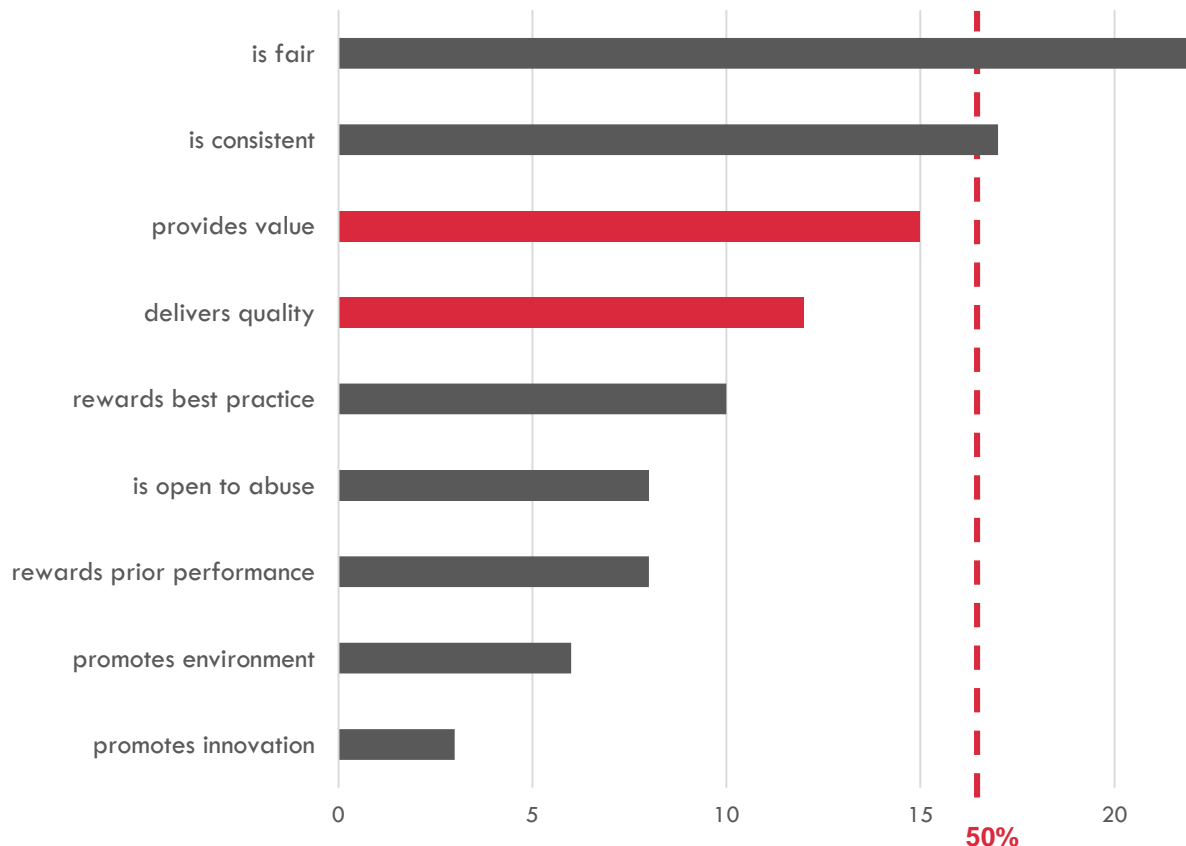
# Feedback from Survey



# ORBA Member View on Current System

6

We believe the current approach to selecting contractors for provincial highway paving work...



*“Specifications deliver quality but are over engineered so don’t provide value”*

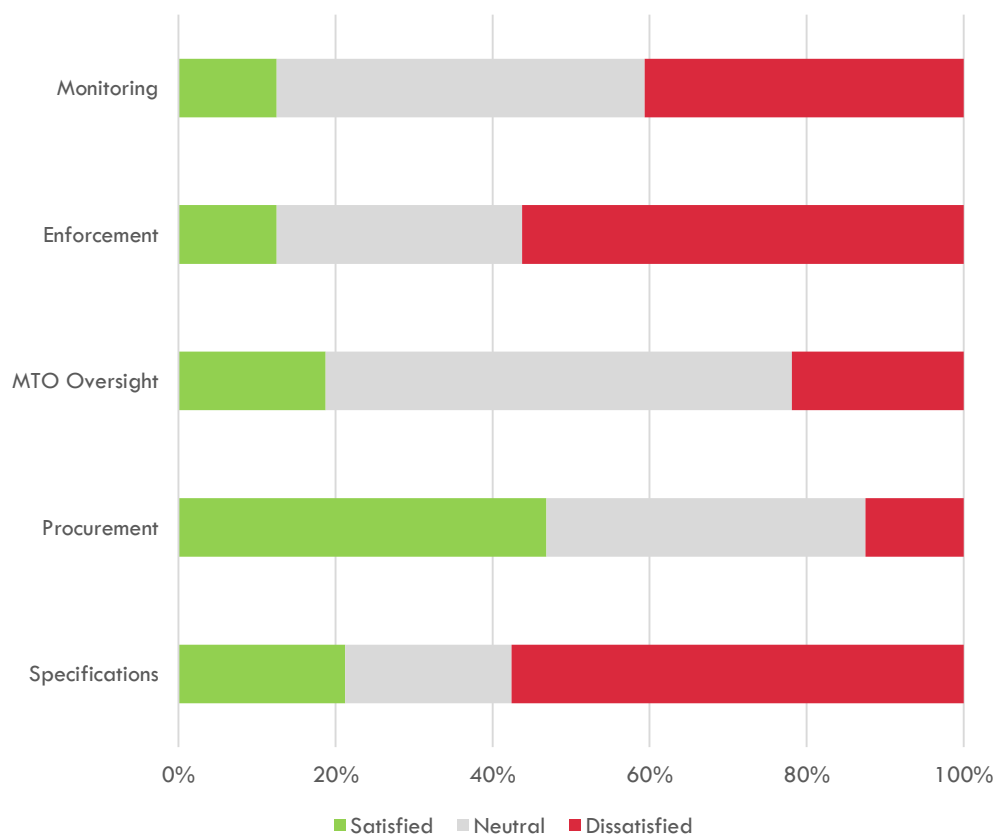
*“Unrealistic schedules and timelines lead to poor quality and deficiencies”*

*“Province is less subject to abuse than work in municipal and private arenas”*

*“Current lowest price system deprives quality and promotes sacrifices to gain work and maintain business”*

# Level of Satisfaction with Current Process

7



*“There is an inherent conflict of interest when a designer is also the project contract administrator”*

*“There are a number of factors affecting performance with type of AC being only one.. monitoring should take all into account”*

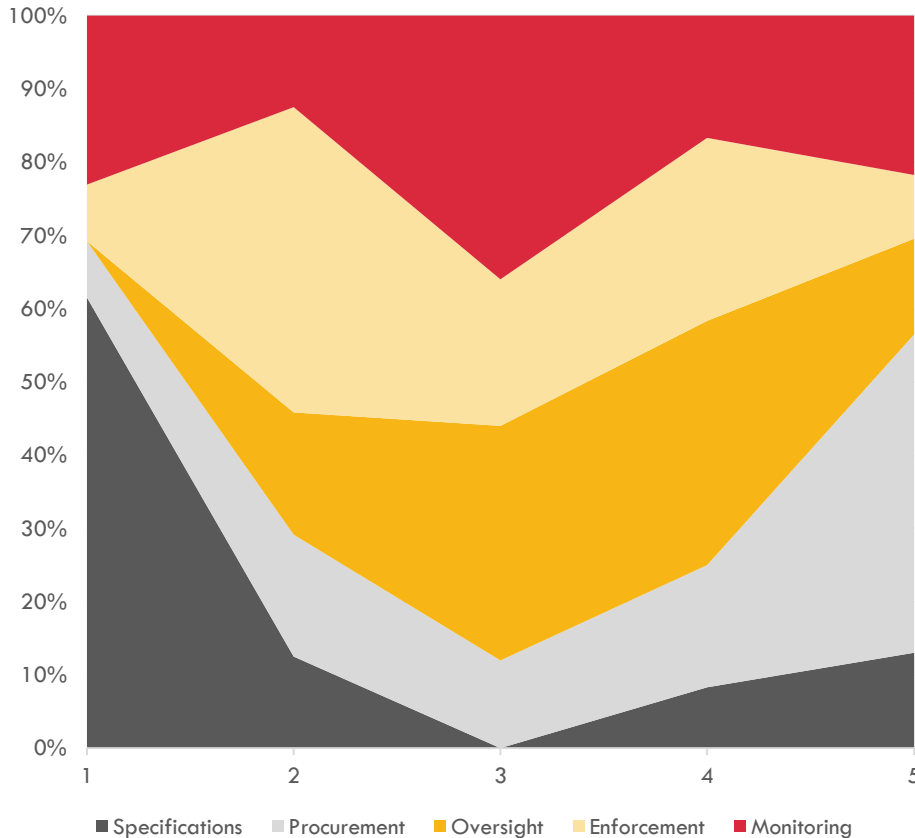
*“Specifications are open to different interpretations by different contract administrators, there is no consistency”*

*“True partnership would include test trials, review of past research, a third party to manage the process, and shared results”*

*“Specifications change rapidly and numerous times – often during the bidding season and just prior to bids”*

# Priorities of ORBA Members

8



## Order of Priorities:

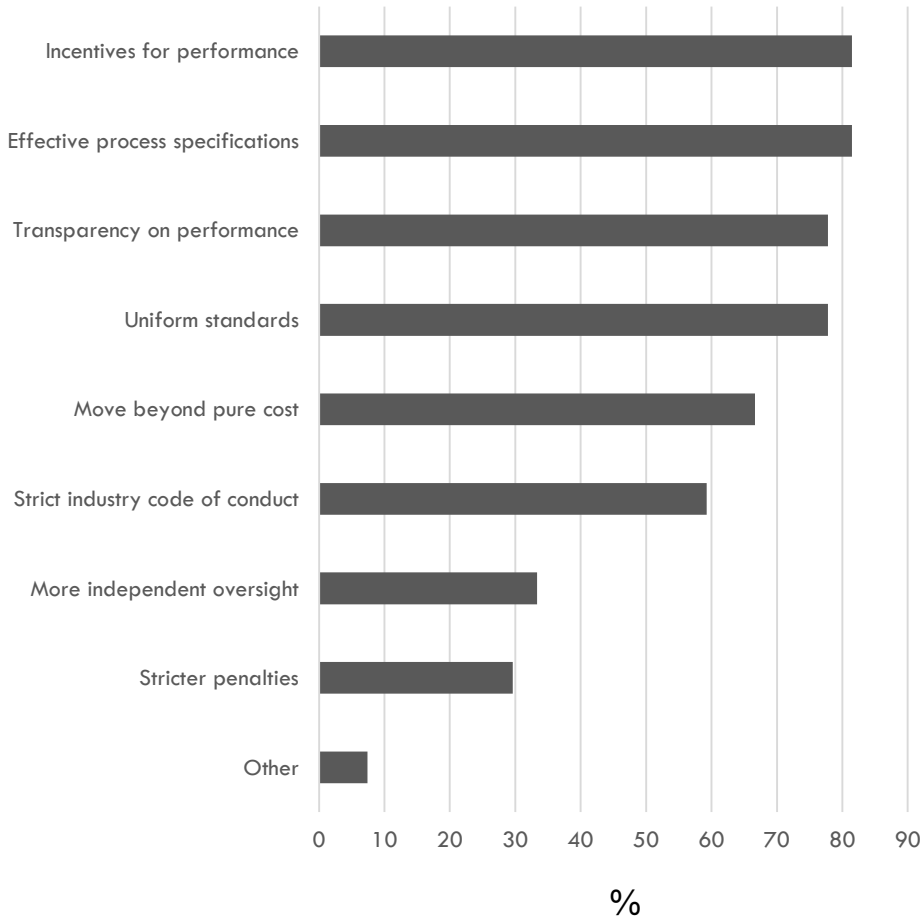
1. Developing **specifications**
2. Enforcement of **specifications** and **standards**
3. Monitoring pavement performance
4. Oversight of work
5. Procurement process

**100%**

of respondents who expressed an opinion felt ORBA should play a greater role in raising standards



# Actions to Deliver Fairness & Quality



*“Data on performance should be monitored by the province and shared among experts group – open communication important”*

*“There needs to be a process to deal with poor quality contract administrators who are part of recent problems”*

*“Important that MTO continues to update us on pavement performance with data in a format that permits independent analysis”*

*“Form an expert group of ORBA, MTO, OHMPA, Asphalt Institute, AASHTO, FHWA and academia to share data and monitor”*

*“A company engaged in unethical practices, gaining an unfair competitive advantage should be subject to sanctions”*

# Carrots & Sticks

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## Incentives

- Should be used for superior quality workmanship, materials, less disruption, innovation
- Supplier should be considered for incentives as well as contractor
- Quality ratings should be tied to bidding privileges
- ORBA quality badge/rating /accreditation

## Penalties/Warning

- Graduated system, 3 strikes
- Incredible number of asphalt mixes produced can lead to honest mistakes
- Collaborative approach to rectify faults
- Warning if faults are found through QA, testing etc
- Penalties when work/materials do not meet specifications, or fail to meet warranty
- Excessive penalties can erode relationship/drive up bid costs

## Suspension

- If a contractor is caught cheating or committing fraud they should be suspended from ORBA and prohibited from bidding on MTO work
- Contractors with persistent quality and performance issues
- Transparent process ensuring fairness is vital
- ORBA may have to consider stronger rules and protocols

# Recurrent Themes

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1. Need for positive collaboration with MTO on specifications
2. Too many standards and specifications across province
3. Low bid process encourages poor quality
4. Fraudulent or dishonest behavior should have serious repercussions
5. Issues with contract administrators need to be addressed (conflict, quality)
6. Greater enforcement required
7. Greater transparency required on testing, performance, collaboration
8. Municipalities and private worse quality than province
9. ORBA should play a greater role (100% of those expressing opinion)

**Is there agreement on all the points above?**

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# Drilling Down



# Contributing to Shared Goals

13

Area	Actions	ORBA Role?
Asphalt quality, durability & repair to last 15 years	<ul style="list-style-type: none"> <li>• Strengthen specifications for asphalt including payment model</li> <li>• Implement extended aging test</li> <li>• Increased inspections</li> <li>• Suspend RAP in top layer</li> <li>• Direct responsibility for samples</li> <li>• Fraud reporting line</li> <li>• Province wide system for tracking warranties</li> </ul>	Focus on wider issues of payment model, inspections, warranty system, clamping down on dishonest contractors
Interests of Ontarians	<ul style="list-style-type: none"> <li>• Review by end of 2017 of how MTO develops policy, standards and specifications</li> <li>• 3rd party panel to provide advice on contract provisions and administrative practices</li> </ul>	Main focus: developing system to provide timely, transparent and valuable industry input
Oversight of contractor performance	<ul style="list-style-type: none"> <li>• Enhance oversight of QVE certification, conduct random audits</li> <li>• Use ministry staff to review critical construction elements on projects across province</li> </ul>	Determine what role ORBA should play on oversight and sanctions
Safety and quality	<ul style="list-style-type: none"> <li>• Review qualification process, implement safeguards/sanctions, changes to contractor performance rating</li> <li>• Develop additional controls to ensure contractors have resources to perform work</li> </ul>	Shape role of performance in deciding contracts

# Questions to Resolve

14

1. **Specifications:** What should a province-wide system/process look like for determining specifications that is transparent, uses industry expertise, and enables timely introduction?
2. **Procurement & Payment Models:** How should factors such as prior good performance and quality be best incorporated into procurement process? What is the right payment/warranty/incentive model to promote quality?
3. **Compliance & Enforcement:** How best to stamp out unethical practices? What role should ORBA, MTO and municipalities play? What penalty system should be used?

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# Next Steps

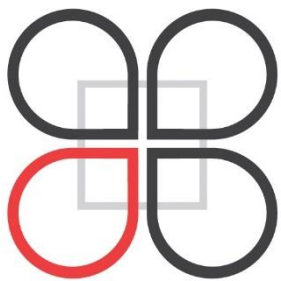


# Approach

16

1	2	3
Gather input from ORBA Members	Listen to MTO and municipalities about experience	Improving the system
<ul style="list-style-type: none"><li>a. Use survey to gain mandate from members, and initial views</li><li>b. Examine best practices</li><li>c. Hold structured session to map future expectations and approach</li></ul>	<ul style="list-style-type: none"><li>a. Joint meeting with OGRA and MEA</li><li>b. Circulate survey to municipalities to determine scope of issues faced and best practices</li><li>c. Hold regional roundtables to present results and drill down on issues</li></ul>	<ul style="list-style-type: none"><li>a. Present results and draft report to ORBA, OGRA, MEA leaders</li><li>b. Aim to agree shared principles and approach</li><li>c. Build and implement ORBA plan to address issues</li></ul>





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*Keeping Ontario Moving*



ONTARIO ASPHALT PAVEMENT COUNCIL

**2017**

# Partners in Quality – Road Tour



Ontario Asphalt Pavement Council  
Quality Campaign

**Area's Rep Members**

- Mike McLean (Northern Ontario)
- Ivan Levac (Ottawa)
- Steve Bedford (Kingston)
- Steve Manolis (Toronto / Hamilton)
- Western Ontario

## Review activity in each area

- Concrete promotions?
- What type of promotion (seminar, pave-ins etc.)
- PGAC's – Specified properly/different?
- Laydown & Compaction Best Practices
- Environmental e.g. BaP, Best Practices etc.
- Specification changes OPSS/SP etc.

Review opportunities to take advantage of OHMPA's offer to host area meetings

- Staff will attend and make presentation(s) on a topic(s) of concern
- SMA / Superpave / Tack Coat / WMA
- Webinars
- Lunch & Learn
- Half-day & Full-day technology seminars (e.g. T<sup>2</sup> Workshops)
- PIQ Road Tours
- OAPC Chairman Tour

## Marketing & Communications Efforts

- Communications Workshop for the Members
- OAPC Rebranding
- Website
- Tool Kits

QUALITY  
SERVICE THAT  
DOESN'T CUT  
CORNERS





ONTARIO ASPHALT PAVEMENT COUNCIL