DATE: November 26, 2002

TO: Region Engineers
Region Delivery Engineers
Region System Managers
TSC Managers
Resident/Project Engineers
Region Construction Engineers

FROM: Larry E. Tibbits
Chief Operations Officer

John C. Friend
Engineer of Delivery

SUBJECT: Bureau of Highway Instructional Memorandum 2002-22
Ride Quality Incentive Payments

Effective immediately, all projects with contract items for ride quality incentive will require a funding modification. The modification requires that all contract pay items which pay for ride quality incentive be paid for with “state only” funds. Federal cost participation for ride quality incentives is being discontinued for projects let with fiscal year 2003 funds. This affects all fiscal year 2003 projects, including those already awarded.

Resident engineers are instructed to make the necessary contract adjustments with previously awarded fiscal year 2003 contracts (October and November 2002 lettings) that have the following special provisions in the project proposal:

1. Ride Quality on New/Reconstruction and Major Rehabilitation Projects
2. Ride Quality on Two-Course Overlay Projects

In addition, resident engineers are directed to make contract adjustments to projects scheduled to be let in December that include ride quality incentive items.

Region system managers are instructed to adjust ride quality incentive funding to “non-federal” funds for all fiscal year 2003 projects being let in January and beyond.