To: All Vendors

From: Don Silies, Director of Contracts

Subject: Bonus on Pavement Markings on Plant Mix Contracts

This memo will provide guidance on the use of the new provisions Section 102.05 **Preparation Of Bid** and 704.07 **Pavement Markings,** regarding a potential bonus to be paid on permanent pavement markings when installed within the prescribed limits.

There is an addendum being prepared that applies to all plant mix projects currently on the advertisement. It will be issued the week of January 11th. The addendum will supply revised price sheets that make most pavement markings used on the project a Bonus Eligible item. The addendum will also replace page 275 of Volume II, where the second bullet is modified to designate 21 days for ***non***-plant mix applications.

(Note: The plant mix projects scheduled to be advertised in **January** will have these changes already included.)

Bidders shall submit the unit price for pavement marking items in the normal fashion when preparing their bid. New for the 2016 plant mix schedules, most markings will also have a corresponding line item labeled "Bonus Eligible". Bidders shall also supply a price for the Bonus Eligible items that must be 1.25 times the regular price.

Example : If the price to supply Type B Class I - 8" marking is $1.00, the unit price for

Bonus Eligible Type B Class I - 8" marking shall be $1.25.

If a marking type is completed on a plant mix route in 14 days or less, the contractor will receive compensation at the "Bonus" rate. If the work is completed after 14 days, he will be paid at the regular rate. When the Bonus rate is paid, the bonus *premium* must be paid by the prime contractor to the party(s) responsible for the timely completion of the marking. This aspect shall be part of every subletting agreement with marking subcontractors.

Example : Using the marking noted above, let's say the marking subcontractor's quote was $0.90 for the regular 8" marking, and the prime bidder marked it up to $1.00, that would make the Bonus price $1.25. If the permanent marking was placed in let's say 10 days, the marking subcontractor would be entitled to his $0.90 price and the $0.25 bonus, or $1.15. The prime would keep his $0.10 markup.

I would also like to clarify the threshold statement in the two bullets on page 275 *"…after the last day of paving."* shall mean the final paving necessary to complete the road as indicated in the Schedule of Routes. It could also mean a logical segment when paving contiguous sections of a long route. These stopping points must be agreed upon and documented prior to initiation of the work in order to be eligible for the bonus.