
CONSTRUCTION ENGINEERING

Liquidated Damages Handout

The Alabama Department of Transportation (ALDOT) Standard Specifications for Highway Construction, 2002 edition, contains the following LDs provision (§108.10) and a schedule of LDs (§108.11) based on a range of contract dollar amounts:

“§108.10 Failure to Complete Work Within Contract Time.

Should the Contractor, or in case of default, the surety, fail to complete the work within the time stipulated in the contract or the adjusted time as granted under the provisions of Article 108.09, a deduction for each calendar day or work day that any work shall remain uncompleted, an amount indicated by the Liquidated Damages Schedule shown in Article 108.11 or provided in the contract documents shall be deducted from any monies due to the Contractor on monthly estimates. Any adjustments due to approved time extensions or overruns in the contract amount will be made on the monthly, semi-final or final estimate as may be appropriate.

Liquidated damages assessed as provided in these Specifications is not a penalty, but is intended to compensate the State for increased time in administering the contract, supervision, inspection and engineering, particularly that engineering and inspection which requires maintaining normal field project engineering forces for a longer time on any construction operation or phase than originally contemplated when the contract period was agreed upon in the contract.

Permitting the Contractor to continue and finish the work or any part of it after the time fixed for its completion, or after the date to which the time for completion may be extended, will in no way operate as a waiver on the part of the Department of any of its rights under contract.

§108.11 Schedule of Liquidated Damages.

Original Contract Amount		Liquidated Damages Daily Charge	
More Than	To and including	Calendar Day or Fixed Date	Work Day
\$ 0	\$ 100,000	\$ 120	\$ 200
100,000	200,000	180	300
200,000	500,000	300	500
500,000	1,000,000	480	800
1,000,000	2,000,000	660	1,100
2,000,000	5,000,000	840	1,400
5,000,000	10,000,000	1,020	1,700
10,000,000	-----	1,200	2,000

When the contract time is on the calendar day or date basis, the schedule for calendar days shall be used. When the contract time is on a work day basis, the schedule for work days shall be used.”