

Lessons learned from implementing performance-based contract to road  
maintenance works

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Abstract

Performance Based Contract (PBC) is a type of contract in which payments for the works are explicitly linked to the contractor successfully meeting or exceeding certain clearly defined minimum performance indicators. PBC measures the contractor's performance of works based on outcomes of the works rather than the outputs of work processes. Although some guidance and template documents are available for helping a government agency to implement PBC procurements, valuable practical cases are still required for the agency for reference. In Taiwan, a pilot study has been launched to develop customized PBC contract documents and to collect valuable experiences from demonstrated cases. This paper reviews the current status of implementing PBC for road maintenance globally. Lessons learned from Taiwan's experience in this area are then collected. Based on the collected lessons learned from Taiwan's cases, implementing a new contract type to replace the existing ones requires massive communications and systematic education programs for public and private participants. These valuable lessons significantly contribute to efforts of government agencies attempting to implement a PBC contract.

Keyword : Performance Based Contract, Road maintenance, Lesson Learned, Taiwan