



Memorandum

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

Date: June 6, 2024

From: Moises Marrero
Acting Director, Office of Preconstruction,
Construction, and Pavements

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In Reply Refer To:
HICP-20

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

This memorandum is in response to a May 17 email from Ms. Aryn Thompkins of your office which transmitted and endorsed the following:

1. a Missouri Department of Transportation (MoDOT) programmatic workplan agreement with FHWA to approve the use of Fixed Price Variable Scope (FPVS) Contracting under Special Experimental Project No. 14 (SEP-14); and
2. A May 17 cover letter from the FHWA Missouri Division Office to FHWA Construction Team Lead Brian Hogge, transmitting and requesting approval of the SEP-14 workplan.

MoDOT proposes to continue the programmatic use of FPVS Contracting on preventive maintenance and traffic control device installation types of work when deemed appropriate and beneficial. FHWA's previous programmatic approval commenced in 2021 and concludes in 2024. MoDOT has requested that FHWA approve this programmatic request for State Fiscal Years 2025 - 2027.

MoDOT will select projects with work that is repetitive in multiple locations. This project delivery method will be used when project budget is a priority on preventive maintenance and traffic control installation types of work. MoDOT intends to use this contracting method on 10 to 20 projects a year on NHS routes.

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

For each project:

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 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 from July 1, 2024 to June 20, 2027 is approved.

Thank you for the opportunity to review and comment on this SEP-14 request. Should you have any questions, please contact Brian Hogge at (202) 366-1562 or John Huyer at (720) 437-0515.