

FIXED BUDGET VARIABLE QUANTITY CONTRACTING REPORT

Project Location: FY 15 D4 Districtwide Seal Coats
Project No: A013(065)
Key No: 13065
Project Manager: Tom Logan
Report Date: January 26, 2016

Introduction

This report was written to document the performance of Fixed Budget/Variable Quantity Contracting on the above mentioned project. This report is requested by FHWA upon completion of the project. The report contains an overall evaluation of the project.

Project Description

This project is part of our yearly sealcoat program in District 4. The sealcoat program is used to extend the life of our pavements, and to increase the friction on the roadway surface.

The contractors bid this project on a Fixed Budget/Variable Quantity basis. There were only two bid items for the projects. The first was a fixed cost traffic control item (S904-05A) which was a lump sum of \$80,000. The second was a fixed dollar amount of \$2,948,000 where the contractor bid how many square yards they could sealcoat for that amount of money (S912-05A). This brought the total estimate to \$3,028,000 for the construction portion of the contract.

There were 4 bidders that ranged from being able to do 1,433,897 square yards to 1,616,228.07 square yards. The winning bid was Intermountain Slurry Seal, Inc at the 1,616,228.07 square yards.

Construction was started in the summer of 2014. During 2014 \$2,362,308.88 was expended on construction. In 2015 there was \$671,617.66 additional funds spent on construction. This brings the total to \$3,033,926.54 for construction.

Conclusion

The use of the Fixed Budget/Variable Quantity was a new and interesting way to design, bid, and construct a project. The number 1 reason to use it is because the budget is fixed so you know how much the bid will be before the project is advertised. This obviously makes budgeting easier. The challenge is that you don't have set construction limits and the time spent in design was longer. The use of this bidding strategy is also limited to certain projects. Overall the experience was a good one and the challenges would likely get easier with repetition.