Washington State Department of Transportation

State Construction Office
Multimodal Development & Delivery

CONSTRUCTION BULLETIN

Minimum Stipend Amounts for Design-Build Projects

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Date: March 25, 2024

Purpose

To provide guidance to staff involved in the procurement of projects using the design-build method of project delivery on the minimum stipend amounts to be offered.

Guidance

The minimum stipend amounts are dependent on project type (fish passage or non-fish passage) as well as the estimated cost of the project (Engineer's Estimate). The table below, which expresses these amounts as a percentage of the Engineer's Estimate, along with the instructions and example that follows, provides the detailed guidance for the determination of the minimum stipend amounts in monetary format.

Table 1		
	Percent of Engineer's Estimate	
Upper Limit of Engineers Estimate ($M)	**Fish Passage Design-Build Projects**	**Other Design-Build Projects**
20	2.00	1.50
20 – 50	2.00 – 1.10	1.50 – 0.80
50 - 100	1.10 – 0.65	0.80 – 0.60
100 - 150	0.65 – 0.55	0.60 – 0.50
150 – 200	0.55 – 0.40	0.50 – 0.40
200 – 400	0.40	0.40 – 0.35
400 – 600	*	0.35 – 0.30
600 - 1000	*	0.30 – 0.25
> 1000	*	*

*Discuss with HQ Construction

While the specific requirements of a project's Request for Proposals should be considered in determining the stipend amount, the percentages in Table 1 can be increased but shall not be decreased.

Table 1 will be used to calculate the minimum stipend percentage for any combination of project type and estimated cost utilizing linear interpolation. This percentage is then converted to a dollar amount for inclusion in the Request for Qualifications and Instructions to Proposers documents.

For example, if a fish passage project has an Engineer's Estimate of $65M to $75M, the minimum stipend percentage is calculated as follows:

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$$1.10\% - [[(75-50)/(100-50)] \times (1.10-0.65)] = 0.875\%.$$

This percentage is then used to determine the minimum stipend amount as 0.00875 x $75,000,000 = $656,250.

Interpolation steps:

1. Find the row in Table 1 that corresponds to the range containing the upper limit of the Engineers Estimate, which in this case is "50-100" as the upper limit is $75M.
2. Determine where the $75M value falls within the $50M to $100M range and express this result as a decimal fraction, which is (75-50)/(100-50) = 25/50 = 0.50 in this case.
3. In the row for the $50M to $100M range, find the percent range for fish passage projects, which is 1.10 to 0.65 in this case. This range indicates that a value of 1.10 percent is associated with a $50M estimate, while a value of 0.65 percent is associated with a $100M estimate.
4. For a $75M estimate, apply the decimal fraction obtained in Step 2 to the 1.10 to 0.65 range; [(0.50) x (1.10 – 0.65)] = 0.225
5. With the 1.10 percent value being associated with a $50M estimate, then a $75M estimate would require (1.10 – 0.225) or 0.875 percent (0.00875).
6. Finally, calculate the minimum stipend amount by multiplying this percentage by the Engineer's Estimate of $75M, which gives $656,250.

Background

The current stipend policy, as described in Chapter 2 of the Design-Build Manual, recommends a minimum amount equal to 0.30% of the Engineer's Estimate regardless of project type or estimated cost. Information received from Design-Builders and their engineering firms indicated that the current policy is providing compensation for 20% or less of proposal preparation costs, rather than the 30% to 50% that has been WSDOT's intended best practice.

Resources

This section is intentionally omitted.

Implementation Plan

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The guidance provided herein shall apply to all projects that publish a Request for Qualifications after the date of this Construction Bulletin indicated above. Consideration should be given to modifying stipend amounts in accordance with this bulletin for projects that have not published a shortlist.

Additional Information

This Construction Bulletin does not apply to projects using the Progressive Design-Build method of project delivery.

Contact Information

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