



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

Memorandum

Subject: **ACTION:** Fixed Price / Variable Scope Contracting
Special Experimental Project No. 14 (SEP-14)
I-696 Freeway Lighting Project

Date: February 22, 2013

/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) December 20, 2012, SEP-14 workplan; for the use of the fixed price/variable scope contracting method to replace existing freeway lighting on I-696, beginning near Dequindre Road to a point east of Hoover Road.

This contracting method will allow MDOT to maximize the greatest amount of lighting replacement work for a fixed budget. MDOT proposes to select a contractor based on the lowest bid if all work 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.