

# ALABAMA DEPARTMENT OF TRANSPORTATION

General Application Special Provision

DATE: February 10, 2022

Special Provision No. 22-GA0007

EFFECTIVE DATE: April 1, 2022

SUBJECT: Value Engineering Payment.

Alabama Standard Specifications, 2022 Edition, SECTION 104 shall be amended as follows:

## SECTION 104 SCOPE OF WORK

### 104.08 Value Engineering.

*Subarticle 104.08(d) shall be replaced with the following:*

#### **(d) Value Engineering Payment.**

If a VE proposal is approved by the Department, the changes and payment therefore will be authorized by a supplemental agreement. Reimbursement to the Contractor will be made as follows:

1. The changes shown on the VE proposal will be incorporated into the contract through plan revisions, changes in the quantities of unit bid items, newly agreed price items or by force account, as appropriate, in accordance with the specifications.
2. The cost of the revised work will be paid for directly as determined from the above-mentioned changes. In addition to such payment, the Department will pay to the Contractor, by a separate Lump Sum Item, an amount equal to one-half of the savings as reflected by the difference between the cost of the original contract work and the cost of the work performed under the approved VE proposal. Payments will be made on monthly estimates based on the estimated savings generated by the approved VE proposal. The amount to be paid on these estimates will be a percentage of the total estimated savings in proportion to the amount of the VE proposal work performed during that month. Upon completion of all work included in the VE proposal, the final total savings will be determined by comparing the cost of the work based on the original contract quantities and the cost of the actual VE work performed. The final payment for work performed under the VE proposal will make any necessary corrections in previous payments to reflect a total payment of 50% of the generated savings to the Contractor. In cases where a savings is not generated, the Department will make no payment beyond the cost of the work based on original contract quantities.
3. The Contractor's costs for development, design, and implementation of the VE proposal are not eligible for reimbursement.
4. The Contractor may submit VE proposals for an approved subcontractor but, if the proposal is approved, the reimbursement will be made by the Department to the Contractor.
5. Payment will be made under item number:  
104-A Value Engineering Proposal No. \_\_\_\_\_ - per lump sum