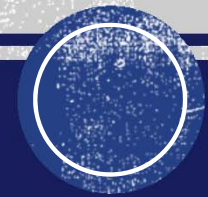


MDOT VOLUNTARY INCENTIVE PROGRAM (VIP) PILOT



MDOT – Office of Business Development

www.michigan.gov/OJT

VIP PILOT SUMMARY

- Extension of current OJT Program
- Voluntary, contractors may **opt out**
- Offers bid incentive for use on VIP Pilot projects



Performance Year (PY)

- Pilot PY 2018: January 2018 – December 2018
- Pilot PY 2019: January 2019 – December 2019

Incentive Year (IY)

- Pilot IY 2019-2020: March 2019 – February 2020
- Pilot IY 2020-2021: March 2020 – February 2021



Incentive earned PY 2018 can be used IY 2019-2020 and will be administered in the same manner in subsequent years.

- Pilot PY 2018: January 2018 – December 2018
- Pilot IY 2019-2020: March 2019 – February 2020
- Pilot PY 2019: January 2019 – December 2019
- Pilot IY 2020-2021: March 2020 – February 2021



CONTRACTOR ELIGIBILITY REQUIREMENTS

Found on page 3 of the VIP Pilot Manual

Waiver approvals will be rescinded for contractors who place assigned OJT(s) in the same performance year



Newly Participating Contractors

Contractors with less than three years in MDOT's OJT Program.

- Additional requirements to meet
- Additional documentation required

See page 3 of VIP Pilot Manual.



BID INCENTIVE

1. Assigned OJT Program trainee(s) worked no less than 1,000 hours per training slot assigned per performance year



Contractor may:

- Use additional hours accumulated by assigned OJTs
- Fulfill the assignment by a new hire, or
- Place a voluntary OJT into the assignment.



2. Cumulative training hours for the performance year will be determined

- See examples 1 – 4 on page 4 and 5 of the VIP Pilot Manual

3. Cumulative training hours above required hours determines the incentive value using the chart on page 6 of the VIP Pilot Manual



Cumulative incentives allowed:

VIP Subcontractors

- Performing 25% or more of contract
- Meet OJT Program requirements

VIP Prime Contractor Joint Ventures

- Meet OJT Program requirements
- Meet MDOT joint venture requirements

See page 6 of the VIP Pilot Manual



- Incentive used to determine the lowest responsive bidder
- Contractor will be compensated for the work performed according to their bid price and terms of the contract relating to measurement and payment.
- The maximum total contract bid incentive capped for each contract will be the advertised net classification required multiplied by 50, not to exceed \$500,000 on any individual contract.



A list of OJT Program contractors and their determined bid incentive will be made public on the MDOT OJT webpage www.michigan.gov/OJT

- Updates will be made as needed



INCENTIVE REVIEW

Bid incentives will be awarded in January

- Request for Incentive Review submitted within seven calendar days
 - Include documentation as detailed in VIP Pilot Manual
- OBD will respond within 14 calendar days



VIP PILOT PROJECTS

Selection Criteria can be found on page 7 of the VIP Pilot Manual and considers:

- Project size
- Labor demand
- Location

VIP Pilot Projects List is available at
www.michigan.gov/OJT



CONTRACTOR RESPONSIBILITY

- Compliant with Program
- Fulfill vacant OJT assignment(s)
- Trainees exceeding assigned slot(s) are voluntary
- Reporting followed per OJT Program Manual
 - Pilot Exception: December Reports
 - Reports submitted to OBD



| | |
|--------------------|--|
| January – December | <ul style="list-style-type: none"> • Completed Trainee Monthly Reports with payrolls for approved OJTs. <ul style="list-style-type: none"> • Current month reports are due the 20th of the following month. Reports are required for every month. • December Monthly Reports must be submitted no later than December 31 • Completed Trainee Approval Requests for new hires |
| April | <ul style="list-style-type: none"> • Completed Contractor Yearly Training Plan submitted to OBD no later than April 30 • Confirm OJT VIP Pilot participation for current performance year |
| December | <ul style="list-style-type: none"> • December Monthly Reports with payrolls submitted to OBD no later than December 31 |



PENALTIES

Bid incentive rescinded or penalty assessed:

- Noncompliance during incentive year
- Debarred by FHWA
- Fraudulent
- Failure to execute contract per program requirements



| | |
|-----------------------------|---|
| January 2018 | <ul style="list-style-type: none"> Start of VIP Pilot Performance Year (PY) 2018 2018 OJT Program Assignments issued to contractors |
| April 2018 | <ul style="list-style-type: none"> Contractor Yearly Training Plan (including required forms and documents) for PY 2018 submitted to OBD no later than April 30, 2018 |
| December 2018 | <ul style="list-style-type: none"> December trainee monthly reports submitted to OBD no later than December 31, 2018 End of PY 2018 |
| PY 2018 | <ul style="list-style-type: none"> VIP Pilot participating contractors employ OJTs and work them according to the hours and requirements of the VIP Pilot, including submission of monthly reports. |
| January 2019 | <ul style="list-style-type: none"> Start of PY 2019 2019 OJT Program Assignments issued to contractors Bid incentives determined, notification provided to contractors, determinations posted on OJT website Incentive Review (requests) Incentive Review (determinations) |
| February 2019 | <ul style="list-style-type: none"> Incentive Review (determinations) |
| March 2019 | <ul style="list-style-type: none"> Start of VIP Pilot Incentive Year (IY) March 2019- February 2020 |
| April 2019 | <ul style="list-style-type: none"> Contractor Yearly Training Plan (including required forms and documents) for PY 2019 submitted to OBD no later than April 30, 2019 |
| December 2019 | <ul style="list-style-type: none"> December trainee monthly reports submitted to OBD no later than December 31, 2019 End of PY 2019 |
| IY March 2019-February 2020 | <ul style="list-style-type: none"> Contractors apply their bid incentives to VIP Pilot projects in accordance with the Special Provisions |
| Calendar Year 2019-2021 | <ul style="list-style-type: none"> The steps above are repeated for each performance year, 2019 & 2020 The steps above are repeated for each incentive year, IY March 2019-February 2020 and IY March 2020 – February 2021 |



BID INCENTIVE USE

- MDOT's Contract Services Division (CSD) will determine low bidder on VIP Pilot Projects
- VIP Pilot Subcontractors must be submitted with the Prime's electronic bid
- 1st project scheduled for December 2019 letting
 - Refresher Trainings Spring 2019 & Fall 2019





General

Schedule Of Items

Designated and
Specialty ItemsWarranty
ObligationsAddenda
Acknowledgment

Information

OJT VIP

The maximum On-the-Job Training Voluntary Incentive Program bid incentive on this contract is the advertised net classification required multiplied by \$50.00, not to exceed \$500,000.00. To determine the low bidder, the Department will compare the bids on the basis of the total bid amounts (the sum of lump sum amounts, the products of the estimated quantities and unit prices, and allowable bid incentive(s) from the Department's On-the-Job Training Voluntary Incentive Program). Allowable bid incentive(s) will be applied by the Department after bids are received, and will then be included in the As-Checked bid results. For a discrepancy between the calculated total and the total shown in the bid, the Department will use the unit prices entered in the bid and correct the errors found in the calculations.

Failure to comply with the requirements of the On-the-Job Training Voluntary Incentive Program guidance document may result in the penalties listed in the On-the-Job Training Voluntary Incentive Program guidance document.

Prime Contractor Bid Incentive (must be entered as a dollar amount):

VIP SUBCONTRACTORS

Bid incentives will be allowed for MAJOR subcontractors performing 25% or more of the awarded contract amount, who meet all requirements of the VIP Program. All other subcontractors will not be considered for purposes of the bid analysis. The maximum total bid incentive capped for each contract will be the advertised net classification required multiplied by \$50.00, not to exceed \$500,000.00 on any individual contract. VIP subcontractors must meet all requirements of the OJT Program.

If the bidder chooses to submit a Designated VIP subcontractor with this electronic bid, indicate the work type(s) and company name(s) of the prequalified OJT VIP subcontractor(s) who will perform the designated work type(s) for the bidder in the spaces provided below.

Will OJT VIP subcontractors be designated for this bid? Yes ☐ No ☐

Work Type:

Work Type:

Subcontractor Name:

Subcontractor Name:

Subcontractor Percent:

Subcontractor Percent:

Subcontractor Bid Incentive (must be entered as a dollar amount):

Subcontractor Bid Incentive (must be entered as a dollar amount):

TOTAL BID INCENTIVE (prime contractor + subcontractor bid incentives) NOT TO EXCEED \$500,000.00 (must be entered as a dollar amount):

Exam

Letting of February 2, 2018

Letting Call: 1802 004

Project: NH 41132-117992

Local Agreement:

Start Date: March 1, 2018

Description:

4.35 mi of concrete reconstruction and curb and gutter, earthwork, drainage, guardrail, signing, signal and pavement markings on US-131 from 10 Mile Road north to M-57 (14 Mile Road), Kent County. This project includes a 5 year materials and workmanship pavement warranty. This is an OJT VIP Pilot project.

5.00 % DBE participation required

Low Bid: \$26,184,325.18

Engineer Estimate: \$32,333,204.29

Pct Over/Under Estimate: -19.02 %

Completion Date: December 31, 2019

| Bidder | As-Submitted | As- Checked | Bid Incentive | As-Checked - Bid Incentive | |
|------------------------|-----------------|-------------|---------------|----------------------------|-----|
| ABC Construction LLC | \$26,408,750.10 | Same | \$100,000 | \$26,308,750.10 | 2 |
| XYZ Construction, Inc. | \$26,684,325.18 | Same | \$500,000 | \$26,184,325.18 | 1** |
| DEF, Inc. | \$27,324,513.13 | Same | \$500,000 | \$26,824,513.13 | 3 |
| TUV Contracting | \$28,099,624.62 | Same | \$ 50,000 | \$28,049,624.62 | 5 |
| GHI Paving, Inc. | \$28,291,036.47 | Same | \$300,000 | \$27,991,036.47 | 4 |

Total Number of Bidders: 5

2/15/2018

The low bidder is determined by the As-Checked - Bid Incentive dollar amount.

The contract price is the As-Checked price.



TRAINEES

- All Trainees must be approved by OBD
- Trainee Eligibility per OJT Program Manual
- All approved Trainees eligible for reimbursements



WHERE TO SUBMIT FORMS

Mail: Michigan Department of
Transportation
Office of Business Development
PO Box 30050
Lansing, Michigan 48909

Email: MDOT-OJT@michigan.gov

Fax: (517) 335-0945



CONTACT US

For questions regarding:

- OJT Program
- VIP Pilot
- Bid Incentive Award
- Incentive Reviews
- VIP Pilot Penalties

CONTACT

MDOT
Office of Business
Development
517-373-2377

- Applying Bid Incentive
- VIP Pilot Project Lettings

MDOT
Contract Services Division
517-373-4680



QUESTIONS?

