0040309 SCOPE OF THE WORK
COMMENTS FROM INTERNAL/INDUSTRY REVIEW

Arthur Berger
Arthur.Berger@dot.state.fl.us

Comments: (Internal, 9-24-18)

→ **4-3.9 Cost Savings Initiative Proposal:**¶
→ → **4-3.9.1 Intent and Objective:**¶
→ → → 1. This Subarticle applies to any cost reduction proposal (hereinafter referred to as a Proposal) that the Contractor initiates and develops for the purpose of refining the Contract to increase cost effectiveness or significantly improve the quality of the end result. A mandatory Cost Savings Initiative Workshop will be held prior to Contract Time beginning for the Contractor and Department to discuss potential Proposals. This mandatory workshop can only be eliminated by written request from ~~if agreed to by both~~ the Contractor approved in writing by the ~~and~~ Department. This Subarticle does not, however, apply to any such proposal unless the Contractor identifies it at the time of its submission to the Department as a proposal submitted pursuant to this Subarticle.¶
→ → → 2. The Department will consider Proposals that would result in net savings to the Department by providing a decrease in the cost of the Contract. Proposals must result in savings without impairing essential functions and characteristics such as safety, service, life, reliability, economy of operation, ease of maintenance, aesthetics and necessary standard design features. ~~The Department will not recognize the Contractor's~~The correction of a plan errors that results in a cost reduction will not qualify as a Proposal. The ~~D~~deletions of work, ~~if~~ proposed by the Contractor and approved by the Engineer, will ~~do~~ not qualify as a Proposal, and will be handled as a full credits to the Department for the work deleted. ~~However, nothing herein prohibits the Contractor from submitting Proposals when the required functions and characteristics can be combined, reduced or eliminated because they are nonessential or excessive. The Department will not recognize the Contractor's correction of plan errors that result in a cost reduction, as a Proposal.~~¶
→ → → 3. The Department shall have~~reserves~~ the right to reject, at its discretion, any Proposal submitted that proposes a change in the design of the pavement system or that would require additional right-of-way. Pending the Department's execution of a formal ~~s~~Supplemental aAgreement implementing an approved Proposal, the Contractor shall remain obligated to perform the work in accordance with the terms of the existing Contract. The Department may grant time extensions to allow for the time required to develop and review a Proposal.¶
→ → → 4. For potential Proposals not discussed at the Cost Savings Initiative Workshop, a mandatory concept meeting will be held for the Contractor and Department to discuss the potential Proposal prior to further development of the Proposal. This mandatory concept meeting can only be eliminated if agreed to in writing by both the Contractor and Department.¶
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Response:

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Ananth Prasad

aprasad@ftba.com
(850) 942-1404 ext 5

Comments: (Internal, 9-24-18)

"I am not a fan of this part of the change:

> *Deletions of work, if approved by the Engineer, do not qualify as a Proposal and will be handled as full credits to the Department for the work deleted.*

Previously, it could be read that some scope deletion would be considered if it was part of a more comprehensive change; now they will use this language to carve the deleted scope out and reduce the shared amount. I prefer to leave the existing spec alone."

Response:

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Dan Hurtado
Dan.Hurtado@dot.state.fl.us
(850)414-4130

Comments: (Internal,10-2-18)

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→ → **4-3.9.1 Intent and Objective:**¶
→ → → 1. This Subarticle applies to any cost reduction proposal (hereinafter referred to as a Proposal) that the Contractor initiates and develops for the purpose of refining the Contract to increase cost effectiveness or significantly improve the quality of the end result. A mandatory Cost Savings Initiative Workshop will be held prior to Contract Time beginning for the Contractor and Department to discuss potential Proposals. This mandatory workshop can only be eliminated if agreed to by both the Contractor and Department. This Subarticle does not, however, apply to any such proposal unless the Contractor identifies it at the time of its submission to the Department as a proposal submitted pursuant to this Subarticle.¶
→ → → 2. The Department will consider Proposals that would result in net savings to the Department by providing a decrease in the cost of the Contract. Proposals must result in savings without impairing essential functions and characteristics such as safety, service, life, reliability, economy of operation, ease of maintenance, aesthetics and necessary standard design features. The Department will not recognize the Contractor's correction of plan errors that result in a cost reduction as a Proposal. Deletions of work approved by the Engineer, which are not directly associated with or integral to a Proposal ~~if approved by the Engineer, do not qualify as a Proposal and~~ will be handled as full credits to the Department for the work deleted. ~~However, nothing herein prohibits the Contractor from submitting Proposals when the required functions and characteristics can be combined, reduced or eliminated because they are nonessential or excessive. The Department will not recognize the Contractor's correction of plan errors that result in a cost reduction, as a Proposal.~~¶
→ → → 3. The Department reserves the right to reject at its discretion any Proposal submitted that proposes a change in the design of the pavement system or that would require additional right-of-way. Pending the Department's execution of a formal supplemental agreement implementing an approved Proposal, the Contractor shall remain obligated to perform the work in accordance with the terms of the existing Contract. The Department may grant time extensions to allow for the time required to develop and review a Proposal.¶
→ → → 4. For potential Proposals not discussed at the Cost Savings Initiative Workshop, a mandatory concept meeting will be held for the Contractor and Department to discuss the potential Proposal prior to development of the Proposal. This mandatory meeting can only be eliminated if agreed to by both the Contractor and Department.¶
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Hurtado, Dan
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Response: Change has been made.

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