# Liquidated Savings Specified JSP 03-06A

**1.0 Description.** If construction of (*description of the work*)\_\_\_\_\_, is not completed by (*unit of time, hours, calendar days, completion date*)\_\_\_\_\_\_, the Commission, the traveling public, and state and local police and governmental authorities will be damaged in various ways, including but not limited to potential liability, traffic and traffic flow regulation cost, traffic congestion and motorist delay, with its resulting cost to the traveling public.

**2.0 Liquidated Savings Specified for Early Completion.** The contractor may receive an incentive payment from the Commission, in addition to all other sums earned under the contract, if the contractor completes (*description of the work)\_\_\_\_*. To qualify for this incentive payment, (*description of the work)\_\_\_\_\_\_\_\_* must be completed. (*ex. All contract work shall be completed as directed in the contract and on the plans including guardrail and open to traffic*.)\_\_\_\_\_ An incentive payment of (*RUC or other justifiable amount)\_\_\_\_\_\_\_\_* will be paid per (*unit of time, hours, days)\_\_\_\_\_\_\_\_\_* for each full (*unit of time, hours, days)\_\_\_\_\_\_\_\_* that the work described above is completed prior to (*time frame in appropriate units*)\_\_\_\_\_\_\_. The maximum amount paid as liquidated savings will not exceed (*XX% or $XXX,XXX to be determined on a project by project basis, does not usually exceed 10%)\_\_\_\_\_\_\_* of the total bid for Job No. Jxxxxxxx.

**2.1** In the event of an excusable delay, including differing site conditions, an extension of the contract completion time will not extend the time specified for determining any liquidated savings or incentive , except that, in its discretion, the Commission may extend the time specified should the delay be directly caused by the Commission. Further, in the event of an excusable delay, if the contractor completes the work providing for liquidated savings or incentive on or before the milestone or other date, that shall not constitute a basis to claim acceleration costs in addition to the liquidated savings or incentive that may be earned.

**2.2** The incentive payment described above is made, not as a bonus or gift, but as stipulated compensation in full for reduced risks, delay and inconvenience experienced by the traveling public, and for other reduced costs to the Commission and public resulting from early completion.