

LANE RENTAL

Guidelines

Introduction

Lane rental consists of charging the contractor a time based rental fee for occupying lanes and shoulders to perform contract work. Designers specify different rental rates for nighttime and daytime hours, peak hours and non-peak hours, single lane closures, and multiple lane closures. This encourages the contractor to work when lane rental rates are lower and also to be more productive when lanes are closed. It is very important to determine the proper rental rate for each configuration allowed in the contract.

UDOT uses a bid item for lane rental. This eliminates the necessity for the contractor to spread the cost of lane rental over other items of work. The rental fee collection is made against the amount bid for the lane rental item and only charges in excess of the total sum bid are made against moneys otherwise due the contractor.

P+T bidding is used on all projects to shorten the construction duration. See the P+T bidding guidelines located on the UDOT webpage for additional information. Lane rental can be used in conjunction with price plus time (P+T) bidding on the same project. Lane rental is used to minimize the duration of lane and shoulder closures. Both may be used on the same project for different phases or operations.

- Lane rental is similar to P+T bidding since the contractor must estimate the time it will take to complete the work during bid preparation and then bid on the time.
- For P+T, the contractor bids consecutive days x daily user cost = T portion of the bid.
- For Lane rental, the Contractor bids the sum of lane or shoulder closure time x user cost = bid for Lane Rental.
- For P+T, once the contractor starts the T portion work, it must be completed within the consecutive days bid. Lane rental is only charged during the times the lanes are impacted by the contractor's operation.

GUIDELINES FOR DEVELOPING LANE RENTAL PROVISIONS

1. Project Selection

Lane rental can be used to encourage the contractor to minimize the length or duration of lane or shoulder closures for construction activities. It is also used to encourage the contractor to close lanes or shoulders during times of lower impact to the public. If there are times when the contractor cannot close lanes, specify those conditions in the limitation of operations rather than trying to use lane rental.

Examples of operations that could benefit from lane rental include pavement joint repair, paving or operations that require short lane closures at multiple sites such as replacing overhead signs on high traffic roads.

2. Project Development

Significant thought must be given to the desired goals of the project. All variations of lane closures must be considered when writing the provision. Some examples of things to consider are; single lane closures, double lane closures, shoulder closures, night time verses day time closures, closures on weekends, holidays or other special events. Designers should consider the number of lanes and/or shoulders to close, the length of each closure and the time periods when closures will be allowed. For example, Designers must consider if it is appropriate to charge a lane rental fee for a lane closure and not for a shoulder closure. Can work be performed on the shoulder without impacting traffic, or should the shoulder work be performed with the adjacent lane closed? What length lane or shoulder closure will be allowed?

3. Determination of Lane Rental amount

It is very important to determine the proper rental rate for each configuration allowed in the contract. These rates should be less than or equal to the user costs associated with the impact. Sometimes the user cost is so great that the rental rate becomes so large that the contractor may have to bid unreasonable contingencies. This can result in an unacceptably high contract bid price. Care should be taken to adjust the rental rate down to a reasonable value in those cases.

Rental rates are typically determined by multiplying the estimated delay time by the number of vehicles delayed multiplied by an hourly value of the person and vehicle. It is necessary to complete a delay analysis for each situation. Contact the Traffic Management Division at (801) 887-3674 as early as possible in the development of a project to obtain user costs.

Rental rates can be established by the day, the hour or some increment of an hour. Consider the impact on documentation efforts and administering the contract when determining the proper time increment for lane rental. Too long of increment may not provide proper incentive for contractor to open lanes timely. Too short of increment may be very difficult to administer.

There may be times when it is desirable to encourage the contractor to limit the length of the lane closures. A way to do this is to add “length” to the rental calculation. The calculation would then be number of lanes closed multiplied by the length of the closure multiplied by the time the lanes are closed. The unit that would describe the rental rate would be lane-mile-day. This is particularly useful for projects that can extend for long distances in a given day such as paving operations etc.

4. Estimate

A project may have several possible combinations of lane rental. The easiest method to bid lane rental is to provide a table in the special provision showing the costs for closing each lane. The contractor uses this table to determine the total lump sum bid for lane rental. Lane Rental is entered into the estimate under the Innovative Contracting detail. The design team can provide an estimate for lane rental. It is difficult to anticipate the lane closure time a contractor might need. It is acceptable to estimate the lane rental as one dollar. This is different than P+T bidding where an estimate is necessary for time bid items. The goal of lane rental is to provide a means for the contractor to bid closures within the contract time bid.

A. Incentive/Disincentive

The contractor is only assessed a disincentive when the actual lane rental on the project exceeds the contractors bid. Incentive is paid to the contractor if the actual lane rental charges are less than the bid. The disincentive/incentive must be equal to or less than the amount determined by the Traffic Management Division. Incentive should have a maximum amount stated in the special provision. This amount is included in the estimate as a non bid item for budgeting purposes. Disincentive is not limited. The contractor is assessed disincentive for all lane rentals exceeding the bid amount.

5. Special Provision Consideration

When lane rental and Price plus Time are used in the same contract, the contract must be structured so that any disincentives assessed to the contractor can be justified and are **not** duplicating each other. Coordination with the Traffic Management Division is essential to understand how to apply the user costs and avoid duplication.

The special provisions referenced below should be carefully modified to fit the needs of the specific project and incorporated into all projects utilizing Lane Rental.

Required Special Provisions

Section 00222S (Lane Rental)

Section 00515M (Contract Award and Execution)

Also use Time special provisions as detailed in the Price + Time Bidding Guidelines located on the UDOT webpage.

6. Additive Bidding

Lane rental can be used in conjunction with additive bidding. Create a separate lane rental item for each additive in PDBS, and include a separate table in the 00222S – Lane Rental special provision for each additive. See the Additive Bidding guidelines located on the UDOT webpage for further information.

7. PDBS Entry

Project Development Business System (PRD3)

File Edit Sub Systems Estimate Window Help

Engineer's Estimate

Select Project: ADDITIVE Version 1: Estimate Edit Only Rights Estimate Setup

Detail	Description	DBE Goal	Alt Bid Grp #	Alt Bid #	Funding	Total
112 - ADDITIVE BIDDING	Additive #01: Side Street Paving		0	0		\$26,000.00
112 - ADDITIVE BIDDING	Additive #02: Additional Mainline Paving		0	0		\$85,000.00
180 - TIME AND/OR LANE RENTAL			0	0		\$107,500.00
185 - ADDITIVE TIME AND/OR LANE REN			0	0		\$18,000.00
						\$2,106,250.00

Item #	Description	Min Days	Max Days	Est. Qty	UOM	Lump Qty	Lump Uom	Unit Price	Extended Price
00221000*	Contract Time Segment 1	20	60	30	Cal d	0		\$2,000.00	\$60,000.00
00221001*	Contract Time Segment 2	15	40	25	Cal d	0		\$1,500.00	\$37,500.00
00222000*	Lane Rental			1	Lump	0		\$10,000.00	\$10,000.00

Line/Sheet	From Station	From Offset	To Station	To Offset	Qty	Comment	Info Only

Use Quantity: 0 Stationing Notes

Figure 1 – Lane Rental PDBS Entry

Project Development Business System (PRD3)

File Edit Sub Systems Estimate Window Help

Engineer's Estimate

Select Project: ADDITIVE Version 1: Estimate Edit Only Rights Estimate Setup

Detail	Description	DBE Goal	Alt Bid Grp #	Alt Bid #	Funding	Total
112 - ADDITIVE BIDDING	Additive #01: Side Street Paving		0	0		\$26,000.00
112 - ADDITIVE BIDDING	Additive #02: Additional Mainline Paving		0	0		\$85,000.00
180 - TIME AND/OR LANE RENTAL			0	0		\$107,500.00
185 - ADDITIVE TIME AND/OR LANE REN			0	0		\$33,000.00
						\$2,121,250.00

Item #	Description	Additive #	Min Days	Max Days	Est. Qty	UOM	Lump Qty	Lump Uom	Unit Price	Extended Price
00221000*	Contract Time Additive #01	Additive #01	1	13	5	Cal d			\$2,000.00	\$10,000.00
00221001*	Contract Time Additive #02	Additive #02	1	10	4	Cal d			\$2,000.00	\$8,000.00
00222000*	Lane Rental Additive #01	Additive #01			1	Lump			\$10,000.00	\$10,000.00
00222001*	Lane Rental Additive #02	Additive #02			1	Lump			\$5,000.00	\$5,000.00

Line/Sheet From Station From Offset To Station To Offset Qty Info Only

Use Quantity: 0 Stationing Notes

Have a separate Lane Rental item for each additive. This enables item separation for determination of low bidder based on awardable additives.

Figure 2 – Lane Rental Additive PDBS Entry

Project Development Business System (PRD3)

File Edit Sub Systems Estimate Window Help

Engineer's Estimate

Select Project: ADDITIVE Version 1: Estimate Edit Only Rights Estimate Setup

Detail	Description	DBE Goal	Alt Bid Grp #	Alt Bid #	Funding	Total
78 - NON BID: COST ADJUSTMENTS	Cost Adjustments		0	0		\$0.00
79 - NON BID: INCENTIVES	Incentives		0	0		\$15,000.00
112 - ADDITIVE BIDDING	Additive #01: Side Street Paving		0	0		\$26,000.00
112 - ADDITIVE BIDDING	Additive #02: Additional Mainline Paving		0	0		\$85,000.00
180 - TIME AND/OR LANE RENTAL			0	0		\$107,500.00
185 - ADDITIVE TIME AND/OR LANE REN			0	0		\$33,000.00

Item #	Description	DBE Work Type	Qty	UOM	Lump Qty	Lump Uom	Unit Price	Extended Price
00000600*	Prompt Payment Incentive		1	Lump			\$0.00	\$0.00
00000601*	Pavement Smoothness Incentive		1	Lump			\$0.00	\$0.00
00000602*	Hot Mix Asphalt (HMA) Incentive		1	Lump			\$0.00	\$0.00
00000603*	Stone Matrix Asphalt (SMA) Incentive		1	Lump			\$0.00	\$0.00
00000604*	Lane Rental Incentive		1	Lump			\$5,000.00	\$5,000.00
00000605*	Bonded Wearing Course Incentive		1	Lump			\$0.00	\$0.00
00000606*	Early Completion - Time		1	Cal d			\$2,000.00	\$10,000.00

Line/Sheet From Station From Offset To Station To Offset Qty Info Only

Use Quantity: 1 Stationing Notes

Include Lane Rental Incentive amount for budgeting purposes.

Figure 3 – Lane Rental Incentive PDBS Entry