



Date: July 8, 2015

To: John Riedl, Senior Cost Engineer
Norma Kearney, Cost Estimator

From: Brenda Marcus, OPL Manager

CC: ODOT Procurement Office – Construction Contracts Unit

Subject: **OPL Requirements for Bid Price Evaluation and Recommendation of Award**

The ODOT Project Estimator will perform an evaluation of the bid prices received after bid opening. This evaluation is intended to be an objective and factual review of prices received relative to the cost estimated and, whenever possible, an attempt to explain any significant discrepancies.

Bid Review Factors

Considerations during the bid review include¹:

- Comparison of the bids against the engineer's estimate;
- Number of bids submitted;
- Distribution or range of bids received;
- Identity and geographic location of the bidders;
- Potential for savings if the project is re-advertised;
- Bid prices for the project under review versus bid prices for similar projects in the same letting;
- Urgency of the project;
- Current market conditions/workload;
- Any unbalancing of bids;
- Which unit bid prices differ significantly from the estimate, and from other bids?
- If there is a justification for the difference; and
- Any other factors the contracting agency has determined to be important.

General Review Guidelines

The Project Estimator may draw on available ODOT and project team resources, bidding Contractors, peers and other resources to aid in his/her evaluation. The decision to recommend award, or not to award, is expected to be maintained **confidential** within the Office of Project Letting (OPL) Unit, and the ODOT Procurement Office - Construction Contracts Unit (OPO-CCU).

In the case of bid evaluations for which the Recommendation to Award is to the low Responsive bidder, and the low bid is not greater than 110% of the Final Engineers Estimate (FEE), and the number of bidders is greater than two, the Project Estimator will provide a written summary of the low bid evaluation along with the award recommendation. This summary will include identification of bid items that appear to be Mathematically Unbalanced² or are on the extremes of our expected price

¹ FHWA Guidelines on Preparing Engineer's Estimate, Bid Reviews and Evaluation - January 20, 2004.

² Penny bids, front loading, bid prices with large variations from EE. In this context extreme unit pricing is demonstrated by any total unit price received that is below or above the prices justified in total by the item labor, or by the double/half value of that item's average two year unit price using similar quantities.

range. This summary will be addressed and e-mailed to the OPO-CCU (ODOTProcurementOfficeConstruction@odot.state.or.us). The OPL Manager's concurrence is not necessary in this scenario.

For all other situations, the Project Estimator will initiate a meeting with the OPL Manager, or a delegated alternate, to review the bid results and evaluation. Further investigation will be done as needed to arrive at a final recommendation. This recommendation will be prepared by the Project Estimator and forwarded to the OPL Manager. The OPL Manager will then provide concurrence and return the document to the Project Estimator for processing. The Project Estimator will forward the document to OPO-CCU as specified in paragraph three above.

Any correspondence related to this bid evaluation must be noted as "**Confidential to ODOT**".

Timelines for Estimator's Recommendation to Award/Not Award

For projects bid under 110% of the FEE, the Project Estimator must provide the recommendation to OPO-CCU and the OPL Manager within three (3) working days from the bid opening.

When the bid is over 110% of the FEE, the Project Estimator is expected to advise OPO-CCU staff and the OPL Manager how long it is estimated the evaluation may be delayed due to possible funding issues and other bid review factors.