

## Competition Webinar – Questions and Answers

The questions submitted during the webinar follow with answers that our speakers have provided.

Key resources available include:

1. As a DOT Engineer, can you please share a couple of questions that we could ask our leaders to encourage competition? This is not typically in my scope but I understand its importance.
  - a. What could possibly be the downside to embracing another pavement industry to check and compete with the well-entrenched and dominant asphalt paving industry?
  - b. Why would we not take advantage of ALL the tools available to us to ensure that the taxpayers get the best bang from the highway dollar?
  - c. Is maintaining the status quo the most equitable and cost-efficient approach – given the growing needs, aging roadway network and shrinking resources?
  
2. Can you share any best practices with AD/AB that enable my DOT to put out projects in this format without doubling the effort? Several colleagues are under the impression that providing design for two systems takes twice as much time. I am certain there are things we can do to address this but don't know where to start.
  - a. FHWA has published a Technical Advisory TA 5040.39 that constitutes best practice for use of ADAB for pavement type selection. It is important to underscore that use of ADAB can be an effective way to make cost-efficient pavement-type selections, provided the process is done in accordance with these FHWA guidelines. Important requirements in those guidelines include; use of equivalent designs (e.g. AASHTOWare pavement ME); use of LCCA bid adjustments; no commodity price adjustments; and use of equivalent materials quantity measures (i.e. SY).
  - b. Several states have used ADAB with some success (e.g. PA, KY, LA, WV), but the process can be contentious at times. Also, regional market dynamics regarding ownership of aggregate sources will impact the effectiveness of ADAB.
  - c. LADOTD published information more than 10 years ago that clearly illustrated that the cost benefits associated with lowered bid prices via ADAB far outweighed the increase design costs associated with producing two pavement designs. Their ROI was 1000 to 1.

3. Can you share with us how you work with senior leaders of DOT's or agencies to help provide understanding to this issue? We see this all the time at the field level, but are pretty certain that a few levels up are not familiar with this issue. Thanks
  - a. The benefits of competition have been shared with DOT leaders in a variety of ways. We have attempted to increase the visibility of this issue at AASHTO via our Alliance for Pavement Competition ([www.competitionpaves.org](http://www.competitionpaves.org)). Numerous presentation and papers on the issue have been shared at local paving workshops. In select states we have also presented this to senior leadership directly at industry/agency meetings, and in some cases to DOT oversight bodies or even legislators in some cases where local industry so desires. Fundamentally, the message delivered to policy makers is:
    - i. We know from experience that there are no engineering reasons why concrete pavement cannot be part of any agency's program.
    - ii. We need to take advantage of ALL the tools available to us to ensure that the taxpayers get the best bang from the highway dollar.
    - iii. And we now know from the most scientifically rigorous study ever undertaken on the subject (by the top engineering school in the world) that the introduction of a competing pavement solution in markets where asphalt has a monopoly is an important step toward that end.
4. Great presentation Gentlemen! Who takes the lead on this issue? How do we get FHWA to show leadership and require this work to be done in each state? How do we get AASHTO to counsel their member states on this topic that they agreed upon 60 years ago?
  - a. Terrific question! We are working on both those items as an industry. We initiated a comprehensive federal regulatory and legislative review arguing that existing federal policy in fact requires states to consider alternative combinations of materials. In a complementary effort we helped establish the Alliance for Pavement Competition, an ad-hoc alliance of three associations dedicated to the benefits of inter-industry competition to expand the concrete pavement market. This Alliance participated in AASHTO meetings, in an effort to showcase the benefits of competition and the significant financial opportunities that many agencies are in effect forgoing. The on-going effort has raised the visibility of this issue considerably and brought it into prominent view for federal and state policy makers and lawmakers. It will most certainly require a sustained effort!
5. In my state of Misstucky, how can we get contractors back in the state when they have left? We like to use in state labor/contracting when we can. Part of our issue is that we don't have any instate contractors doing large scale concrete work.
  - a. Fundamentally, Misstucky DOT needs to send a clear signal to industry (both asphalt and concrete) that they are serious about marshaling the benefits of

competition between industries. Industry needs to be confident that Missitucky is committed to the health of both industries, before they are willing to take the necessary steps (and make the necessary investments) to be competitive. No industry is going to invest resources (equipment, training, education, etc.) unless there is some certainty that the DOT is going to let paving jobs moving forward.

6. With a focus on asphalt vs. concrete, how does competition play out with JRCP vs. CRCP and RCC, etc.?

a. Great question. To truly marshal the benefits of interindustry competition you need to leverage competition up the supply chain. Competition between JPCP and CRCP for example only really engages competition at the contractor level. If you bring in HMA, you are no longer just engaging contractors in compietion, but you are also engaging cement and bitumen suppliers in competition. MIT’s research in this arena suggests that contractor-level competition has a 3% impact on lowering bid prices while inter-industry competition has a 14% impact on lowering bid process.

