



Memorandum

Subject: **ACTION:** Michigan On the Job Training (OJT)
Voluntary Incentive Program (VIP) under
Special Experimental Program No. 14 (SEP-14)

Date: January 31, 2017

From: /S/ Peter J. Stephanos
Director, Office of Program Administration

In Reply Refer To:
HIPA-30

To: Russell L. Jorgenson
Division Administrator
Lansing, Michigan

This memorandum is in reference to a January 5, 2017 email from Jeffrey Forster of your staff, which transmitted the following documents:

1. A Michigan Department of Transportation (MDOT) workplan under Special Experimental Project No. 14 (SEP-14) for an On the Job Training (OJT) Voluntary Incentive Program (VIP) Pilot, dated October 5, 2016;
2. OJT VIP Pilot Procedures (undated); and
3. An MDOT Special Provision, dated November 16, for Preparation and Consideration of Bids on On-The-Job Training Voluntary Incentive Program Projects

When a bidder elects to use the OJT-VIP Pilot program, for every additional training slot a Contractor has above their required OJT allocation(s), they will receive a \$50,000 bid incentive (reduction) from their bid price for the purposes of determining the lowest responsive bidder for select MDOT federal-aid projects. When used, the bid incentive will adjust the bid price and may affect the order of bids. NOTE: The bid incentive defined above will be used solely for determining the lowest responsive bidder. The awarded contractor will be compensated for the work performed according to their bid price and the other terms of the contract relating to measurement and payment.

The maximum total bid incentive capped for each contract will be the advertised net classification required multiplied by 50, not to exceed \$500,000 on any individual contract.

MDPT's Workplan is approved for evaluation under SEP-14. Thank you for the opportunity to review and comment on this SEP-14 project. If you have any questions, please contact Gerald Yakowenko at (202)366-1562 or John Huyer at (651)291-6111.

Attachments