

Work Plan for Special Experimental Project No. 14 (SEP-14)

Michigan Department of Transportation
Use of a No Excuse Incentive on a Freeway Reconstruction Project
I-75, from Dixie Highway to Hess Road MDOT JN 106858A
Date: October 8, 2014

Introduction

The Michigan Department of Transportation (MDOT) proposes to use a No Excuse Incentive on a freeway reconstruction project to incentivize the expedited construction of the early stages of the project in order to increase mobility during seasonal periods when traffic volumes on this segment of I-75 are the highest.

This segment of I-75 has 6 lanes of traffic (3 NB and 3 SB) and ADT of 52,550 with 10% commercial. Traffic volumes increase significantly after Memorial Day due to seasonal and tourist traffic. The project will also have an alternate pavement bidding component. The No Excuse Incentive will be applied to the completion of the initial stages of construction so 5 lanes of traffic can be maintained while the freeway is reconstructed. After the initial stages are completed, MDOT will maintain 3 lanes of traffic in the peak direction and 2 lanes in the non-peak direction by using movable barrier.

Purpose

The purpose of using a No Excuse Incentive is increase mobility during the times when traffic volumes increase. A very aggressive construction schedule will be required to complete the preliminary work by Memorial Day, and the contractor will need to dedicate significant resources above those typically needed for an expedited project. The use of this incentive demonstrates MDOT's commitment to maintaining mobility on the I-75 corridor.

Scope

A Special Provision for No Excuse Incentive is being developed and is under final review by MDOT staff. A draft of this special provision is attached. The project is a Project of Division Interest and the final version used in the contract will be provided to the FHWA –Michigan Division for final approval. MDOT has previously used a No Excuse Incentive and had successful results.

Schedule

The project is anticipated to be let for bids in January, 2015, and construction will be open to traffic at the end of 2016.

Evaluation

In order to evaluate the success of this incentive, MDOT will document if the incentive met the projects goals. MDOT will also contact and survey the selected and unsuccessful bidders and ask the following questions:

1. *Did the concept of the No Excuse Incentive provision cause you as a bidder to approach the preparation of your bid differently than for a normal (non-expedited) construction schedule? (Y/N)*

If Yes, what difference in approach did you take?

2. *Did the concept of the No Excuse Incentive provision cause you as a bidder to approach the preparation of your bid differently than for other typical accelerated construction schedules with incentives? (Y/N)*

If Yes, what difference in approach did you take?

3. *Was the incentive amount sufficient to warrant an effort to accelerate the schedule to achieve the No Excuse Incentive date? (Y / N) If No, please explain.*
4. *Were the specifications for the No Excuse Incentive clear to prepare your bid? (Y / N) If No, please explain.*
5. *How would you rate the clarity of the No Excuse Incentive special provisions to your experience with other incentive/disincentive provisions? (Please circle your ratings below.)*

<i>Traditional Calendar Day I/D</i>	<i>More Clear</i>	<i>Same</i>	<i>Less Clear</i>
<i>A+B Calendar Day</i>	<i>More Clear</i>	<i>Same</i>	<i>Less Clear</i>
<i>Lane Rental</i>	<i>More Clear</i>	<i>Same</i>	<i>Less Clear</i>

6. *Are there any other thoughts you have on the positive or negative aspects of the No Excuses Incentive special provision (including the Progress Clause) as it relates to the bidding of the subject project?*

Reporting

MDOT will prepare and submit a report to the FHWA within 6 months of the project's completion. The report will contain information on the final contract language, MDOT's evaluation of the successes and challenges while using the No Excuse Incentive as well as the Contracting Industry's reaction and survey results.

ATTACHMENT A: Draft No Excuse Incentive Special Provision

MICHIGAN
DEPARTMENT OF TRANSPORTATION

SPECIAL PROVISION
FOR
I-75 NO EXCUSE COMPLETION OF WORK INCENTIVE

BAY:JYP

1 of 2

C&T:APPR:

a. Description. The Department will pay the Contractor a “No Excuse Incentive” if the following conditions, hereinafter referred to as the “specified work”, are met:

- Work required to construct Stage 1 as defined in the Special Provision for Maintaining Traffic, Permanent Signing and Pavement Marking and as specified on the plans is fully completed.

- Southbound I-75 traffic is shifted to the northbound roadway with five lanes maintained from the POB to the POE with three lanes of traffic in the direction of peak flow as defined in the Special Provision for Maintaining Traffic, Permanent Signing and Pavement Marking.

The no excuse incentive date for the specified work is **May 21, 2015**.

The Department will pay an incentive of \$250,000 for completion of the specified work on or before the no excuse incentive date.

Failure to complete the specified work by **June 13, 2015** will result in the assessment of liquidated damages in accordance with subsection 108.10.C of the Standard Specifications for Construction and the Special Provision for Liquidated Damages for Other Department Costs.

The Department will not extend the no excuse incentive date for the specified work for any reason, regardless of fault, with the exception of a declared state of emergency.

Delays may be caused by or arise from any number of events during the course of the contract., including but not limited to, work performed, work deleted, change orders, supplemental agreements, delays, disruptions, differing site conditions, utility conflicts, design changes, actions of suppliers or other contractors, material defects, suspension of the Contractor’s operations, actions by third parties, weather, or other factors. Such delays or events and their potential impacts on performance by the Contractor will not invalidate or alter the “No Excuse Incentive” provisions or the Progress Clause requirements. Any and all costs or impacts incurred by the Contractor in accelerating the Contractor’s work to overcome or absorb such delays or events in an effort to complete the specified work by the “No Excuse Incentive” date, regardless of whether the Contractor is successful or not, will be the sole responsibility of the Contractor in every instance and no claims will be considered if filed by the Contractor for such costs or impacts.

The Engineer may allow additional compensation for costs incurred due to increased quantities or extra work to keep the project on schedule to meet the no excuse incentive date for the specified work, in accordance with the following subsections.

b. Increased Quantities. The Engineer will only consider cost adjustments for quantity increases to complete the specified work if all of the following conditions are met:

1. The quantity increase is required to meet the completion date,
2. The increases are to a major item of work,
3. The increase affects completion of the Contractor’s controlling operation(s) as defined in the Contractor’s approved progress schedule valid at the time the quantity increase occurs, and
4. The Contractor demonstrates that the quantity increase meets the significant change criteria as it relates to the controlling operation.

Obtain the Engineer’s approval for cost adjustments prior to performing the work involving the quantity increase. Provide justification to the Engineer for the adjusted unit price due to the quantity increase relative to keeping the project on schedule without any change in the completion date.

The Engineer will only consider actual direct costs above that necessary to complete the work. No cost adjustment will be allowed for overhead.

c. Extra Work. Extra work is as defined in subsection 101.03 of the Standard Specifications for Construction. If the Engineer determines that extra work is required, the Engineer will decide if the extra work must be performed prior to the completion time for the “No Excuse Incentive” or at some other time period.

If the extra work affects the controlling operation as defined in the Contractor’s approved progress schedule and the Engineer determines that the extra work is to be done prior to the completion time for the “No Excuse Incentive”, the Contractor will provide a documented cost to complete the extra work. The cost will include a detailed breakdown for completing the extra work. If there is additional cost relative to keeping the project on schedule without any adjustment in the completion date, the Contractor will provide documented justification of all such costs. The Contractor will bear the burden to fully justify the cost of any extra work to the satisfaction of the Engineer.

d. Measurement and Payment. An incentive earned as described above, up to the allowable maximum, will be paid using the following pay item:

Pay Item	Pay Unit
Incentive, Completion of Work (JN 106858)	Dollar