


TO: Director, Preliminary Plan Review Bureau SUPERSEDED BY EI 14-021 EFFECTIVE 1/8/15	<h2 style="text-align: center;">ENGINEERING INSTRUCTION</h2> <p style="text-align: center;">NEW YORK STATE DEPARTMENT OF TRANSPORTATION</p> SUBJECT: SEPARATE CONTRACTS FOR LONG TERM PROJECTS Subject Code: 7.26-1
Distribution: <input checked="" type="checkbox"/> Main Office <input checked="" type="checkbox"/> Regions <input type="checkbox"/> Special	Code: EI 74-50 Date: 5/30/74 Supersedes:
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Due to the energy crisis and other shortages, contractors who submitted bids on contracts of long term duration a year or more ago have been subjected to unprecedented, and in many cases, unanticipated material price increases. This applies especially to items of work which will not be performed until very late in a contract which spans two or three years. Based on recent experiences, there may be a tendency by contractors to overreact on future work and submit prices which anticipate a greater rate of inflation than actually occurs.

Shortening the time between bidding and accomplishment of the work will help to reduce uncertainty of future price rises. Therefore, all future contracts which are estimated to require two or more years to construct shall be reviewed to determine if it is feasible to separate them into two or more contracts. The following guidelines should be used:

1. A grading, drainage and structure contract could be followed by a separate paving contract which includes signs, signals, guide rail, fencing, and other work items usually performed near the end of the contract schedule.
 - a. The grading contract shall include provisions for the erosion control treatment of the exposed surface of the subgrade.
 - b. The paving contract shall include the subbase course and also provide for the proper removal and disposal of the erosion control features from the surface of the subgrade.
 - c. The method of accomplishing the erosion control treatment and removal in a. and b. above shall be as determined by the Soil Mechanics Bureau for each particular contract.
2. Where a paving contract is proposed to span two or more grading contracts, a separate contract should be considered for signs, signals, guide railing, etc.
3. Where it may be impractical to separate out the paving work into a separate contract, consideration should still be given to separating out the signs, signals, guide rail etc. into a separate contract.
4. Separate contracts for landscaping work should be used when the landscaping items total at least \$35,000.00.

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Projects which are substantially through Design Phase V are exempt from this review. Accordingly, it is anticipated that no P. S. & E. scheduled for delivery to Albany before the end of this year will be split into separate contracts.

Although it is recognized that more contracts will result in the need for additional EIC's, more contracts to process, and the need for greater emphasis on coordination, potential savings resulting from this procedure will more than cover the additional costs involved.

New contracts created by this instruction must follow the regular procedures for scope change approval.

MDG:MT:DB