



Florida Department of Transportation

JEB BUSH
GOVERNOR


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JOSÉ ABREU
SECRETARY

June 22, 2005

DCE MEMORANDUM NO. 14-05
(FHWA Approved: June 21, 2005)

TO: DISTRICT CONSTRUCTION ENGINEERS

FROM: Ananth Prasad, Director, Office of Construction 

COPIES: David Sadler, Don Davis (FHWA), and Bob Burleson (FTBA)

SUBJECT: ADJUSTMENT TO INCENTIVE/DISINCENTIVE AND NO-EXCUSE BONUS CONTRACTS DUE TO MATERIAL SHORTAGES

In the future, for the Department to consider an adjustment to an Incentive/Disincentive and a No-Excuse Bonus contract in the event of an area wide material shortage, as determined by the Department, the following conditions must be met for the Department to consider such an adjustment:

1. Contractor must provide schedule detailing how material shortage impacted the critical path of the project.
2. The effect of such area wide material shortage resulted in a Time Extension of 15 % or more of the time remaining in the period from first day of occurrence of such impact to the "no excuse bonus date".
3. Contractor must provide evidence that they made attempts to obtain the material from all reasonably available sources.
4. Contractor must provide evidence that they offered a reasonable percentage of the incentive to the material supplier in an effort to obtain the required material.
5. Contractor must provide a detailed narrative of what efforts were employed to overcome the delay caused by the material shortage.

If you have any questions, please contact Tim Lattner at (850) 414-4167, SC 994-4167.

AP/lw