



U.S. Department  
of Transportation

**Federal Highway  
Administration**

# Memorandum

Subject: **ACTION:** Locked Incentive Date Specification  
Special Experimental Project No. 14 (SEP-14)

Date: February 16, 2011

## Signed By

From: David A. Nicol  
Director, Office of Program Administration

Reply to  
Attn. of: HIPA-30

To: Derrell E. Turner  
Division Administrator  
St. Paul, MN

This is in reference to Mr. David Scott's February 15, 2011 memorandum that forwarded an SEP-14 evaluation report and supporting information on behalf of the Minnesota Department of Transportation (MnDOT). MnDOT proposes to evaluate a program of projects using a "Locked Incentive Date" specification over a three-year period.

The Locked Incentive Date specification provides a lump sum incentive for the contractor to complete critical work by a certain calendar date. Unlike traditional incentive/disincentive contract provisions, the Locked Incentive Date specification does not allow a contractor to receive a time extension for an excusable delay and still receive the incentive payment. The Locked Incentive Date specification also requires the contractor to waive all claims if the incentive is accepted.

This project is approved for evaluation under SEP-14. The initial evaluation report provided with MnDOT's request is satisfactory. We concur with MnDOT's request to use this technique on a programmatic basis for a three-year period with a single evaluation report covering all projects at the end of the evaluation period. Should you have any questions, please contact Gerald Yakowenko at (202) 366-1562.

