

Advertising and Awarding Construction Contracts

UDOT 08B-12

Effective: October 6, 1967

Revised: September 26, 2013

Purpose

To establish policy and procedure for the Utah Department of Transportation (Department) for assembling contract plans and proposals, advertisements for bid, and award of construction contracts.

Policy

Highway construction projects will be advertised for bid in sufficient time and detail and in a sufficient variety of media including the Department's Web site to allow all interested qualified contractors the opportunity to bid. Projects will be advertised for bid on the Department Web site a minimum of 14 days for State funded projects and 21 days for Federal funded projects, unless shortened by approval of the Director of Construction and Materials, FHWA, or both.

Advertisements and approved plans and specifications will be made available a minimum of 10 days prior to the pre-bid conference when a mandatory pre-bid conference is indicated.

The Total Project Cost Estimate (TPCE) for the project will be compared with the Commission Approved Amount (CAA) prior to advertising. The project will be referred to the Commission for its consideration and decision for an increase in programmed funds whenever the TPCE exceeds the CAA by more than 25 percent or \$500,000, whichever is less. The project will be referred to Metropolitan Planning Organizations (MPO) or the Joint Highway Committee (JHC) on projects whose funding is administered by these bodies when the TPC exceeds the CAA by \$250,000. The funding categories affected by the \$250,000 limit include STP – Urban, CMAQ, STP – Rural, STP – Small Urban, and Bridge Off System.

Addenda to bid proposals will be kept to a minimum, and must be e-mailed, and transmitted by facsimile (FAX) to project's plan holders at least 11 calendar days preceding the scheduled bid opening date. The only exceptions will be addenda for bid postponement, wage rate changes, and those approved by the Region Project Manager and the Director of Construction and Materials. Addenda will also be posted on the Department Web site.

Bid proposals will be opened publicly and results published on the Department Web site. Award of contract, if awarded, will be to the lowest responsive bidder or best value bidder on Design Build, CMGC or any other method of Innovative contracting projects.

The following process for abstract and funding approval is required when the apparent low bid on a project more than 10 percent over the engineer's estimate.

1. At bid opening the abstract is limited by Central.
2. Ten percent viewer flag posted on Department Web site, "Unofficial Bid Results" by Central.
3. A funding e-mail is sent from Central to the Project Manager (PM) and Resident Engineer (RE) for funding approval and copied (cc'd) to internal key divisions only, including Program Finance. This e-mail excludes any contractor company names and provides totals for P +T and any additives.
4. A detail abstract excluding name of bidding contractors is sent to Department's Estimating Support for cost index review.
5. Funding approval is required by e-mail from the PM and Program Finance. Funding approval by Program Finance is based on the Base, Additive Items and the Non-Bid Details on the project.
6. Civil Rights approval is required on Federal projects, once funding approval is received.
7. The detail abstract is sent directly to the PM for detail abstract approval once Civil Rights gives approval.
8. The abstract in the EBS System is marked unlimited, Unofficial Bid Results are posted to the Department Web site, and bidders are e-mailed or notified by Central once the detail abstract is approved by the PM.
9. Central Construction can award the project.

The project can be canceled or re-advertised without a re-scope of work if the funding or the detail abstract is not approved because the unit bid prices of the apparent low bidder were not disclosed.

The Executive Director may accept or reject the low bid when bids exceed the Engineer's Estimate by more than 10 percent. The Executive Director will consult with the Transportation Commission (Commission) before accepting or rejecting the bid when the low bid is in excess of \$500,000 or 25 percent of the project Commission Approved Amount (CAA). The Executive Director will provide a quarterly report to the Commission on projects that have exceeded the original CAA by \$500,000 or 25 percent of the project CAA previously acted upon by the Commission.

The successful bidder will furnish performance and payment bonds, each in the total amount of the bid, to guarantee the full and faithful performance of the contract and the payment of suppliers and subcontractors.

Procedures

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Responsibility: Region Project Manager

Actions

1. Verify the Construction Estimate is within the amount budgeted for construction costs and that the TPCE does not exceed the CAA prior to bid.
2. Prepare justification for increasing programmed amount.
3. Submit request to increase the programmed amount through Region Director to Systems Planning and Programming Director for recommended action.
4. Check with appropriate authorities for status and appropriate documentation of right-of-way, utility, funding clearances, and appropriate certifications.
5. Obtain approval from the Project Development Director to proceed with project advertising.
6. Assemble plans, specifications, estimates, and authorizations in accordance with established agreements and transmits to the Federal Highway Administration (FHWA) for review, comment, and approval.
7. Obtain FHWA's authorization to advertise for bids in accordance with established agreements on Federal-aid projects.
8. Assemble plans and proposal for advertising.
9. Submit final plans, specifications, and estimate to the Contracts, Estimates, and Agreements Manager.
10. Coordinate, obtain approvals, and prepare addenda when necessary

Responsibility: Systems Planning and Programming Director

- 11.. Examine the effect of recommended increase on the construction program.
12. Prepare report on the status of the currently approved program.

13. Recommend action to the Executive Director or Deputy Director and Commission.

Responsibility: Contracts, Compliance and Certification Manager

14. Receive plans, estimates, and special provisions for advertising from the PM, including all authorizations and certifications.
15. Prepare advertisement for bids.
16. Distribute an invitation to bid on the Department bid notices Listserver and Utah Legals Web page.
17. Post on the Department Electronic Bidding Web page.
18. Prepare and publish "Notice to Contractors" on the Department Electronic Bidding Web page.
19. Prepare and post bidding plans and proposals on the Department Web page.
20. Place hard copies at the Central Construction Front Desk for public inspection and review.
21. Compile Planholders List.
22. Make list available on the Department Electronic Bidding Web page.

Responsibility: Contracts, Compliance and Certification Manager

23. The Department will post a copy of addenda on the Department Web page, fax addenda to the prime bidders, and e-mail addenda to each contractor on the planholders list if it is necessary to issue an addendum during the advertising period.
24. Download electronic bids into Project Development Business System (PDBS) Electronic Bid System (EBS) program.
25. Open bids and check for responsiveness at bid opening.
26. Retain all bid packages at the close of bid opening.

27. Formulate "Results of Bid Opening" document for distribution, to include posting to the Department Web page.
 - a) Irregular bid determinations are made by the Director of Construction and Materials.
 - b) Bids over 10 percent are held until notification of final determination of action from the Region PM.
28. Retain cash, certified check, or cashier's check when submitted in lieu of the bid bond from the two lowest contractor bids until contracts are executed.
29. Prepare letter for Director of Construction and Material's signature on any non-responsive bid.
30. Prepare abstracts of bids and requests concurrence to award from Region PM.
31. Post abstracts to the Department Web page.

Responsibility: Region Project Manager

32. Consult with Region Director, Systems Planning and Programming Director, and Local Government Engineer (local government projects only) as to funding and Program effects if the low bid exceeds the Engineer's Estimate by more than 10 percent.
33. Prepare written concurrence to award or reject the low bid.
34. Submit concurrence and recommendation for award to the Contracts, Compliance and Certification Manager.

Responsibility: Contracts, Estimates, and Agreements Manager

35. Prepare letter for Director of Construction and Material's signature notifying bidder of award.
36. Prepare, print and mail contract to low bidder upon abstract approval.
37. Post awarded copy of contract provisions and plan-set to Department's Innerweb for internal use.
38. Facilitate printing of contracts for signature.

39. Receive signed contracts, to include properly documented contract Payment and Performance Bonds, certificates of insurance, Qualified Health Insurance when applicable OCIP Enrollment form when applicable, and Previous Contract and Compliance Report (Federal-Aid projects only).
40. Obtain Deputy Director's signature on the contract documents.
41. Issue the Notice to Proceed letter.
42. Date the contracts to reflect the date of Notice to Proceed letter.
43. Forward to the Comptroller's office.

Responsibility: Comptroller

44. Obtain signatures of Attorney General and the Division of Finance.
45. Deliver executed contracts to Contracts, Estimates, and Agreements Manager.