

STATE

OF

TENNESSEE

February 6, 2006
Project Nos.: TN: BH-I-40-1(300)
79003-3191-94
AR: BRN-40-5(146)282
110430
County: Shelby, TN
Crittenden, AR
Contract No.: CNE903

REV. 2/22/06

SPECIAL PROVISION

REGARDING

A + B BIDDING, PROJECT COMPLETION,

AND INCENTIVE/DISINCENTIVE PAYMENTS

General. It is intended that all construction be completed by the earliest feasible date to minimize public inconvenience and enhance public safety. The Contractor shall bid this project on a cost plus time (A+B) basis with the potential for incentives or disincentives. Should the total number of calendar days that the Contractor bids under the “B” portion of his bid be deemed excessive, then the bid will be rejected. To this end the Contractor shall pursue the work rigorously utilizing the necessary work week, work hours and/or work shift schedules to expedite the work.

Bidding. For this project the bidder is to determine the number of calendar days beginning on June 15, 2006 that he will require to complete this project (B = number of calendar days). The maximum number of calendar days allowed will be 1400. Any bids submitted with more than 1400 days will be considered non-responsive and will be rejected.

Determination of the low bidder will be based on the following formula:

$$\text{Total Contract (A+B)} = A + (B \times \$5,000/\text{day})$$

Where, A = bid price total
B = the number of days indicated by the bidder needed to complete the project

The Total Contract (A+B) cost will be used by the Department to determine the low bidder, but reimbursement to the Contractor shall be based solely on the bid price total “A” and any incentive or disincentive payment made in accordance with these specifications.

IMPORTANT: The number of calendar days “B” is to be entered on the bid disk under the Proposal Sites Folder. Failure to enter a bid for this item will make the bid irregular and be cause for **rejection**.

Time Charges. Calendar days will be charged in accordance with Subsection 108.06 of the Standard Specifications except that time charges will begin on June 15, 2006 or the actual date the Contractor begins work, whichever comes first. Time charges will continue until final acceptance of the project by the Engineer in accordance with Subsection 108.06 of the Standard Specifications.

It is recognized that the project limits may be prone to flooding at various times of the year. Unless the Contractor can work on the controlling item of work, calendar days will not be charged when the water elevation at the U.S Army Corps of Engineers (COE) Memphis Station MS126 (Mississippi River Mile 734.4) Weather Bureau Gauge “Latest Stage” elevation is 25.0 feet or more (River Elevation 208.91 ft.). This third party information shall be checked and documented daily (8:00 a.m.) at the website below to determine Stage Elevations and if time charges are warranted:

<http://www2.mvr.usace.army.mil/WaterControl/stationinfo2.cfm?sid=MS126&fid=MEMT1&dt=S...>

Charged calendar days will begin three (3) days after the water recedes below the Stage Elevation of 25.0 feet, unless the forecasted Stage elevations show the river will again be above this elevation within 3 days, however, if the contractor can work on the critical path item calendar days will be charged.

Time Adjustments.

No time adjustments will be allowed for:

- adverse weather conditions, unless as stated in the “Time Charges” above,
- the time required to review and approve Shop Drawings,
- the time required to review Value Engineering Change Proposals,
- the time to process Supplemental Agreements, Construction Changes, or Plans Revisions,
- an increase in plans quantities,
- the time to complete extra work not on the critical path,
- any delays typically encountered during Construction regardless of the source,

Time adjustments may be considered for:

- the time for plans changes if the Contractor was unable to work on the controlling item of work without revised plans or shop drawings,
- the time for ordering and delivery of materials for extra work directed by the Department that affects the critical path,
- delays encountered due to a catastrophic event, beyond the control of the Contractor, that the Department determines adversely affected the progress of the work.

Incentive/Disincentive. If the project is completed and accepted in less time than “B” as defined below, the Contractor will receive an incentive payment based on the lesser of the following:

1. $(B - \text{Actual Time Charged}) \times \$5,000/\text{day}$, or
2. \$1,500,000 (One million, five hundred thousand dollars)

where B = the number of days indicated by the bidder needed to complete the project, modified up or down due to any authorized time adjustment

If the project is not completed in time “B”, then the following amount will be deducted from monies due the Contractor as a disincentive:

$$(\text{Actual Time Charged} - B) \times \$5,000/\text{day} = \text{Disincentive Amount}$$

The \$5,000/day disincentive payment includes any liquidated damages that may be incurred for failure to complete the work on time. No additional deduction will be made for liquidated damages.

Control of Work. A Critical Path Method (CPM) flow chart will be required for this project with monthly updates or at intervals requested by the Engineer. The CPM shall divide the project into specific activities with start and stop dates of critical path and non-critical path elements. Any float time for non-critical path elements in addition to activities by subcontractors and material suppliers are to be shown.

The CPM is to be submitted to the Engineer no less than two (2) weeks prior to the preconstruction conference. Failure to submit monthly updates, as required, may result in the withholding of progress payments.

Basis of Payment. Disincentive payments will be made on progress estimates. Incentive payments may be made on progress estimates provided the work has been accepted in accordance with Subsection 105.15 of the Standard Specifications. The Department may accept specific sections of the project as complete in accordance with Subsection 105.13, however, no incentive payment will be made for partial acceptance except as provided above. Payment will be made under:

<u>Item No.</u>	<u>Pay Item</u>	<u>Pay Unit</u>
108-10.01	Incentive Payment	Calendar Day
108-10.11	Disincentive Payment	Calendar Day