



U.S. Department
of Transportation

Federal Highway
Administration

Memorandum

Subject: Approval Request for Special
Experimental Project No. 14
(SEP-14)

Date: March 10, 2015

From: **/S/**
Mary Ridgeway
Division Administrator
Delaware Division

In Reply Refer To: HDA-DE

To: Mr. Tom Everett, Director
Office of Program
Administration (HIPA-1)
Washington, D.C.

FHWA Headquarters ' SEP-14 approval is necessary for any non-traditional contracting technique which deviates from the competitive bidding provisions in 23 USC 112 and its implementing regulations 23 CFR Parts 635 and 636. Attached is a SEP-14 approval request from DelDOT to use an on call contracting procedure for the construction of ITS projects. DelDOT proposes to:

- Use an existing multi-year open ended on call construction contract where several contractors will be eligible to complete work. The length of the project will be a minimum of 1 year with the option to extend for 4 additional 1 year periods. The contract was advertised with all Federal-aid requirements included in the contract.
- The scope of work for the contract will include, but not be limited to traffic signal construction and ITS device (cameras, detectors, variable speed limit signs, weather stations) installation .
- The contract will pay items associated with work that may be completed during the contract and each contractor will submit bids for each item.
- When a scope of work for an individual task is finalized, a detailed estimate will be developed utilizing the unit bid costs submitted by each contractor. The task will be first offered to the low cost contractor. If the contractor agrees to perform the work within the specified schedule then they will be assigned the task. If the contractor does not agree to perform the work within the specified time then the next lowest cost contractor will be offered the task.
- DelDOT may not offer work to a contractor for the following reasons:
 - They were charged with liquidated damages within the last 6 months and have not completed current assigned tasks.
 - Their monthly work assignment total exceeds \$500,000 (contract requirement)
 - Bonding requirements would be exceeded
 - The contractor is not currently meeting other contract requirements .

- A non-low cost contractor is within 5% of the low cost contractor, the cost of work is less than \$100,000 and they are performing a task within 10 miles of the new task site.
- The measure of effectiveness will be the amount of time between completion of design and the start of construction for this approach and standard construction projects. DeIDOT will be required to provide an annual evaluation of their contracting approach.

We have reviewed DeIDOT's proposal and strongly encourage its approval. If you have any questions concerning this matter, please address them to Patrick Kennedy at (302) 734-5326.

Attachment

CC: Patrick Kennedy -FHWA
Gerry Yakowenko - FHWA
Mark Luszcz -DeIDOT
Subject File 438/
attachment



STATE OF DELAWARE
DEPARTMENT OF TRANSPORTATION
800 BAY ROAD
P.O. Box 778
DOVER, DELAWARE 19903

SHAILEN P. BHATT
SECRETARY

February 2, 2015

Mary Ridgeway, P.E.
Delaware Division Administrator
Federal Highway Administration
1201 College Park Drive, Suite 102
Dover, DE 19904

Dear Ms. Ridgeway:

DelDOT is pleased to submit to FHWA for review and approval the attached expedited delivery contracting work plan. The proposed process is fully consistent with the goals of FHWA's Everyday Counts initiative. To quote the FHWA Everyday Count's web site: "Every Day Counts (EDC) is a state-based model to identify and rapidly deploy proven but underutilized innovations to shorten the project delivery process, enhance roadway safety, reduce congestion and improve environmental sustainability." We are confident that the proposed process will result in very quick project delivery, without sacrificing quality or cost efficiency.

Please call me at (302) 659-4062 if you have any questions or comments.

Sincerely,

DIVISION OF TRANSPORTATION
SOLUTIONS

Mark Luszcz, Chief Traffic Engineer



Expedited Delivery Contracting Work Plan
Traffic Signal, Lighting and ITS Installation Services
Delaware Department of Transportation
February 2015

A. Introduction

The Delaware Department of Transportation (DelDOT) submits this work plan for review and approval as an alternative contracting methodology under the provisions of Special Experimental Project No. 14 (SEP 14) relating to traffic signal and ITS installation services. Historically, the DelDOT Traffic Section has maintained two to three on-call contractors for the purpose of quickly, efficiently, and cost effectively constructing traffic signal and ITS projects. DelDOT has been successfully using this methodology on state funded projects for at least 15 years. Our proposal is to adjust this methodology to ensure it is compliant with all required federal rules and regulations.

B. Purpose

This methodology is an innovative process in project delivery. It allows for flexibility and quicker implementation of projects compared to standard design-bid-build contracting methods.

C. Scope

The contract would be advertised following DelDOT's standard process for bidding and would include all required Federal-aid language. The bid items would be those historically used to construct traffic signal, ITS, highway lighting and traffic monitoring infrastructure. The length of the contract would be for one year, with options to extend in one year increments up to five years. Each year the contract is extended the bid prices may be adjusted with DelDOT's approval. DelDOT would select the low 3 bidders. The contract contains a large number of bid items that may or may not be used. The contract language is clear that quantities are for bidding purposes only and there is no guarantee of work.

For individual tasks, detailed cost estimates for the specific work to be performed will be developed using the unit bid costs submitted by each of the contractors. The tasks will first be offered to the low cost contractor for that task. If the contractor agrees that the work can be completed within the specified schedule, then they will be assigned the task. The maximum number of working days per task is spelled out in the contract and varies based on the estimated cost of the task. In addition, per the contract, one "expedited" task may be assigned at any one time with a maximum number of working days of 25. If the contractor does not agree that they can meet the specified timeframe, then the next lowest cost contractor for this task will be offered the task.

At DelDOT's discretion, the low or second cost contractor for a specific task may be skipped in this process for the following reasons: had a task that was charged with liquidated damages within the last 6 months and has not completed current assigned tasks, a new task would cause

the monthly work assignment total to exceed \$500,000 (contractual requirement), bonding requirements would be exceeded, or the contractor is not currently meeting one or more other contract requirements. In addition, DeIDOT may choose a non-low cost contractor if their cost is within 5% of the cost of the low cost contractor, the contractor cost estimate is less than \$100,000, and the new task is within 10 miles of an existing active tasks assigned to a contractor other than the tow cost contractor.

D. Schedule

DeIDOT already has three on call agreements in place (DOT 1227 -TRAFFICSIG & ITS). DeIDOT intends to adjust our process for offering tasks to contractors consistent with this document immediately upon approval of this document.

E. Measure Effectiveness

The time from design completion until the start of construction will be used to determine the effectiveness of this innovative process.

F. Reporting

DeIDOT will prepare a report summarizing this innovative process one year after approval of the process.