

More ways to improve bids

Here are some suggestions on how to ensure reasonable project costs in a competitive bid situation. They come from Rick Schmidt, Vice President, Payne & Dolan. This story supplements the information in "Good bid documents help road projects" in the Winter 2002 issue of *Crossroads*.

- 1) Bid early (January or February) when contractors are typically less busy and more likely to give any bid their fullest attention. This also allows the successful bidder to put the project on the schedule before he gets filled up with work for the season.
- 2) Bid a significant amount of work to reduce mobilization costs per unit of work. Combine smaller jobs by coordinating with others in the area.
- 3) Prepare clear and definite plans and specs. Bad specs add to misunderstandings, higher risks, and higher bids. Consider an industry review of specs for constructability. Don't combine unit pricing with lump sum payments. For example, bid

manhole adjustments separate from tons of asphalt. If you use unit pricing, have good, accurate estimates of the amount of work.

- 4) Provide good access to the work. Close the road if possible. Provide a site for material and equipment storage. Having to rent a site may cause the contractor to increase bid costs.
- 5) Set a reasonable timetable for completion. Make any liquidated damages or penalties reasonable. If the contractor has to assume a higher level of risk, it normally means a higher bid price. Also, provisions like "no extensions in contract time will be granted for bad weather conditions," require the contractor to assume the risk and will likely add a price increase.
- 6) Allow the contractor options to choose locally available materials to reduce costs. For example, a specification can require crushed limestone for the base course. Specifying the

item instead as crushed aggregate base would allow the contractor to use crushed gravel, crushed recycled concrete, or crushed limestone which could reduce the cost to the taxpayers.

- 7) Allow recycled materials for base and mix.
- 8) Consider a warranty job or requiring the contractor to supply a quality management program. This may raise the contract cost \$.40-\$.60 per ton, but not as much as hiring an inspector yourself.
- 9) Specs that define the end result work best. They allow the contractor to use his experience and skills to your advantage.
- 10) Determine ahead of time whether the contractor or the owner will contact local residents and business owners.


The T.I.C. has sample specifications and bidding documents for small projects. See Resources on page 6.

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