



U.S. Department  
of Transportation

Federal Highway  
Administration

# Memorandum

Subject: **ACTION:** Missouri Fixed Price Variable  
Scope (FPVS) Contracting under  
Special Experimental Project No. 14 (SEP-14)

Date: March 12, 2019

From: **/S/** Gina M. Ahlstrom  
Acting Director, Office of Preconstruction,  
Construction, and Pavements

In Reply Refer To:  
HICP-20

To: Kevin W. Ward  
Division Administrator  
Jefferson City, MO

This memorandum is in response to emails dated February 20, March 6, and March 7 from Dawn Perkins of your office, which endorsed and transmitted the following documents:

1. A Missouri Department of Transportation (MoDOT) workplan, dated February 19, 2019 for Fixed Price Variable Scope (FPVS) Contracting under Special Experimental Project No. 14 (SEP-14). The workplan would only apply to combined project 15I3303 and 12I3225, slated for a March 2019 letting;
2. An attachment, received March 8, 2019, titled "FPVS - Job No. 1513303 and 1213225 Workplan Attachments," which contains documents for example Pay Items, Contract Award and Management, Site Locations, and example FPVS Special Provisions;
3. A February 7, 2019 cover letter from MoDOT to the FHWA Missouri Division Office, transmitting and requesting approval of the SEP-14 workplan; and
4. A February 20, 2019 cover letter from the FHWA Missouri Division Office to the FHWA Headquarters, transmitting and requesting approval of the SEP-14 workplan.

The original transmittal requested SEP-14 approval for four individual projects. After analysis, the scope was reduced to the single project package listed above.

MoDOT proposes to use FPVS procurement to deliver this project. This contract method will allow MoDOT to adjust the amount of work to be completed to match the budget for the project.

Under the FPVS procurement method:

1. The budgeted amount is shown in the contract.
2. The contract indicates the project locations that are included in the initial bid quantities. The itemized bid quantities are based only on work at these locations.
3. The contract indicates the project locations that are included as the variable scope portion of the contract.

4. Contract work is listed in priority order: first, the locations included in the initial bid quantities; next, the locations included in the variable scope portion of the contract. The contractor shall begin work on the first route and continue down the list until all funds have been used.
5. The unit prices bid will apply for the work at the locations included in the initial bid quantities, as well as for those locations listed as variable scope.
6. The award of the contract will be based on the lowest responsible bidder based on their total bid for the itemized quantities in the proposal and unit price bid.
7. Once the project has been awarded, the MoDOT construction office would then manage the contract by using a change order to adjust the contract quantities upward or downward to reach, but not exceed the budgeted amount.

Additional details may be found in the SEP-14 workplan.

MoDOT's SEP-14 workplan for the use of FPVS Contracting is satisfactory. 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 John Huyer at (720) 437-0515 or Gerald Yakowenko at (202) 366-1562.