

Incentive Projects in Florida

Contractor Perspective

SEAUPG RALEIGH 2018
 AJAX PAVING INDUSTRIES OF FLORIDA, LLC
 FELIPE JARAMILLO, PE, DBIA

Florida Election Recount



Florida College Football



Florida is WARM



Asphalt Incentive/ Disincentive Specifications

FDOT Specification 334-8 & 337-12

- Composite Pay Factor per Lot Breakdown (Structural & Dense Graded FC)
 - Density (35%)
 - Air Voids (25%)
 - Asphalt Binder (25%)
 - Passing No. 200 (10%)
 - Passing No. 8 (5%)
- Composite Pay Factor per Lot Breakdown (Open Graded FC)
 - 3/8 inch Sieve (20%)
 - No. 4 Sieve (30%)
 - No. 8 Sieve (10%)
 - Asphalt Binder (40%)
- Max Incentive is 5%. Max Disincentive is 10%.


Composite Pay Factor
 Location: US 41
 415621-2-52-01
 December 14, 2015

JOB TONNAGE										
Lot	Lot Description	Actual Price/100 Yds	Target Pay Factor	Unit Price	Min. Type	Lot Value at 100% CF	Lot Points	Lot Bonus	Lot Payment Adjustment	Material Description
1	Cloud	2,080.00	100%	\$61.94	12.5 TSP	\$128,000.00	\$6,400.00	\$0.00	\$134,400.00	Asphalt
2	Cloud	189.82	100%	\$61.94	12.5 TSP	\$11,737.21	\$0.00	\$0.00	\$11,737.21	Asphalt
3	Cloud	2,080.00	100%	\$61.92	12.5 TSP-76-22	\$128,800.00	\$0.00	\$0.00	\$128,800.00	Asphalt
4	Cloud	72.54	100%	\$61.92	12.5 TSP-76-22	\$4,471.82	\$0.00	\$0.00	\$4,471.82	Asphalt
5	Cloud	591.23	100%	\$12.48	360 10	\$7,404.17	\$0.00	\$0.00	\$7,404.17	Asphalt
6	Cloud	2,080.00	100%	\$61.94	12.5 TSP	\$128,800.00	\$0.00	\$0.00	\$128,800.00	Asphalt
7	Cloud	2,080.00	100%	\$61.92	12.5 TSP-76-22	\$128,800.00	\$0.00	\$0.00	\$128,800.00	Asphalt
8	Cloud	722.27	100%	\$61.94	12.5 TSP	\$44,587.89	\$0.00	\$0.00	\$44,587.89	Asphalt
9	Cloud	467.47	100%	\$61.92	12.5 TSP-76-22	\$28,733.82	\$0.00	\$0.00	\$28,733.82	Asphalt
10	Cloud	2,080.00	100%	\$61.94	12.5 TSP	\$128,800.00	\$0.00	\$0.00	\$128,800.00	Asphalt
11	Cloud	1,520.74	100%	\$61.94	12.5 TSP	\$94,000.00	\$0.00	\$0.00	\$94,000.00	Asphalt
12	Cloud	1,924.23	100%	\$61.92	12.5 TSP-76-22	\$119,177.74	\$0.00	\$0.00	\$119,177.74	Asphalt
13	Cloud	1,944.40	100%	\$61.92	12.5 TSP-76-22	\$120,429.29	\$0.00	\$0.00	\$120,429.29	Asphalt
14	Cloud	967.70	100%	\$61.92	12.5 TSP-76-22	\$59,444.84	\$0.00	\$0.00	\$59,444.84	Asphalt
15	Cloud	109.24	100%	\$61.92	12.5 TSP	\$6,753.08	\$0.00	\$0.00	\$6,753.08	Asphalt
16	Cloud	2,080.00	100%	\$61.94	12.5 TSP	\$128,800.00	\$0.00	\$0.00	\$128,800.00	Asphalt
17	Cloud	2,080.00	100%	\$61.94	12.5 TSP	\$128,800.00	\$0.00	\$0.00	\$128,800.00	Asphalt
18	Cloud	2,080.00	100%	\$61.92	12.5 TSP-76-22	\$128,800.00	\$0.00	\$0.00	\$128,800.00	Asphalt
19	Cloud	2,080.00	100%	\$61.92	12.5 TSP-76-22	\$128,800.00	\$0.00	\$0.00	\$128,800.00	Asphalt
20	Cloud	46.48	100%	\$61.94	12.5 TSP	\$2,888.17	\$0.00	\$0.00	\$2,888.17	Asphalt

Asphalt Incentive / Disincentive Specifications

Development FDOT Specification DEV 330SM (40 Projects)

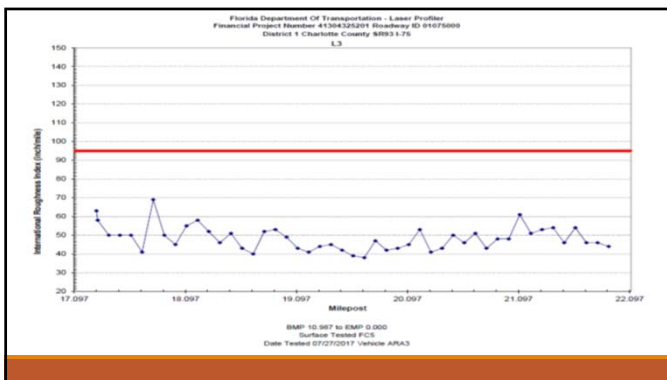
- Pavement Smoothness Incentive/ Disincentive
 - 0 to 43 IRI = Incentive
 - 43 to 55 IRI = Full Pay
 - 55 to 95 IRI = Disincentive
- Project Level Consistency Incentive:
 - If all project LOTs are less than or equal 55 IRI, the project will earn an additional 3% incentive based on the FC-5 price.
- Max Incentive is 8%. Max Disincentive is 10%.



Florida Department of Transportation
State Materials Office
Pavement Materials Section
Laser Smoothness Acceptance Report
IRI

Financial Project	4130422001 4130425201 4130430201	District	1	Date Tested	7/27/2017
Roadway ID	17076, 01616	County	Sarasota	Time Tested	11:58 AM
BMP	0.000, 17.297	State Road No.	93	Operator	Chris Kaps
EMF	10.970, 22.008	Interstate	78	Driver	Chris Kaps
Total Lanes	6	Lanes Tested	IRI - L3	Vehicle	ARAS
Total Miles Tested	92.088	Surface Type	FC5	Units	English
Mix Design	SFM 16-14648A	Mat. Trans. Dev.	Yes	Paving Time	Night
Paving Contractor	Ataldi Construction Corp.	MAC ID Number	1700136338		

Lane	Full and Partial Lots					Pay			IRI Statistics			
	Total	Ino	Full	Dis	CA	Total	Ino	Dis	Min	Max	Std	Avg
R1	158	43	105	10	0	\$1,800.00	\$2,704.00	(\$904.00)	34	70	5.8	48
R2	158	33	114	11	0	\$624.00	\$1,600.00	(\$976.00)	38	67	5.5	47
R3	158	39	99	20	0	\$58.20	\$2,651.80	(\$2,593.60)	35	74	7.3	47
L1	158	82	71	5	0	\$4,875.00	\$5,400.00	(\$525.00)	38	71	5.6	44
L2	157	72	79	6	0	\$2,304.40	\$4,374.40	(\$1,660.00)	34	80	7.0	45
L3	158	66	91	11	0	\$3,145.20	\$4,291.20	(\$1,146.00)	34	69	6.7	48
Total	947	325	659	63	0	\$13,028.20	\$21,002.80	(\$7,974.60)	Average	6.5	48	



Project Incentive / Disincentive Specifications

FDOT Specification 8-13 Incentive/ Disincentive A + B

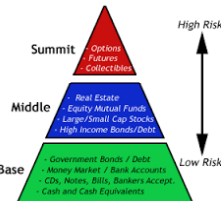
- FDOT sets maximum contract days and assigns a value per day
- Contractor offers a contract days
- FDOT then allows contractor to get an early completion bonus for completing the contract ahead of the contract day offered with the bid proposal.
- If Contractor is late, Contractor will be responsible for Disincentive/ LD's and Tolling Loss (If Applicable)
- This has produced terrific results.

Jim Warren Question #1

How do you view Incentives/Disincentives from a contractor position?

Reply:

- Opportunities for Success
- Increased profitability with increased risk



Jim Warren Question #2

How incentive/disincentive specification have changed Ajax's mindset from production to pursuing the incentive?

Reply:

- After award, Ajax has added CPF and IRI to our pre-planning agenda.
- On Design Build contracts, we take into account which mix designs and depths yield the best CPF.

Jim Warren Question #3

What specific changes does Ajax as a company do to pursue?

Reply:

- We have scheduled IRI testing on the structural lifts before FC-5 placement.
- Constant monitoring. Internal metric to measure project success. Align FDOT's incentives to our goals.



Jim Warren Question #4

What worked and what didn't?

Reply:

- What Worked: Communicating current CPF results to Plant and Field employees and inspection staff. This has motivated staff to produce the best possible product.
- What didn't: Pushing through the Rainy Season and Cold snaps has yielded below average CPF and IRI.

Jim Warren Question #5

What has been the biggest challenge?

Reply:

- The biggest challenge has been not letting a disincentive penalty get you down and scrap the incentive/ disincentive specifications.



Jim Warren Question #6

What is working with the specification?

Reply:

- Projects that have earned a CPF incentive has yielded high performing asphalt pavement. Which is good for FDOT and contractors with warranties.
- Win/ Win



Jim Warren Question #7

What could be improved upon?

Reply:

CPF: ??

IRI: Allow consultants to perform the IRI testing.

A+B: Do more projects with this incentive/ disincentive specification.