



Iowa Department of Transportation

DEVELOPMENTAL SPECIFICATIONS FOR BEST VALUE ALTERNATIVE (A – D) 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.

12005.01 DESCRIPTION.

- A. This specification expands the number of options a bidder can bid and allows the Contracting Authority to receive the best value based on individual alternatives selected by each bidder.
- B. The Contracting Authority has traditionally made pre-letting choices on their willingness to pay additional cost for one design or material over other designs or materials. In Best Value Alternative Bidding, the Contracting Authority expands the choices of designs or materials it is willing to award, and includes the basis for low bidder selection of these designs and materials in proposal.

12005.02 DEFINITIONS.

- A. **Alternative Differential (D).**
The dollar value the Contracting Authority has determined it is willing to pay for a Better Value Alternative Section over the Base Alternative for that work.
- B. **Alternative Sections.**
Sections in the Schedule of Prices in the proposal form which the bidder has the choice of bidding the Base Alternative Section or the Better Value Alternative Section.
- C. **Base Alternative Section.**
The section in the proposal form which includes the minimum requirements for an alternative of work.
- D. **Better Value Alternative Section.**
The section in the proposal form which the Contracting Authority is willing to pay an Alternative Differential over the Base Alternative Section.

12005.03 BIDDING PROCEDURE.

The proposal form will have Alternative Sections. The proposal form will also list a dollar value (Alternative Differential) that the Contracting Authority has pre-determined it will pay for each Alternative Section over the Base Alternative Section. For each set of alternatives, the bidder will be allowed to bid

one Alternative Section (for example, either the Base Alternative Section or Better Value Alternative Section).

12005.04 A – D CONTRACT AWARD PROCEDURE.

The basis for determining the low bidder for consideration for award will be the bidder submitting the lowest Bid Total minus the sum of the Alternative Differentials for that bidder (e.g. A – D Bidding).

12005.05 EXAMPLE.

- A. In the following example, the Contracting Authority is willing to pay \$200,000 additional to have a Better Value Alternative Section X2 built over the Base Alternative Section X1. In addition the Contracting Authority is willing to pay an additional \$400,000 to have a Better Value Alternative Section Alternative Y2 built over the Base Alternative Section Y1.
- B. Although Bidder AAAA submitted the lowest Bid Total (A), Bidder BBBB will be considered the low bidder because they have the lowest (A – D) total.

Bidder	\$ bid on non-Alternative Sections Items	Alt. Bid	X Bid	Alt. Bid	Y Bid	Bid Total for Proposal (A)	Sum of Alternative Differentials (D)	Basis for Award (A – D)
AAAA	\$1,000,000	X1	\$200,000	Y1	\$200,000	\$1,400,000	\$ 0	\$1,400,000
BBBB	\$1,050,000	X2	\$250,000	Y1	\$250,000	\$1,550,000	\$200,000	\$1,350,000
CCCC	\$1,300,000	X2	\$300,000	Y2	\$400,000	\$2,000,000	\$600,000	\$1,400,000
DDDD	\$1,250,000	X1	\$300,000	Y2	\$300,000	\$1,850,000	\$400,000	\$1,450,000