

109-C-249 BASIS OF PAYMENT FOR CRI PROPOSAL

(Adopted 01-21-16)

The Standard Specifications are revised as follows:

SECTION 109, BEGIN LINE 581, DELETE AND INSERT AS FOLLOWS:

(i) Basis of Payment

The work, as revised by the formal CRI proposal, will be paid for as complete and in place and in accordance with the change order. In addition, *the Contractor's Reasonable Design Cost and 50% of the total net savings of the CRI proposal will be paid for separately as follows:*

1. ~~An initial amount of 25% of the total estimated savings will be paid to the Contractor upon approval of the change order. The Contractor's Reasonable Design Cost for the CRI proposal will be paid for after approving the formal CRI proposal with the change order.~~
2. Upon completion of all items of work included in the change order, the total net savings will be calculated and the Contractor will be paid ~~the difference between 50% of the total net savings and the initial payment of 25% of the total estimated savings.~~

The total net savings resulting from the CRI will be calculated as follows:

$$TNS = OCW - RCW - CRDC - DC$$

where:

TNS = total net savings

OCW = original cost of the work required by the original contract

RCW = revised cost of the work

CRDC = Contractor's reasonable design cost for the CRI proposal

DC = Department's cost for investigating, evaluating, and implementing the CRI proposal.

3. A cost savings of not less than \$5,000.00 shall be guaranteed to the Department.

The actual formal CRI proposal net savings will be checked upon completion of the contract and determination of final quantities to determine if any payment adjustment is required.

~~Except for the time savings component of a formal CRI proposal, the total net savings will be determined by the difference between the cost of the revised work and the~~

~~cost of the related work required by the original plans and specifications. The cost of the revised work includes both the Contractor's reasonable redesign costs and the administrative costs incurred by the Department to review the proposal. These costs will be agreed to in the change order. Only those work items directly affected by the plan change will be considered in making the determination of net cost savings. Subsequent plan changes affecting the modified work items but not related to the CRI proposal will be excluded from such determination. Upon completion of all work included in the CRI proposal, the final total net savings will be determined by comparing the cost of the work based on the original contract quantities with the cost of the actual CRI proposal work performed. In determining the savings, the Department reserves the right to consider other factors in addition to the contract bid prices and proposed unit prices if, in the judgment of the Department, such prices do not represent a fair measure of the value of the work to be deleted from or added to the contract.~~

The net savings of a CRI proposal to reduce contract time will be determined by multiplying the number of days saved by the daily liquidated damages as set forth in Section 108.08 or as otherwise provided in the contract.

Redesign engineering, in accordance with this section, is defined as 50% of the contractor's reasonable design costs incurred after the Department's acceptance of the CRI proposal. Redesign eEngineering will be paid when a conceptual CRI has been accepted by the Department but the final proposal is rejected.

Payment will be made under:

Pay Item	Pay Unit Symbol
<i>Contractor's Reasonable Design Cost for CRI Proposal No. _____</i>	<i>LS</i>
Cost Reduction Incentive Proposal No. _____	LS
Redesign Engineering, CRI Proposal No. _____	LS