

NEWS RELEASE



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NAPA Endorses GAO Call For Support for LCCA Cost-Estimating Practices

*Congress Must Devote Funds to Ensure Better, More Reliable Data for States
to Conduct and Verify Life-Cycle Cost Analysis Models for Road Construction*

Lanham, Md. — The National Asphalt Pavement Association (NAPA) backs the recommendations released by the Government Accountability Office (GAO) regarding the need for federal support to the states in their use of life-cycle cost analysis (LCCA) for federal-aid highway projects. NAPA had proposed that GAO conduct this audit of state LCCA practices.

In its report, “Improved Guidance Could Enhance States’ Use of Life-Cycle Cost Analysis in Pavement Selection” (GAO-13-544), issued on June 12, 2013, the GAO makes recommendations about how to improve the quality and reliability of the data state engineers use in these analyses. GAO also notes that the Federal Highway Administration (FHWA) is in the process of revising the LCCA guidance it provides to the states and makes recommendations for the agency to improve that guidance.

“NAPA agrees with GAO’s recommendations that states conducting LCCAs need better, more reliable data, independent cost estimates, and documentation of the analyses to aid in making cost-effective investment decisions. NAPA also feels FHWA has a role to play in helping states incorporate best practices for conducting LCCAs,” said NAPA President Mike Acott.

LCCA is an economic evaluation of all the costs involved in the construction, use, and removal, replacement, or remaining value at the end of a study period. Many state transportation agencies already utilize LCCA as a tool in the process of selecting pavement type for their highways and roads, although the methods used vary from state to state. This is appropriate, but adopting best practices as recommended by GAO can make the LCCA process more effective, ensuring efficient use of public funds for infrastructure investment.

The Moving Ahead for Progress in the 21st Century Act (MAP-21) of 2012 included a provision proposed by NAPA requesting a GAO audit of LCCA best practices both to determine what LCCA practices were in use and to suggest ways to improve them. The GAO report released this week is the result of that audit.

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For the study, the GAO conducted interviews with FHWA, state departments of transportation, the American Association of State Highway and Transportation Officials (AASHTO), and industry associations, including NAPA. In the report, the GAO:

- Recognized that “selecting the appropriate material and design to meet a specific road’s performance needs is a highly technical engineering task.” (Page 1)
- Affirmed that AASHTO’s Pavement ME Design guide “must be calibrated for conditions in individual states because, for example, the same design may perform differently in different climatic conditions and differently based on the available construction materials and stone in the state.” (Page 5)
- Noted that the inclusion of cost-estimating best practices is needed in FHWA LCCA guidance to facilitate the best use of LCCA. (Pages 15–16)
- Noted the importance of updating cost estimates in an LCCA as a project gets close to bidding. (Page 22)
- Suggested that FHWA incorporate GAO cost-estimating best practices, including guidance on the data needed to conduct LCCAs, the importance of independent corroboration of LCCA results, documenting and updating LCCA results, and presenting LCCA results to decision makers. (Pages 23–24)

“The federal government spends \$40 billion annually on federal-aid highway projects. Congress can play a positive role in helping FHWA and the U.S. Department of Transportation implement the recommendations in this GAO report that will lead to better highway investment decisions and more efficient use of public funds,” Acott said.

One of NAPA’s top legislative priorities for the 113th Congress is to work with the House and Senate committees responsible for reauthorizing MAP-21 to secure funding to provide financial support for state transportation agencies to collect the reliable data needed to develop and calibrate LCCA models and other pavement design tools based upon solid engineering principals.

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About The National Asphalt Pavement Association

The National Asphalt Pavement Association (NAPA) is the only trade association that exclusively represents the interests of the asphalt producer/contractor on the national level with Congress, government agencies, and other national trade and business organizations. NAPA supports an active research program designed to improve the quality of asphalt pavements and paving techniques used in the construction of roads, streets, highways, parking lots, airports, and environmental and recreational facilities. The association provides technical, educational, and marketing materials and information to its members; supplies product information to users and specifiers of paving materials; and conducts training courses. The association, which counts more than 1,100 companies as members, was founded in 1955.