

## ENGINEERING DIRECTIVES AND STANDARDS

Volume	Chapter	Section	Directive Number	Effective Date
I	3	1	2	4/24/2017

**SUBJECT: REVIEW OF BIDS RECEIVED FOR CONSTRUCTION PROJECTS**

- 1. PURPOSE:** The purpose of this directive is to establish the procedure for conducting a review of bids received by the Department of Transportation and Development on construction projects. In addition, this directive sets forth standards to be followed during the review of bids based on cost and the procedure for providing subsequent recommendations for acceptance or rejection of contractor bids based on submitted costs.
- 2. BID REVIEW PROCESS:** The purpose of the bid review process is to review bid prices received on construction projects for conformity with the Department's preconstruction estimates, identify any mathematical imbalances in the low bid, ensure that there are no material imbalances in the low bid, determine the justification for bid acceptance or rejection, and report findings and recommendations to the Chief Engineer. The following procedures shall be implemented:
  - A. As soon as the bid tabulations are available after the letting, copies are made available to the applicable Project Managers. Each project will be reviewed by the Project Manager and applicable Task Managers for compliance with the itemized preconstruction estimate. The review shall identify any mathematical imbalances in the low bid and shall include a determination as to whether any imbalances are material to the project and shall be reported to the Chief Engineer.
  - B. When the low bid for a particular project overruns the preconstruction estimate by more than 10 percent (10%) or underruns by more than 25 percent (25%), examination will be made to determine possible reasons for the disparity between the preconstruction estimate and the low bid. Determinations relative to the disparity and any reasons for the disparity shall be included in the Project Manager's report to the Chief Engineer. Such bids also require the Program Manager's approval of the recommendations for bid acceptance or rejection.
  - C. The Project Manager's report to the Chief Engineer shall be in writing and shall contain recommendations for bid acceptance or rejection with documented justification. In addition, where a bid does not fall within the aforesaid thresholds, the report shall also include the Project Manager's opinion as to the reasons therefor.
  - D. In addition to the report, the Chief Engineer may request additional information from other DOTD personnel to assist in the recommendation before accepting or rejecting the bid.
  - E. The Chief Engineer will determine the final action to be taken by the Department with regard to bid acceptance or rejection. Bid review activities are to be kept in the confidence of the Department and its employees until final notification is released by the Department.
- 3. OTHER ISSUANCES AFFECTED:** All directives, memoranda, or instructions issued heretofore in conflict with this directive are hereby rescinded.
- 4. EFFECTIVE DATE:** This policy will become effective upon signature of the Chief Engineer.

JANICE P. WILLIAMS, P.E.  
CHIEF ENGINEER