

PN 125 - 10/19/2007 - A + B Bidding with Multiple Sections

Description.

Bid the time in calendar days that the Bidder proposes to use to substantially complete specified contract segment(s) of the project, subject to any maximum number of days that may be specified for each segment.

Incentive/Disincentive (I/D) values are listed for each specified contract segment of the project in the ***A+B with Multiple Sections Contract Table***. The A+B with Multiple Sections Contract Table is located in the Plan General Notes.

The Department will adjust bids, for bid comparison purposes only; to include consideration of the days bid and the I/D value for each specified contract segment.

Contract Segments, Incentives/Disincentives. The contract segments for this project, the maximum number of days that may be bid for each segment, and the corresponding I/D amounts are as shown in the ***A+B with Multiple Sections Contract Table***.

Definitions.

The following terms are defined:

Contract Segment: A specifically identified portion of a project. Examples are a bridge, a roadway segment, or an interchange, up to and including the entire project.

Maximum Days: This is the maximum number of calendar days specified for a specific contract segment. It is the maximum number of days that the Bidder may bid for the subject contract segment.

Unrestricted Traffic: The affected lanes are open to unrestricted traffic flow with the specified striping and safety features in place.

Substantial Completion: Segment is in its specified configuration in accordance with the plans and open to unrestricted traffic.

Consideration of Proposals.

When A+B Bidding with Multiple Sections is specified, after proposals are opened and read, the Department will compare the proposals based on the adjusted bid, which is determined as follows:

$$\text{Adjusted bid} = A + [B_1 \times (I/D)_1] + [B_2 \times (I/D)_2] + \dots [B_n \times (I/D)_n]$$

Where:

A = Sum of the estimated unit quantities multiplied by the respective unit prices bid;

B₁ = Number of calendar days bid to complete contract segment No. 1

(I/D)₁ = The listed I/D value for segment No. 1

B₂ = Number of calendar days bid to complete contract segment No. 2

(I/D)₂ = The listed I/D value for segment No. 2

n = Number of contract segments

The Department will only use adjusted bids to compare proposals and to determine the low bidder.

The Department will make payment for work performed according to the pay provisions of the specified items of work. The Department will make payment for incentives and disincentives as specified in the ***A+B with Multiple Sections Contract Table***.

In C&MS 624, Mobilization, Subsection 624.04, Basis of Payment, the total original contract amount will be only the total of the A Part. The subcontracting limitation will be based on the total of Part A. Any other

reference in the plans and specifications to the total contract amount will be considered the total of only Part A, and will not include the sum of the B Parts.

Incentive/Disincentive for Early Completion.

It is in the public's interest that the specified contract segments be substantially completed at the earliest possible date. The contract provides an incentive/disincentive to encourage the early completion of the contract segments described in the *A+B with Multiple Sections Contract Table*.

The beginning date for charging calendar days to a contract segment will be the day when traffic on the contract segment is impacted by the construction, unless the beginning date is otherwise stated in the plan notes or specifications. Calendar days will continue to be charged until the segment is determined to be substantially complete.

For each of the contract segments that are substantially completed in fewer days than bid by the Contractor, the Contractor will earn an incentive. The Department will calculate this incentive payment by multiplying the listed I/D value for the subject contract segment by the difference in the number of days used by the Contractor to substantially complete the segment and the number of days bid for the segment.

Correspondingly, for each of the contract segments that are not substantially completed within the days bid by the Contractor, the Department will charge the Contractor a disincentive. The Department will calculate this disincentive by multiplying the listed I/D value for the subject segment by the difference in the number of days used by the Contractor to substantially complete the segment and the number of days bid for the segment.

The Department will pay incentives or deduct disincentives, as appropriate, in the progress payment after the segment is substantially complete.

Total incentives paid will not exceed five percent of the amount of the total contract unless the Director or his designee determines that the work is so critical that a higher percentage is warranted. There is no limit on the amount of disincentives deducted.

If the Contractor fails to complete the project by final project completion, liquidated damages will be assessed in accordance with Section 108.07 of the C&MS. However, if a disincentive period extends beyond final project completion, the Contractor will be assessed either the disincentive amount or the liquidated damages specified in Section 108.07, whichever is greater, but shall not be assessed the sum of both.

In the event the Contractor impedes the flow of unrestricted traffic subsequent to the substantial completion of any contract segment, the Contractor shall be assessed the daily disincentive amount of any contract segment for each day traffic is restricted.

Extension of contract time will be for calendar days and calculated in accordance with 108.06.

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Purpose and Benefits

A + B Bidding with Multiple Sections provisions are intended to motivate the Contractor to complete the work or a critical portion of the work on or ahead of schedule. It allows the Department to compensate a Contractor a fixed amount of money for each time period the identified critical work is completed ahead of schedule and assess a deduction for time period the Contractor overruns the completion date. The Contractor bids the time required for the project or portion of the project. The I/D amounts are based upon assessing traffic safety, traffic maintenance and road user delay costs. Incentives and Disincentives are based on the number of days that the Contractor actually takes to complete the sections as compared to the number that the Contractor bid. (eg: The plan note maximum is 30, the Contractor bid 20, the Contractor actually took 17, so the Contractor would get a 3 day incentive payment for the segment)

Time Savings: A + B Bidding with Multiple Sections if used properly can shorten the impact or delay to the road users during construction.

Congestion: A + B Bidding with Multiple Sections contracts allow the Department to shorten the lane closure duration in order to lessen the congestion time.

Criteria for Selection

- The project or a portion of the project results in a significant delay or impact to the road users. The road user delay cost can help determine the Incentive/Disincentive amounts.

Project Types

All time sensitive projects

Small Projects - bridge projects or bituminous resurfacing

Mid-Level Projects- Interstate resurfacing, or minor rehabilitation.

Mega Projects- Corridor reconstruction or interstate rehabilitation.

Requirements / Conditions for use

- May include PN 107 (CPM schedule).
- Do not include PN 104 (Value Engineering Change Proposal with time)
- A Prebid Meeting may be held at the District's discretion.
- The incentive payments shall not exceed five per cent of the total contract amount unless the Director or his designee determines that the work is so critical that a higher percentage is warranted.
- The incentive and disincentive amounts are based upon assessing traffic safety, traffic maintenance and road user delay costs.
- The incentive amount equals the disincentive amount.
- There shall not be a cap on the accruing daily disincentive amount unless the Director or his designee expressly authorizes such a cap.

Note Variables that must be filled in:

A+B with Multiple Sections Contract Table. with detailed information must be included in Plan General Notes.

- A. Description of Critical Work for each Contract Segment
- B. Maximum Number of days the contractor can bid for the contract segment
- C. The Incentive/ Disincentive per day
- D. Maximum Incentive [Maximum of 5% of contract amount]

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Note to be included in the Plans General Notes (with *sample language*):

A+B Bidding with Multiple Sections Contract Table

Use the following information in combination with the Proposal Note A + B Bidding with Multiple Sections:
The Contractor will bid the number of calendar days to complete each Contract Segment as listed in the proposal.

Contract Segment - Location of Critical Work	Maximum Days	Incentive/Disincentive \$ per day	Maximum Incentive \$
<i>Segment 1 - 2 Lanes of FRA IR 71 NB from MM99 to MM101</i>	<i>30</i>	<i>\$3,000</i>	<i>\$21,000</i>
<i>Segment 2 - Ramp from IR 270 NB to SR 161 EB</i>	<i>15</i>	<i>\$2000</i>	<i>\$10,000</i>
<i>Segment 3 - All work to final inspection</i>	<i>100</i>	<i>\$2000</i>	<i>\$100,000</i>