

ADDED ALTERNATIVE BIDDING

This section of the header file is for Added Alternative Bidding. Delete this section and the Added Alternative Bidding – Low Bidder Determination Examples section that follows from all standard LCDOT Projects and all IDOT projects. For Added Alternative projects edit the highlighted text to match the specific project and then remove the highlighting. Delete this note from the Contract Specifications.

Effective: April 1, 2011

Added Alternative Bidding: The Lake County Division of Transportation desires to maximize the available budget for this maintenance project. To accomplish this, project locations and quantities have been divided into a Base Bid (minimum project) and Added Alternatives **A, B and C**. The Added Alternatives are prioritized from **A to C** with A being the highest priority.

A Contract Award Limit of **\$XXX,000** has been designated for the **XXXXXXXX** project. As the Base Bid is the minimum project to be awarded, LCDOT **will not** award any contracts with a base bid greater than the Contract Award Limit.

For this maintenance project, the Contractor shall submit the same unit price for identical pay items, i.e. pay items with the same pay code. For example if the Contractor submits a unit price of **\$1.25 per gallon for PROTECTIVE COAT** for the Base Bid, he/she shall use the same unit price of **\$1.25 per gallon for PROTECTIVE COAT** in each of the Added Alternatives. Bid proposals submitted with different unit prices **will be rejected**. The only exception is the lump sum unit price for TRAFFIC CONTROL AND PROTECTION (SPECIAL). The bid price in the Added Alternatives may differ from the lump sum unit price bid for the Base Bid.

The Contractor **shall** submit unit prices / bids for all pay items included in the Base Bid and **all** Added Alternatives. Incomplete bids will be considered not responsive and will not be read.

The final bid tabulation will evaluate all bids based on the base bid and the alternatives to be included in the project. The lump sum unit price for Traffic Control and Protection (Special) shall be the sum of the bid prices for the base bid and the alternatives included in the project. Alternatives not included in the project will not be included in the bid tabulation.

ADDED ALTERNATIVE BIDDING – LOW BIDDER DETERMINATION EXAMPLES

Effective: April 1, 2011

For this project the low bidder will be determined using the process shown in the following examples:

Example 1: In this example the Contracting Authority desires to maximize the \$2,000,000 that it has available for the project. The project location and/or quantities have been divided into a Base Bid, and Added Alternatives A, B, and C. A Contract Award Limit of **\$2,000,000** has been designated.

The following bids were received:

Bidder	Base Bid	Bid on Added Alternative A	Bid on Added Alternative B	Bid on Added Alternative C
Contractor 1	\$1,500,000	\$325,000	\$150,000	\$300,000
Contractor 2	\$1,600,000	\$250,000	\$50,000	\$300,000
Contractor 3	\$1,700,000	\$100,000	\$200,000	\$200,000
Contractor 4	\$1,800,000	\$150,000	\$150,000	\$50,000

The first basis for award is the bidder submitting a bid with the most Added Alternatives (in order of priority) not exceeding the Contract Award Limit (\$2,000,000). In the example above, Contractors 1, 2 & 3 submitted bids that included the Base Bid and Added Alternatives A and B which do not exceed \$2,000,000. Contractor 4 will not be considered further because he/she submitted a bid in which the Base Bid and only Added Alternative A is less than \$2,000,000 (i.e. Contractor 4 submitted a bid with fewer options not exceeding the Contract Award Limit).

The next basis for award is the lowest bid submitted (not exceeding the Contract Award Limit) with the Base Bid and the same Added Alternative(s). In this example the Contractor's combined bids for the Base Bid and Added Alternatives A and B are:

Bidder	Combined Bid	Contractor 2's bid of \$1,900,000 is the low bid
Contractor 1	\$1,975,000	
Contractor 2	\$1,900,000	
Contractor 3	\$2,000,000	

In this example above it makes no difference that:

- Contractor 1 is the low bidder on the Base Bid only – because Added Alternatives A & B can be added to 1 or more of the Contractor's bids and the resulting combined bid does not exceed the Contract Award Limit they must be included.

- Contractor 3 is the low bidder on the Base Bid and Added Alternative A – because Added Alternative B can also be added to 1 or more of the Contractor’s bids and the resulting combined bid does not exceed the Contract Award Limit it must be included.
- Contractor 4 is the low bidder on the Base Bid plus all Added Alternatives – because Contractor 4’s total bid for the Base Bid and all the Added Alternatives exceeds the Contract Award Limit it cannot be considered.

Example 2: In this example the Contracting Authority desires to maximize the \$200,000 that it has available for a maintenance project. The project location(s) and/or quantities have been divided into a Base Bid, and Added Alternatives A, B, and C. A Contract Award Limit of **\$200,000** has been designated.

The following bids were received:

Bidder	Base Bid	Bid on Added Alternative A	Bid on Added Alternative B	Bid on Added Alternative C
Contractor 1	\$165,000	\$50,000	\$15,000	\$15,000
Contractor 2	\$160,000	\$55,000	\$25,000	\$15,000
Contractor 3	\$170,000	\$35,000	\$20,000	\$15,000
Contractor 4	\$180,000	\$30,000	\$15,000	\$15,000

Like the previous example the first basis for award is the bidder submitting a bid with the most Added Alternatives (in order of priority) not exceeding the Contract Award Limit (\$200,000). In this example, all of the combined submittals for the Base Bid plus Added Alternative A are more than \$200,000. Therefore Added Alternative A is ignored and will not be included in the contract. The bid comparison shifts to the sum of the Base Bid and Added Alternative B for which all of the Contractors submitted a bid that is less than the \$200,000 limit. The comparison continues by adding in Added Alternative C. Contractors 1 & 2 submitted bids for the Base Bid and Added Alternatives B and C which do not exceed \$200,000.

The next basis for award is the lowest bid submitted (not exceeding the Contract Award Limit) with the Base Bid and the same Added Alternative(s). In this example the Contractor’s combined bids for the Base Bid and Added Alternatives B and C are:

Bidder	Combined Bid	Contractor 1’s bid of \$195,000 is the low bid
Contractor 1	\$195,000	
Contractor 2	\$200,000	