

GETTING VALUE WHEN PURCHASING ROADMARKING SERVICES

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Introduction

In this session we will discuss the paper
“Getting Value when Purchasing
Roadmarking Services”



Change Required

If Road Controlling Authorities are to get value for the money and effort spent on roadmarking services, they need to change from being:

- “demand-driven” to being
 - **VALUE - DRIVEN.**



Reflection

“There is scarcely anything in the world that some man cannot make a little worse, and sell a little more cheaply.

The person who buys on price alone is this man's lawful prey.”



“It is unwise to pay too much, but it is worse to pay too little.

When you pay too much you lose a little money, that is all.

When you pay too little, you sometimes lose everything because the thing you bought was incapable of doing the things it was bought to do.



- *The common law of business balance prohibits paying a little and getting a lot, it cannot be done.*



If you deal with the lowest bidder it is well to add something for the risk you run. And if you do that, you will have enough to pay for something better” –

John Ruskin (1819-1900) English critic, essayist, & reformer



What is Value

- Value is subjective.
- It can only be determined by the receiver of the goods or services.
- The value does not come from the products or services, but from what the customer perceives that that they have received from such goods or services.
- Perception is everything!



Value = Benefits - Costs



What are the Benefits of Roadmarking?

Fall into two groupings:

- Safety
- Efficiency



What are the Costs of Roadmarking?

- Not limited to money in budget – but include:



- Time taken for tender evaluation and acceptance
- Time taken to process progress claims



- Time and emotional costs taken to process road-user complaints,
- Time and emotional costs to get recalcitrant contractor to complete work to acceptable standard within required timeframe, etc
- And the time and emotional cost of doing business with a contractor who isn't in tune with your perception of value!



Developing Perception of Value

We will pose and discuss a number of questions aimed at developing a good perception of the value that applies to roadmarking work packages



Pareto Principle

- For example: 80% of the \$value of the work package will come from 20% of the work – which poses the question - does it match with your priorities / needs

Do you know as an RCA know exactly what roadmarkings you:

- Own?
- Have paid for?
- Have asked to be remarked?



- What are the “Service Levels” for these markings?



- What marking materials are you using?
- Why are you using these at the exclusion of others?



- What alternative materials could you be using?



- What constraints, e.g. timing have you applied to the work packages?
- Why?



- Is there a differentiation between routine and unscheduled items?



Increased supervision at commencement is wise.

- Use the “Kick off meeting” to confirm your requirements and to set agreeable limits.
- Take the opportunity to review T 8 and T 12 certification and even observe certification of plant or unfamiliar methodology / processes.
- Use the first Claim for Payment to build relationship and set standards



The old biblical adage of reaping what you sow is true –

- accept a low standard and you will continue to get a low standard,
- encourage a higher standard and it will improve



That's all folks
Thank you

