



**DEVELOPMENTAL SPECIFICATIONS
FOR
ADDED OPTIONS BIDDING**

**Effective Date
October 16, 2012**

THE STANDARD SPECIFICATIONS, SERIES 2012, ARE AMENDED BY THE FOLLOWING MODIFICATIONS AND ADDITIONS. THESE ARE DEVELOPMENTAL SPECIFICATIONS AND THEY PREVAIL OVER THOSE PUBLISHED IN THE STANDARD SPECIFICATIONS.

12004.01 DESCRIPTION.

This specification allows the Contracting Authority to obtain the most work, or the best options, for the available funds allocated for the project.

12004.02 DEFINITIONS.

A. Added Options.

One or more sections in the proposal form which will be included in the contract award if the Contracting Authority has funds available. Added Options will be listed by alpha priority (for example, Added Option A, Added Option B, and so forth) in the proposal form.

B. Base Set of Items.

The smallest group of items that would be considered for awarding a contract. These items will be listed first on the Schedule of Prices in the proposal form, and may include several sections.

C. Contract Award Limit.

A maximum dollar amount the Contracting Authority has determined it will award to obtain Added Options for the contract. This dollar amount will be listed in the proposal form and will be used to determine the number of Added Options included in the contract awarded.

12004.03 APPLICATIONS OF ADDED OPTIONS.

The Contracting Authority may include Added Options in a proposal to achieve several objectives.

- A.** Maximize the use of available funds (additional items for additional work) – The Contracting Authority includes the minimum project requirements in the Base Set of Items and includes additional work to be included if the bids allow that additional work to be done for less than the Contract Award Limit. For example the Base Set of Items may include 10 miles of HMA resurfacing. An Added Option may include the bid items to add an additional 2 miles of HMA resurfacing if the total cost could be completed for less than the Contract Award Limit. The additional 2 miles would be included in the contract if this additional work could be done for less than the Contract Award Limit.
- B.** Obtain the best options for the available funds (bid item for incremental cost over base requirement) - The Base Set of Items is for the basic requirement, and the Added Options include a bid item for the incremental cost of upgraded materials or options. For example the

requirements in the Base Set of Items may be for standard aggregate and there is an Added Option with an item for the incremental cost for a higher grade aggregate. The contract award would include the higher grade aggregate if the additional cost could be done for less than the Contract Award Limit.

12004.04 BIDDING PROCEDURE.

- A. The proposal form will list the Contract Award Limit. The proposal form will list which sections are the Base Set of Items that are to be bid. The proposal form will also list the sections which contain one (or more) Added Options that may be bid (for example, a bidder must bid the Base Set of Items, but would not have to bid the Added Options to be considered responsive). The Added Options will be listed in order of preference to be added to the Base Set of Items if the bids do not exceed the Contract Award Limit. Added Options will only be considered by their alpha priority.
- B. Bidders do not need to bid Added Options sections which would exceed the Contract Award Limit.

12004.05 CONTRACT AWARD PROCEDURE.

- A. The first basis for award is the bidder submitting a bid with the most Added Options (in order of preference) not exceeding the Contract Award Limit. If more than one bidder submits a bid under the Contract Award Limit for the same number of Added Options, the bidder with the lowest total bid for the Base Set of Items and those Added Options will be the bidder considered for award.
- B. If all bids exceed the Contract Award Limit, then the bidder with the lowest bid for the Base Set of Items will be considered for award. The Contracting Authority may award a contract to the bidder with the lowest bid for the Base Set that exceeds the Contract Award Limit. The Contracting Authority will not award a contract for a bid with Added Options exceeding the Contract Award Limit.
- C. The basis of Good Faith Effort to meet a DBE goal on this proposal will be the bidder's effort based on all on DBE commitments on work in the Base Set of Items and any Federal aid Added Options for which the bidder's proposal is less than the Contract Award Limit.

12004.06 EXAMPLE.

- A. The Contracting Authority desires to maximize the \$2,000,000 that it has available for this project. The proposal form has defined a Base Set of Items, Added Option A, Added Option B, Added Option C, and designated \$2,000,000 as Contract Award Limit.

Bidder	\$ Bid on Base Set of Items	\$ Bid on Added Option A	\$ Bid on Added Option B	\$ Bid on Added Option C
AAAA	\$1,500,000	\$300,000	\$150,000	\$300,000
BBBB	\$1,600,000	\$250,000	\$50,000	\$300,000
CCCC	\$1,700,000	\$200,000	\$80,000	\$200,000
DDDD	\$1,800,000	\$150,000	\$150,000	\$50,000

- B. The first basis for award is the bidder submitting a bid with the most Added Options (in order of preference) not exceeding the Contract Award Limit (\$2,000,000). Bidders AAAA, BBBB, and CCCC submitted bids for the Base Set of Items and Options A and B which do not exceed \$2,000,000. Bidder DDDD will not be further considered because they submitted a bid where the Base Set of Items and only Option A is less than \$2,000,000 (i.e. Bidder DDDD submitted a bid with fewer options not exceeding the Contract Award Limit).

- C.** The next basis for award is the lowest bid submitted (not exceeding the Contract Award Limit) with the Base Set of Items and the same Added Options. In this example, Bidder BBBB's bid of \$1,900,000 for the Base Set of Items with Options A and B is the low bid. Bidder AAAA's bid for the Base Set of Items and Options A and B is \$1,950,000. Bidder CCCC's bid for the Base Set of Items and Options A and B is \$1,980,000.
- D.** It makes no difference that:
- Bidder AAAA is the low bidder on only the Base Set of Items, because options could be added to the contract that would not exceed the Contract Award Limit.
 - Bidder CCCC is the low bidder on the Base Set of Items and Option A, because Option B could be added to the contract and not exceed the Contract Award Limit.
 - Bidder DDDD is the low bidder on the Base Set of Items and all Added Options, because their bid would exceed the Contract Award Limit.