

Connecticut DOT

Number:

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Bureau of Engineering and Construction

February 10, 2021

## **ENGINEERING & CONSTRUCTION DIRECTIVE**

Bureau Chief/Chief Engineer

## **Updated Minimum Daily Liquidated Damage Rates**

This Directive supersedes Engineering and Construction Directive <u>ECD-2019-1 Minimum Daily</u> <u>Liquidated Damage Rates</u>. Federal Regulations require that the Department periodically review and verify the Liquidated Damages (LD) rates used in construction contracts. Subsequent to a review of the daily construction-related Incidental Costs associated with construction contracts, the actual rates and minimum per diem LD rates for <u>all</u> construction contracts are shown in the table below.

	Average Daily	
Estimated Contract	Incidental Costs	Recommended
Value (\$)	(2018-2019)	Minimum Daily LD rate
0 - 1,000,000	\$799	\$800
1,000,000 - 3,000,000	\$1,157	\$1,200 <sup>1</sup>
3,000,000 - 5,000,000	\$1,589	\$1,600 <sup>1</sup>
5,000,000 - 10,000,000	\$1,959	\$2,000 <sup>1</sup>
10,000,000 - 25,000,000	\$4,345	\$4,300 <sup>1,2</sup>
25,000,000 - Above	\$8,905	\$8,900 <sup>1,2</sup>

Notes:

- For projects that involve significant impacts to the travelling public and/or which involve loss of operational efficiency or revenue, the LD rate may, at the discretion of the Engineering Division Chief overseeing the project design, be reviewed to determine if user costs or costs associated with the loss of use of a facility should be added to estimate a reasonable LD rate. In these cases, if federal funds are used, the staff preparing the LD rate estimate should review the applicable federal regulation.
- <sup>2</sup> Department incidental costs related to projects over \$10 million in estimated construction costs vary widely. Therefore, computation of project-specific LD rates is recommended.