



Memorandum

U.S. Department
of Transportation

**Federal Highway
Administration**

Subject: **ACTION:** Fixed Price Variable Scope Contracting
Multiple Environmental Sensor Stations and Camera
Installations under Special Experimental Project No. 14
(SEP-14)

Date: December 17, 2015

From: /s/ Thomas D. Everett
Director, Office of Program Administration

Reply to
Attn. of: HIPA-30

To: Russell L. Jorgenson
Division Administrator
Lansing, MI

This is in reference to Jeff Forster's December 7 email that transmitted the Michigan Department of Transportation's (MDOT) SEP-14 workplan for the use of a fixed price / variable scope contracting method to install up to twelve environmental sensor stations and up to seven closed circuit television cameras in MDOT's North Region.

This contracting method will allow MDOT to maximize the greatest amount of work with a budget not to exceed \$1,500,000. The successful proposer will be selected on a best-value basis considering their prices for various sections which are prioritized by increasing scope. The successful proposer will provide the lowest price for the section that represents the greatest amount of scope. Bids greater than the \$1,500,000 budgeted amount will be considered non-responsive.

The MDOT's workplan and proposal to perform a single initial/evaluation are satisfactory. The evaluation should address industry reactions to the use of this concept as well as the effectiveness of this contracting technique in meeting the projects goals. 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.