

October 13, 2021

SPECIAL NOTICE TO CONTRACTORS

Subject: Material Shortages/Price Escalation

The purpose of this notice is a reminder to bidders that Section 108.14 of the Missouri Standard Specifications for Highway Construction outlines the allowances for compensable and non-compensable impact costs and risk allocation a contractor could experience during the preparation of bids or that could be experienced over the course of construction.

Many contracts will allow for the bidding contractor to elect to accept price protection through the selection of indexes for items such as asphalt, oil and fuel. The risk for material and other cost fluctuations, including force majeure situations, rests with the bidding contractor. The remedy for delays caused by material shortages and availability is covered under Specification 108.14.1 "Excusable or Non-Compensable Delay". This specification allows for time extensions only and no cost increases. MoDOT will require documentation outlining the specifics of these type delays and efforts afforded by the contractor to remedy the situation.

When these types of situations arise for a contractor that is awarded MoDOT road and bridge construction contracts, the contractor should contact the Resident Engineer to discuss the schedule, the revised project schedule and any potential alternative solutions that may be available for the situation.

Thank you for the work you do to improve Missouri's transportation system.

Sincerely,

Travis Koestner, P.E. - State Design Engineer

David Ahlvers, P.E. - State Construction and Materials Engineer

