

Contract Time and Price + Time (P+T) Bidding UDOT 08A-13

Effective: February 6, 2014

Revised: New

Purpose

To establish a policy for the Utah Department of Transportation (Department) to determine the time component for Price + Time bidding or to determine contract time for projects that do not incorporate Price + Time. To identify a procedure that captures the full cost of a project; including user costs for construction projects. The practical application of this policy is to balance societal costs with construction costs.

Policy

Contract time (T), also known as construction duration time (T) will be established to aid the Department to better manage the construction of projects. During the Project Development phase of projects the Department will:

1. Establish T to aid the Department to better manage the construction of projects .
2. Establish non-work windows and address these windows in a Contract Special Provision.
3. Assess potential user costs based on the anticipated amount of delay given standard construction techniques.
4. Develop a strategy to mitigate user costs.
5. Develop project costs required to implement the mitigation strategy.
6. Balance user costs with actual construction costs.

The Department will bid time using Price + Time on construction projects.

Background

Department projects impact the traveling public in a variety of ways. One of these impacts is costs to the user in the form of delay. Identifying these associated user costs during the Project Development design phase will allow the Department to make decisions that better encompass the full range of project costs. The Department recognizes the need to balance user costs with all other project related costs. The Department recognizes the faster projects are completed, the less impacts to the traveling public, and therefore the greatest benefit.

Definitions

Non-work windows

Periods of time when the contractor will not be allowed to work, periods of time that are not included in incentive/disincentive amounts, or both.

Time (T)

Contract time (T), also known as construction duration time (T).

Procedures

Contract Time and Price + Time (P+T) Bidding

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Concept Development Phase

Responsibility: Project Manager

Actions

1. Include estimated Time incentive costs in concept estimate.

Project Development Phase

Responsibility: Traffic Operations Center (TOC)

2. Develop and maintain a standard process for determining project user costs on projects.
3. Calculate and deliver costs to projects as requested.

Responsibility: Design Engineer

4. Determine Time (T) components with the project manager and the resident engineer and include in project.
5. Establish non-work windows.
6. Provide this information to the project manager and resident engineer for incorporation in the Contract Special Provision.
7. Obtain information critical to determining T such as traffic volumes, public impacts, political implications, and where incentive and disincentive considerations are involved.
8. Provide this information to the project manager and resident engineer.

Responsibility: Project Manager

9. Contact the TOC during project development design for expected user costs on project.
10. Obtain input into the calculated T figure from participants on the project team.

11. Develop strategies with the project team for minimizing user costs on the project.
12. Develop project costs required to implement the mitigation strategy.
13. Balance user costs with actual construction costs.
14. Review and consider the project team input to determine if recalculating of T is necessary.
15. Coordinate with the project team to agree on T before assembling the final bid package.
16. Discuss benefits and issues associated with P+T bidding with local governments.
17. Document the decision process and final T value for each local government project.
18. Submit written justification to the Region Program Manager with reasons to waive P+T bidding for projects that are not appropriate for P+T bidding.
 - a) There may be rare exceptions to using P+T on projects.
 - b) Obtain final written approval from the Region Director for the project file.
19. Include Price + Time (P+T) bidding on the Project; using amount as determined above.
20. Determine Incentive/Disincentive amount to be used as part of Price + Time (P+T) bidding.
21. Include all non-work windows using T as determined above and incorporate final requirements in the Contract Special Provision.
22. Document the decisions that determine the final T value and maximum incentive used on each project in the project file.

Responsibility: Innovative Contracting Engineer

23. Maintain the Price + Time Statewide Special Provision and documentation.
24. Provide set of guidelines for projects that do not use P + T, when appropriate.