



U.S. Department
of Transportation

**Federal Highway
Administration**

Memorandum

Subject: **ACTION:** Fixed Price / Best Value Contracting
Special Experimental Project No. 14 (SEP-14)

Date: July 18, 2012

Gerald Yakowenko, Sr.

From: David A. Nicol
Director, Office of Program Administration

Reply to
Attn. of: HIPA-30

To: Peter J. Hartman III
Division Administrator
Boise, ID

This is in reference to Mr. John A Perry's July 13, 2012 email that transmitted the Idaho Transportation Department's (ITD) June 27, 2012 SEP-14 workplan for the use of a fixed price/best value contract for the aggregate resurfacing of SH-7 between MP36.783 and MP48.869. The best value procurement approach will allow ITD to select the contractor that provides the greatest scope of aggregate resurfacing for a fixed cost of \$700,000.

This contracting method will also allow ITD to reduce their inspection and contract administration costs by using a single bid item instead of the eleven different pay items that would typically be used to administer this type of contract.

The ITD's workplan and commitment for a single evaluation are satisfactory. You may consider this project approved for evaluation under SEP-14. Thank you for the opportunity to review and comment on this SEP-14 request. Should you have any questions, please contact Gerald Yakowenko at (202) 366-1562.