



February, 21, 2024

Mr. Bill Lohr  
Field Operations Team Lead  
FHWA – Minnesota Division  
180 East Fifth Street, Suite 930  
St Paul, MN 55101

RE: **Special Experimental Project 14**  
**Locked Incentive Date (LID) Evaluation Report**

Dear Mr. Lohr:

Please accept this as an interim report to Special Experimental Project 14 – Locked Incentive Date (LID) Evaluation Report – approved 04/06/21. Since our previous report in February 2015 the Department has continued to see the value in selectively utilizing a LID specification on challenging projects. We have not realized any new or unique issues with the use of the specification. I have provided a summary of the usage on SP 6283-247.

### SP 6283-247

The purpose of the project was to restore the pavement condition in anticipation of a more extensive reconstruction project in 15-20 years, and to repair the existing bridges and extend the serviceable life of the structures.

The LID was proposed to expedite the project and allow the project to be completed in two construction seasons and reduce the concern and costs of extending to a third season because of potential project quantity overruns that are an issue with concrete pavement rehab projects.

The LID provision was successful as the Contractor completed the work within the specified contract and was able to achieve the LID incentive. The following are some of the impressions of the effectiveness of the LID language from both the Owner and Contractor:

#### **Department Perspective**

- Kept contractor motivated to complete and achieve LID within contract date
- Avoided a potential significant claim due to underruns with full depth repairs

- The standard boiler plate language is written to utilize the same intermediate completion requirements as the standard 1806 intermediate/substantial completion date. Our goal on this project was to remove permanent lane restrictions off I-94 but if off peak lane closures were needed beyond the LID to complete work it wouldn't be a significant concern. The 1806 language should have been adjusted to show this as the desired outcome of the Contract. This did not affect the LID or the contract.

### **Contractor Perspective**

- Pushed hard (number of operations, subcontractor schedules) to make the LID date from beginning of Contract.
- Put in more hours especially on Saturdays and some Sundays to make the LID date.
- Bid was put together incorporating the incentive and planning on pursuing the incentive from the beginning of Construction.
- LID required all work to be complete by LID incentive date. This affected non traffic interfering work as well as mainline operations. Recommend very clear and concise requirements for work that must be completed.
- “Not a big fan in general of LIDs.” These incentives place a large amount of risk at time of bid and throughout construction. If Bidder desires work incentives must be considered at time of bid. LIDs require commitment from very beginning of project and the amount of effort does not guarantee success.

This project along with our previous uses of the LID Specification have shown that LIDs can be an effective tool to aid in accelerating completion of critical projects. The use of the LID specification does not ensure that acceleration will be successful nor even strived for by the Contractor. The Department also notices a trend that this specification looks to be more desired in our Metro District which has much higher volumes of traffic than the outstate areas and accounts for approximately one-half of the State Construction Budget.


Based on the information provided this Letter and findings in the previous reports the Department requests programmatic SEP-14 approval to use the LID specification on our Design-Build (DB) and Design-Bid-Build (DBB) projects. The Office of Construction and Innovative Contracting will continue to oversee the implementation of this specification under the DBB umbrella, while Design Build Project Manager will perform these operations from the for our DB projects.

The Department does not expect to use the LID Specification very frequently, but does see value with projects that have an extreme impact on our traffic volumes, Projects that have potential corridor conflicts if not completed on time and projects that have heavy impacts on businesses which cannot be avoided. We look forward to hearing from you on our programmatic request.

If you have any questions, please contact Kevin Kosobud (218-310-3677).

Sincerely,

**Paul Johns**

 Digitally signed by Paul Johns  
Date: 2024.03.22 08:52:19 -05'00'

Paul Johns, PE

State Construction Engineer

CC: Peter Davich  
Kevin Kosobud

*Equal Opportunity Employer*