



Memorandum

Subject: **ACTION:** Idaho Fixed Price Variable
Quantity (FPVQ) Contracting under Special
Experimental Project No. 14 (SEP-14)

Date: April 28, 2022

Digitally Signed by BRIAN JEFFERY FOUCH Date: 2022.04.28 15:37:30-04'00"

From: Brian J. Fouch
Director, Office of Construction,
Preconstruction, and Pavements

In Reply Refer To:
HICP-20

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

This memorandum is in response to an April 1 email from John Perry of your staff which transmitted, endorsed, and recommended for approval an Idaho Transportation Department (ITD) request for programmatic approval to use Fixed Price Variable Quantity (FPVQ) Contracting under Special Experimental Project No. 14 (SEP-14).

The use of FPVQ Contracting is a deviation from the low bid procurement method required under 23 U.S.C. 112 in that the award is based on the greatest amount of work to be performed as opposed to the lowest responsive bid.

The proposed workplan is similar to that approved by this office in 2014, except that the list of approved project types would be expanded to include Automated Traffic Recorders (ATR).

Other details are contained in the SEP-14 workplan.

Under its April 1, 2022 workplan, ITD proposes to evaluate and report on the following information:

1. The overall construction engineering and inspection costs will be analyzed and compared with other similar conventionally contracted projects.
2. The final construction cost, including change orders, will be compared to the bid amount in terms of a percentage, for the proposed versus the conventional contracting method.
3. Industry reaction will also be measured by interviewing the Contractor, the Resident Engineer, and District management to obtain their opinions on how well the bidding technique was received by industry.

In addition to the above information, the ITD should also evaluate and compare the estimated unit bid prices for the experimental projects with typical unit bid prices for similar work.

We are approving IDT's request for programmatic approval to use FPVQ Contracting under SEP-14. Since this is a programmatic waiver, please inform ITD that a single annual evaluation of all projects included in the programmatic approval will be required. You may use your discretion in providing any limitations regarding the number of Federal-aid projects included under this programmatic approval

Thank you for the opportunity to review and comment on this SEP-14 request. Should you have any questions, please contact Brian Hogge at (202) 366-1562, or John Huyer at (720) 437-0515.

Attachment