

## Traditional Steps Leading To A Bid Document

Part 04-01: Bid Document  
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CVEN 349 - Maxwell

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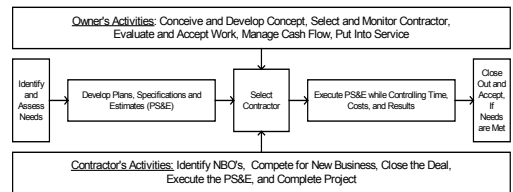
## Purpose:

- Outline the process of preparing a Bid Package from the Owners Point of View

## Learning Objectives:

- The Student should be able to identify and describe briefly the main parts of a bid package.
- The Student should be able to describe briefly the steps leading up to a bid package.

## Revised Project Development Process



The Project Development Process as Seen by the Owner and the Contractor

## Traditional Steps:

1. Identify the Need
2. Generate Preliminary Set of Alternatives
3. Evaluate Alternatives
4. Select Feasible Set of Alternatives
5. Evaluate Alternatives
6. Select "Best" for Detailed Design
7. Create Detailed Design
8. Prepare Bid Package
9. Solicit Bids
10. Receive and Evaluate Bids
11. Select Contractor

## 1. Identify Need

- Growth Driven
- Technology Driven
- Obsolescence Driven
- Ego Driven

## 2. Generate Preliminary Set Of Alternatives

- Traditional solutions bring expected results with less risk of failure.
- Innovation may lead to better solutions with more risk of failure.
- This is what risk taking and decision making are all about.

## 3. Evaluate Alternatives

- Meets Current Needs.
- Meets Future Needs.
- Economic Considerations.
- Schedule Considerations.
- Safety Considerations.
- Environmental Considerations.
- Political Considerations
- Etc., Etc.

## 4. Select Feasible Set of Alternatives

- Based on pre-established set of evaluation criteria.
- Choices should be clear.
- Choices should represent a broad spectrum of possible solutions.

## 5. Evaluation of Alternatives

- Economic Factors
- Technology Factors
- Risk Factors

## 6. Select Best Alternative

- Based on pre-established set of evaluation criteria.
- Choice should be clear.

## 7. Create Detailed Design

- Sequential Approach
- Fast Tracked Approach
- Modular Approach
- Combinations of the above

## 8. Prepare Bid Package

- Plans, Specifications, and Estimates
- Standard (or General) Terms and Conditions
  - EEO, OSHA, Labor Standards
  - Local Codes, Etc.
- Specific Terms and Conditions
  - Payment Process and Schedule
  - Change Order Process
  - Acceptance Period, Bid Bonds, and other Sureties

## Bonds Included in the Bid – Not the Same as Revenue Bonds

- **Bid Bond** – Protects the Owner from the Contractor backing out.
- **Performance Bond** – Protects the Owner from contractor failure to complete the job according to plans and specifications.
- **Payment Bond** – Protects the Owner from the failure of the Contractor to pay Suppliers and Subcontractors.

These are really “insurance” to offset Owner’s risk.

## RAT # 4.1.1

- Take out a sheet of paper and write your name.
- You have 3-minutes to answer the following question.
- What are the three types of Bid Bonds and what is their purpose?

## 9. Solicit Bids

- Free Competition – Accept All Valid Bids
- Pre-Qualification – Restrict Competition
- Sole Source – Negotiate with single contractor or designer

## 10. Receive and Evaluate Bids

- Process for receiving bids should be clear, sensible, and detailed.
- Evaluation Criteria should be clear, known beforehand, and consistent.
- Process must be administered fairly and openly.

## 11. Select Contractor

- Lowest Responsible Bidder
- Technical versus Price Considerations
  - Best Three
  - Negotiated Best and Final
- Negotiated Contract

## ■ What's In a Bid Document?

- Study Halpin Chapter 2.
- Read Halpin Appendices A through G
  - A: General Conditions
  - B: Typical Considerations Affecting the Decision to Bid.
  - C: Performance and Payment Bond Forms
  - D: "Fixed Price" Contract Form
  - E: "CPFF" Contract Forms
  - F: Typical Job Descriptions
  - G: AGC Standard Subcontract Document

## ■ Class Assessment

- You have 1-minute to write down the "muddiest" topic covered today.