



Memorandum

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

Date: July 1, 2021

From: *By ROBERT B. MOONEY.2021.07.01 13:29: 10 -04'00'*
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Director, Office of Preconstruction,
Construction, and Pavements

In Reply Refer To:
HICP-20

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

This memorandum is in response to June 17 and 18 emails from Ms. Dawn Perkins of your office which transmitted and endorsed the following documents:

1. A Missouri Department of Transportation (MoDOT) programmatic workplan agreement with FHWA, undated, to approve the use of Fixed Price Variable Scope (FPVS) Contracting under Special Experimental Project No. 14 (SEP-14);
2. A document containing proposed language for MoDOT's Engineering Policy Guide 147.4 – Fixed Price Variable Scope Contracting;
3. Examples of Pay Items, Contract Award and Management, Site Locations, and FPVS Special Provisions from two previously let FPVS projects; and
4. A June 17 cover letter from the FHWA Missouri Division Office to FHWA Headquarters, transmitting and requesting approval of the SEP-14 workplan.

MoDOT proposes to programmatically use FPVS Contracting on preventive maintenance and traffic control device installation types of work when deemed appropriate and beneficial.

Previous MoDOT FPVS projects have included: sign installation; chip seal; high friction surface treatment; crack sealing; thin lift asphalt overlay; and pavement markings.

MoDOT has requested that FHWA approve this programmatic request for a period no longer than three years.

For each project:

1. MoDOT develops estimated quantities for the pay items for each project that will deliver the budget amount that is included in the project specifications.
2. Locations of the work are established in priority order in the project specifications.
3. MoDOT advertises each project through its traditional bidding processes.

4. The contractor will bid unit prices for the pay items and submits their bids through traditional bidding processes.
5. MoDOT awards the contract to the lowest responsive bidder.
6. 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 has committed to an evaluation of the effectiveness of FPVS projects by using various performance measures and providing the FHWA MO Division office with initial, interim, and annual reports. The FHWA MO Division will be involved with the FPVS projects through project specific reviews, approvals, meeting attendance and coordination.

MoDOT's SEP-14 workplan for the programmatic use of FPVS Contracting is approved for a period of three years from the date of this memorandum.

Thank you for the opportunity to review and comment on this SEP-14 request. Should you have any questions, please contact Brian Hogge at (334)399-0081 or John Huyer at (720) 437-0515.