


Memorandum

To: CPDC Staff

Date: December 12, 2002

From: 
J. Patrick Drohan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Subject: Bid Overrun Analysis

CPDC Policy # 2

Purpose

This policy and procedure establishes an automatic response by affected project administrative staff, without further instruction, in the event that the qualified, responsible low bid on a major capital outlay project exceeds the project architect/engineer's approved bid estimate.

Procedure

1. The Construction Engineer examines the bids, security and other submittals to assure the apparent low bidder is, indeed, the authentic, responsible, qualified low bidder.
2. The Construction Engineer notifies the low bidder that the bid is higher than the project architect/engineer's estimate, and that management will determine before bid expiration (normally 60 days) how to handle the situation.
3. The Construction Engineer informs the University Architect and the Facility Planner of the bid overrun.
4. The Public Works Contracts Administrator reviews the disabled veteran business enterprise (DVBE) submittals of the two low bidders in accordance with normal procedures to further determine if the apparent low bidder is responsive per DVBE criteria.
5. The University Architect immediately calls (and then writes) the project architect/engineer requesting that within two weeks, the project architect/engineer prepare a written analysis detailing reasons the job overran the estimate, and submit proposals for cutting costs on a rebid to assure compliance with the approved budget for the project. Value engineering sessions with the project architect/engineer may be required, involving the University Architect, the Facility Planner, the Construction Engineer, and the appropriate campus representative during this two-week period to assure an adequate review of the plans and bid experience. The University Architect should direct the project architect/engineer to contact the low bidder directly to examine all sub-components of the bid and to contact as many of the other bidders as warranted to formulate an analysis of the situation.

Do not allow extra services for this analysis since this is a part of the basic paid-for services. The University Architect fills out Bid Overrun Fact Sheet, Form 2 (attached).

6. The Construction Engineer examines the bid spread, from high to low, and researches the bid climate to determine if there was poor competitive circumstances in the region at the time of the bid. The Construction Engineer fills out Bid Overrun Fact Sheet, Form 1 (attached).
7. Within two weeks of the bid opening, the Construction Engineer schedules a meeting with the Assistant Vice Chancellor of CPDC, the University Architect, the Facility Planner, and the appropriate campus representative. (If the project involves non-state funds, also invite the appropriate representative from Financing and Treasury.) At this meeting the University Architect shall report on item #5 above, and the Construction Engineer shall report on item #6 above. At this meeting, the University Architect and Construction Engineer should come prepared with their completed portions of the Bid Overrun Fact Sheet, so that the facts of the situation can be quickly comprehended.
8. The Assistant Vice Chancellor will render a decision based on the facts presented at the meeting concerning whether to rebid, augment, or another course of action, such as further value engineering sessions. This recommended decision will be transmitted to the Facility Planner in CPDC for review and action as appropriate, along with all normal submittals.

JPD:JRC:bn

Attachments: Bid Overrun Fact Sheet, Forms 1 and 2

Construction Engineer to Complete

BID OVERRUN FACT SHEET
FORM #1

Check if: State Funded _____ Non-State Funded _____

Campus: _____ Project: _____

Project Architect/Engineer: _____

1. *Approved Project Estimated Bid Price: \$ _____ at ENR _____

2. Actual Responsible Low Base Bid: \$ _____ at ENR _____

3. Low Bid Contractor's Name: _____

4. Actual Overbid Amount: \$ _____ and _____ % Overage.

5. 'C' Fund Source: _____ Fiscal Year: _____

6. Date of Bid Opening: _____

7. Date that Bid Expires: _____

8. Number of Other Qualified Bidders Who Bid on Job: _____

9. % Spread of High to Low Bidders: _____ %

10. Were there regional influences affecting the bid? (Describe):

11. Was there sufficient competition among the Subcontractors and General Contractors? (Describe):

12. Were the A/E Bid Specs and Documents coherent and lucid? (Describe):

13. Was there competition from other projects bidding on the same day, which influenced the bid?

University Architect to Complete

BID OVERRUN FACT SHEET
FORM #2

14. Project Consultant A/E's proposals on Value Engineering ideas to bring project back into cost containment on a rebid. (Describe):

<u>Items</u>	<u>Cost Savings at ENR (Specify)</u>	<u>University Architect's Recommendation</u>	<u>Campus' Recommendation</u>
a.			
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
o.			
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v.			