

## **Advertisement and Award Process ~S&CD, Contract Engineer's Section~ Jul. 1, 2008**

An annual schedule for the advertisement & receipt of bids on construction and maintenance projects is published in September of each year by the Contract Engineer with the advertisement and bid letting dates. This is sent to the contractors and all stakeholders. There are normally two advertisements each month. (Special advertisements are held in cases of emergency).

RAAPs (Regular Advertisement and Award Process) are advertised on the 2<sup>nd</sup> Tuesday for a minimum of 21 days. Most actually exceed 35 days. They are mailed to our prequalified contractors and posted on VDOT's Contractors Advertisement Bulletin Board (CABB) web system and the eVa website.

SAAPs (Special Advertisement and Award Process) are advertised for 10 days minimum. Most actually exceed 25 days. They are mailed to our prequalified contractors and posted on VDOT's Contractors Advertisement Bulletin Board (CABB) web system and the eVa website.

Bids are received electronically on Wednesday (usually the 4<sup>th</sup> Wednesday) of each month at 10am in the Central Office. Bids are open and read publicly by the Contract Engineer. After the reading of each group of bids for a given order number, the individual reading the bids shall announce the following in compliance with Section 33.2-1100:

**“The low bid (exceeds) / (does not exceed) the maximum tolerance of the engineer's estimate”.**

Thursday and Friday after bids are read the estimating section reviews all bids for unbalancing and mathematical errors. The estimating section develops a written Bid Analysis for each project. The District Administrators, District Construction Engineers and Maintenance Engineers are asked to give comments or explanations on bids if over the Engineer's Estimate. This process is described in the Estimating Manual. Sometimes a bidder may need to be contacted for further explanations of his bid. This may be a phone conversation or a face-to-face meeting. This must be held as soon as the need is discovered in order to not delay award.

Friday and Monday after bids are read the State Estimate Engineer compiles a written summary from the Estimator's analysis for each project. The projects are recommended for award or rejection by the Contract Engineer. All changes to the Estimator's recommendations are documented. Any bids that are 7% above Engineers Estimate or 25% below the EE and 25% below the next bidder, must have a written justification on why it is recommended for award. This explanation is part of the letter from the Chief Engineer to the Commissioner with award recommendations.

The following Monday after bids are received, a meeting is held with the Contract Engineer, State Estimate Engineer and estimating section to discuss the bid analysis. The Contract Engineer reviews the analysis and makes the final decision for the division on award or reject before it goes to the Chief Engineer.

The Contract Engineer and Estimate Engineer have a meeting with the Chief Engineer to review the bid summaries. The Contract Engineer provides additional information to the Chief Engineer as requested. The Chief Engineer makes his decision to award or reject to the Contract Engineer orally. They meet again if additional information is needed.

After the meeting with Chief Engineer the contractors are notified by the Assistant to the Contract Engineer that the projects are going to be recommended for award or rejection. After the Chief Engineer makes his recommendation the ballot is then prepared for the CTB or the Commissioner. The contractors are sent a letter from the Contract Engineer announcing the recommendation. The ballot consists of the following:

- Bid results totaled by the Road System and receipt date. The ballot for the CTB also includes the SYIP estimate
- The Department's bid recommendations
- Justification for bids that are recommended for award that are 7% over the Engineers Estimate or 25% below the Engineers Estimate.
- A project narrative that describes the work in lay terms
- Cover letters for Chief Engineer and Commissioner

There are 2 separate ballots made and distributed. One for jobs that are over 2 million; and one for jobs 2 million and below. There may not always be 2 ballots prepared in a given month.

### **Over 2 million**

Once S&C assembles the ballot with all of the above, it is then sent to the Chief Engineer for his approval which is then forwarded to the Commissioner to approve and forward to the CTB for award. The Commissioner's secretary forwards an advance copy to all CTB members and the District Administrators by the Friday two prior to the CTB meeting. S&CD supplies 25 hole punched copies of the ballot to the Assistant to the Commissioner, who prepares the CTB action books. The S&C Division Administrator presents the ballots at the CTB meeting. Once the board has approved all of the recommendations, the Award Process begins. This is official when the Commissioner signs the fund distribution sheets and the action letter.

### **2 million and below**

Once S&C assembles the ballot with all of the above, it is then sent to the Chief Engineer for his approval which is then forwarded to the Commissioner to award. Once the Commissioner has signed the ballot the Award Process begins.

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**Award Process**

The Contract Engineer notifies the contractors that the projects have been recommend for award and for rejection. The contractor is notified of the paperwork due dates. An award letter is generated by the Contract Engineer. The low bidders for RAAP, SAAP, and Emergency projects are reviewed to ensure contractors are prequalified and are not debarred. The bonds are reviewed to ensure they meet the requirements of Section 103 of the specifications.

Once all paperwork is received, and review for accuracy, the Contract is executed by the Chief Engineer and immediately the Contract is sent electronically to the Contractor and the District. A notification and certified copy of the contract is sent after reproduction to the Contractor, Area Construction Engineer and District Administrator. A certified copy of the contract is also placed on file in S&CD and Central File. Additional copies are distributed to the District Administrator for field use. Each project is tracked on the Executions database.

## **Advertisement and Award Process**

### **Provisions For Negotiation With A Low Bidder**

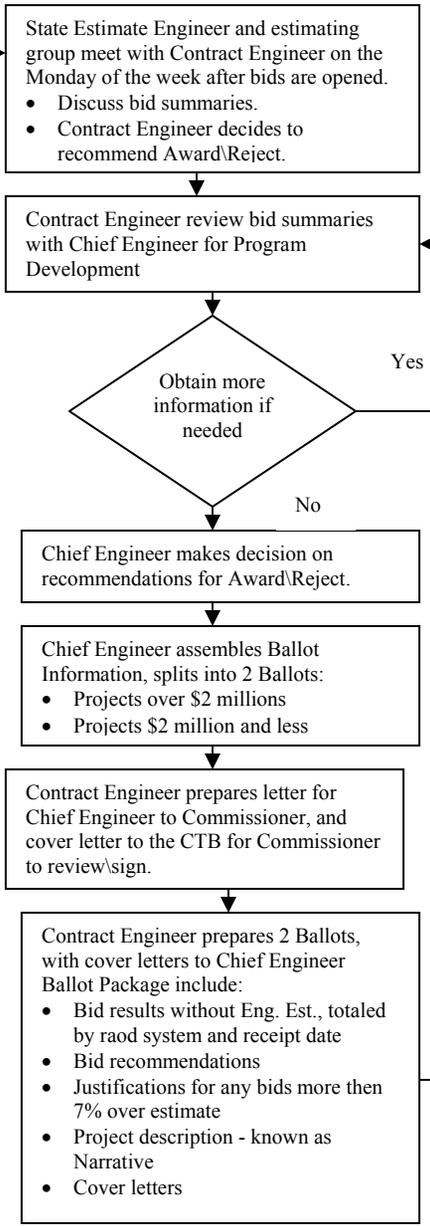
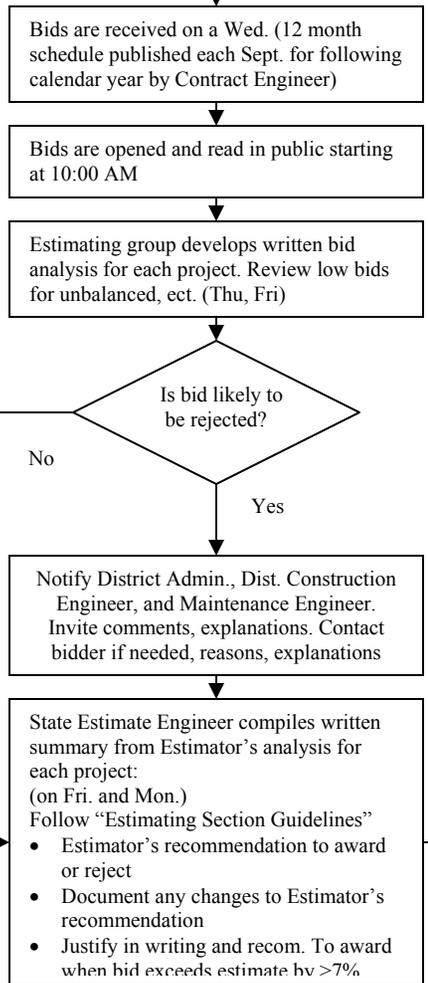
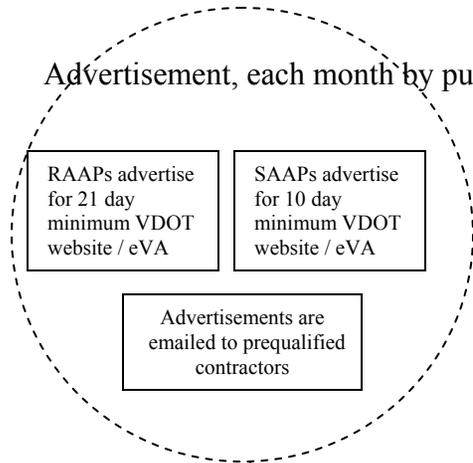
If all of the bids received exceed the approved construction budget, the Department may negotiate with the lowest responsive and responsible bidder in accordance with the following terms and conditions pursuant to the provisions of Virginia Code §2.2-4318. Negotiation shall be limited to the Work included in the Total Base Bid on the bid form only. Additive bid items, if any, cannot be considered in the negotiations nor can they be incorporated in the final negotiated contract.

In general, bids which are less than 10 percent over budget can reasonably be negotiated. If the bids are more than 10 percent over budget, bids can only be negotiated if the changes required would not be significant or involve design and/or scope changes. Negotiations which would lead to a substantive reduction in the services to be provided or work to be performed shall be terminated and the project scope or terms and conditions may be revised before being put to bid again if the Department believes that such an action is appropriate.

The A/E, as part of his basic services, shall advise the Owner as to the functional, operational, safety and code aspects of all proposed changes in the Work. The A/E shall also advise the Owner of the appropriateness of the dollar value of each change. Once the negotiations are complete, the A/E shall assist the agency in preparing the documentation of the negotiations and prepare any sketches, details or other modifications to the plans and specification to clarify the Work to be performed by the Contractor. Documentation of the negotiations shall clearly identify the Work changed or deleted and the value of each change or deleted item of Work.

Any Work changed or deleted is subject to the approval of the appropriate authority since this represents a change from the documents previously approved. The agency shall document the changes as an Addendum, which shall become part of the contract, along with drawings and specifications.

## Advertisement, each month by published schedule



## Proposed Contract Bid and Award Process 10-20-06

