



Memorandum

Subject: **ACTION**: Tennessee No Excuse Bonus/
Disincentive Contract Provision Under
Special Experimental Project No. 14 (SEP-14)

Date: April 13, 2023

/Digitally signed by Brian Jeffery Fouch Date: 2023.04.13 09:47:38 04'00'

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

In Reply Refer To:
HICP-20

To: Pamela Kordenbrock
Division Administrator
Nashville, TN

This memorandum is in regard to February 21st and March 16th emails sent by Daniel Newton of your office, which transmitted a Tennessee Department of Transportation (TDOT) workplan for the use of a No Excuse Bonus (NEB)/ Disincentive Contract Provision (contract provision) under Special Experimental Project No. 14 (SEP-14).

Under the contract provision, TDOT would pay the Contractor a \$1,000,000 NEB for completing the following work that requires closing existing UT Medical Center Entrance on or before 28 calendar days beginning on the day when the entrance is closed to traffic.

1. Construct retaining wall #6 along Cherokee Trail from project stations 118+00 to 122+00;
2. Construct this section of Cherokee Trail to grade;
3. Pave the area through the asphalt binder course; and
4. Reopen traffic on Cherokee Trail and the new UT Hospital Entrance under a new traffic configuration.

If the contractor completes the above work within the 28-calendar-day window, TDOT will award the contractor a No Excuse Bonus of \$1,000,000. If the above work is not completed within the 28-calendar-day window, the contractor will no longer be eligible to receive the NEB, and the sum of \$30,000 per day (the Disincentive) shall be deducted from the contractor, not as penalty but as liquidated damages for each day after 28 calendar days have elapsed until the above work is complete. Other details are included in the SEP-14 workplan.

The SEP-14 workplan is approved.

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.