



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

# Memorandum

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Subject: **ACTION:** Fixed Price / Variable Scope Contracting  
Special Experimental Project No. 14 (SEP-14)  
Port Huron Wayfinding Signs

Date: February 22, 2012

***/Signed By:/***

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

In Reply Refer To:  
HIPA-30

To: Russell L. Jorgenson  
Division Administrator  
Lansing, MI

This is in reference to Jeff Forster's February 19 email that transmitted the Michigan Department of Transportation's (MDOT) January 24 SEP-14 workplan; for the use of the fixed price/variable scope contracting method to install wayfinding signs in Port Huron, Michigan.

This contracting method will allow MDOT to maximize the number of signs that can be installed for a fixed budget. MDOT proposes to select a contractor based on the lowest bid of all work that can be completed, within the fixed price. If all work cannot be completed using the fixed price, the contractor bidding the most work will be selected. In the event of a tie, bidders will be required to submit a revised bid, with the lowest bidder selected.

The MDOT's workplan and evaluation schedule 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.