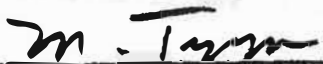


TO:		ENGINEERING INSTRUCTION	
SUPERSEDED BY EI 86-001		NEW YORK STATE DEPARTMENT OF TRANSPORTATION	
EFFECTIVE 5/15/86		ECT: FIXED PRICE ITEMS	
		Subject Code: 7.27-1-102-03	
Distribution:		Code: EI 85-18	
31 Main Office	33 Regions	34 Special	Date: 3-15-85
APPROVED:			Supersedes:
 M. TEGZA, Final Plan Review Bureau, Dir.			

A Fixed Price Item is one which has its price published in the proposal. The published price is the contract price for that item and cannot be altered by the Contractor. The published price is the amount that will be used to determine the Total amount bid for the Contract.

Fixed price items are generally used in situations where the State enters into an agreement with a Utility Company whereby the Utility agrees to reimburse the State a predetermined amount of money for work the Contractor is required to perform on behalf of the Utility.

The attached note has been incorporated into the Standard Specifications and serves the purpose of defining the meaning of Fixed Price as it appears on the bid sheets of the proposal.

When it is necessary to develop a special specification for a Fixed Price Item the following paragraph should be included in the Special Specification as part of the Basis of Payment.

"The unit price set forth in the proposal is a Fixed Price for all bidders and shall not be changed. The Published Price has been prepared taking into account the cost of furnishing all labor, materials and equipment necessary to complete the work, and includes an allowance for overhead and profit."



FIXED PRICE ITEMS

Make the following changes to the Standard Specifications of January 2, 1985:

Page 1-7, add the following under §102-03 as a new third paragraph:

"Some of the items may be designated as Fixed Price Items. When this is the case, the fixed prices are published in the proposal. They have been prepared taking into account the cost of all labor, materials, and equipment necessary to complete the work including an allowance for overhead and profit. They can be identified in the Itemized Proposal by the words, 'Fixed Price: See Specification and Subsection 102-03' appearing beneath the description of the item. In addition, the 'Unit Bid Price' and 'Amount Bid' columns have preprinted entries in them. The bidder shall not change these entries. Should the amount shown be altered, the altered figures will be disregarded and the preprinted price and amount will be used to determine the total amount bid for the contract."