

E.0 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>