
EXHIBIT E - VECP SAMPLE CALCULATION

The following example concerns a proposal by Contractor to acquire additional Right of Way in lieu of wall construction.

Calculation of VECP Savings

Cost of wall	\$250,000
Less cost of preparing VECP	(\$10,000)
Less costs of implementing proposal Contractor's expenses	(\$15,000)
CDOT's cost of personnel	(\$10,000)
CDOT's cost of property	(\$150,000)
Total cost	<u>(\$185,000)</u>
Net savings from VECP	<u>\$65,000</u>

Contract Adjustment

CDOT's total cost	\$160,000
Plus Contractor's share of VECP savings (50%)	<u>\$32,500</u>
Total Reduction in Contract Price	<u>\$192,500</u>