DATE: May 11, 2005

TO: Region Engineers
    Region Delivery Engineers
    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 2005-07
           Extending Project Limits (Supercedes BOH IM 1999-07 and BOH IM 2001-03)

As a rule, project limits should not be extended. Extending project limits after a project is advertised and subsequently awarded, may jeopardize federal funding and compromise the integrity of the competitive bidding process. Adequate project scoping should eliminate the need for project limit extensions.

If a project limit extension becomes necessary, the project engineer must comply with the National Environmental Protection Act, Michigan law, and requirements as set forth by the State Transportation Commission and the State Administrative Board. The Federal Highway Administration’s (FHWA) Michigan Division, must be consulted whenever a federally funded project’s limits are proposed to be extended, regardless of cost or oversight responsibilities. Failure to obtain environmental clearance from FHWA prior to extending project limits will result in a loss of federal funds for the additional work, and may result in a loss of federal funds for the entire project.

The region engineer shall approve the initiation of the procedures and the request for the project limit extension. This approval, with supporting justification, must accompany the contract modification for the extension.

If the additional work is equal to or less than $100,000, the existing contract modification procedures apply. Contract modifications involving project limit extensions must be processed through the Construction and Technology Support Area (C&T)’s Construction Contracts Unit. The Engineer of Construction and Technology and C&T’s two region liaisons will determine whether the request will be denied or accepted for further processing. The Engineer of Construction and Technology will notify the requestor of a denial or acceptance within five business days.
If the additional work is greater than $100,000 on existing contracts, Michigan law requires the work must be competitively bid and approved by the State Transportation Commission and the State Administrative Board before work is started. The department may consider an exception if an alternative to competitive bidding is in the public’s best interest.

MDOT must give 90 days notice to the State Transportation Commission, and both the Senate and House Transportation Appropriations Subcommittees before work is started on projects that qualify for the exception. The region engineer must provide documentation that sets forth the public interest findings. An exception to the 90-day-notice requirement applies only if the department determines emergency action is required. The region engineer must provide documentation that sets forth justification for an emergency determination.

If it becomes necessary to consider extending an existing project beyond the original project limits, project administration must comply with the above procedures. The region engineer must provide documentation that sets forth the public interest findings or justification for an emergency determination. Send the documentation to C&T’s Construction Contracts Unit. They will review it and submit it for approval from the Attorney General, State Transportation Commission, and/or State Administrative Board.

__________________________________  __________________________________
Chief Operations Officer    Engineer of Delivery

BOHD:C/T:AC:kab

Index: Contracts, Subcontracts

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