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Conspectus's Tech Tips received the national Communications Award from the Construction Specifications Institute September 2011.

ABSTRACT:

Competitive procurement requires bidding documents to supplement the contract documents. Bidders need additional explanation about the bidding process to ensure their bids are responsive to the owner's needs and hopefully (for them) successful

FILING:

UniFormat™
3000 Bid Requirements
MasterFormat™
00 11 00 Advertisements and Invitations

KEYWORDS:

Contract documents, bidding documents, procurement, Invitation to Bid, Advertisement for Bids

REFERENCES:

AIA A201 - 2007 General Conditions of the Construction Contract
AIA A305 - 1986 Contractor's Qualifications Statement
AIA A512 - 1995 Uniform Location of Subject Matter (not currently available from AIA)
AIA A701 - 1997 Instructions to Bidders
AIA G612 - 2001 Owner's Instructions to the Architect Regarding the Construction Contract, Insurance and Bonds, and Bidding Procedures
CSI MasterFormat - 2010
CSI PRM The Project Resource Manual - CSI Manual of Practice
CSI TD-2-7 Project Design Team Coordination and Checklist

Competitive Procurement Requirements

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Bid? It Must Be Bid?

Throughout the design process the project team carefully creates the construction drawings and specifications - the technical documents describing the result the owner expects when construction is complete. As the bid issue date approaches, one more surprise! I must put this out for bid! What do I need to do that?

Competitively bidding construction projects requires Procurement Documents to supplement the Construction Documents. Procurement is the preferred term that includes bidding and other methods of soliciting offers to construct the project. The documents needed to successfully bid construction projects are shown in Table 1.

The lists of Contract Documents and Bidding Documents are defined by AIA A201 and AIA A701, respectively. It is important to remember that Bidding Documents have a singular purpose - to solicit a bid. When the winning bidder is decided, the bid details are written into the agreement. Then the Bidding Documents are discarded. Resist the temptation to label documents as "bidding documents" unless you intend to reprint with another title for construction.

The bidding documents' content will be influenced greatly when the project is publicly bid. For these projects, the funding agency will likely have specific legal requirements that must be incorporated throughout Division 00 Procurement and Contracting Requirements.

SPECTEXT and Speclink, commercial master specification systems, provide guide sections for writing Division 00 documents. The CSI PRM includes example documents with explanations of how they should be written.

Back to Basics

This Tech Tips is the first in a series about Bidding Documents. This Tech Tips will review the basics of the Invitation to Bid.

Specify information in the right location. Arrange documents according to MasterFormat™. The historical AIA A512 (not currently available from AIA) provides additional help. AIA A512 shows the Primary (preferred) and Secondary (allowable) locations for an extensive list of information.

Collecting Data

Be sure that you are working with the correct data from the start. Issue AIA G612 to the owner, preferably at the start of the project and never later than the start of the CD phase to allow time for proper completion.

The form is divided into three parts.

Table 1	
Contract Documents	Procurement (Bidding) Documents
Contracting Forms and Supplements	Invitation to Bid (Advertisement)
General Conditions	Instructions to Bidders
Supplementary Conditions	Available Project Information
Specifications (Division 01 - 49)	Bid Forms and Supplements
Contract Drawings	
Modifications	

Part A - includes questions about general contract information such as the official project title, the owner's legal name and address, the project delivery method, and the conditions of the contract that will be used.

Part B includes questions about insurance and bonds. Part B should be completed by the Owner in consultation with the Owner's insurance and legal counsel. Under NO CIRCUMSTANCES should the A/E attempt to provide information or advise the owner about insurance requirements.

Part C collects information about the bidding procedure and key elements discussed below.

The Solicitation

The Invitation to Bid or Advertisement for Bid is used to announce the project to potential bidders and to solicit the bidders' response. The Invitation to Bid is normally a letter that is mailed to selected bidders. The Advertisement for Bid is normally a legal notice that is published in local news media. The function and content of both solicitations are the same. Include enough information about the project so bidders can decide if their qualifications, experience, and backlog will allow them to bid. The following key elements are taken from the CSI PRM.

Project Identification

Include the name and location for the project and the A/E. Briefly describe the type of project and the overall size, scale, and scope. Note principle elements or systems, especially when special construction expertise is needed.

Type of Bid

Identify the contract type that will be awarded (e.g. lump sum). Indicate if the project will be bid as a single general contract or as multiple contracts. When using multiple contracts identify the scope of each.

Time of Completion

State when the construction must be completed. Include a specific date or a number of calendar days from the date of award. When a date or time is not set, require bidders to propose a completion time. This allows owners to determine the most beneficial time and cost bid combination.

Prebid Meeting

Prebid meetings may be mandatory or optional. Clearly state when meetings are mandatory. Give the time and location of the meeting and explain who is permitted to attend. Attendees may be limited.

Bid Opening

State who will receive the bids and where the bids must be submitted. Include the date and time deadline for submitting bids. Bids may be opened publicly or privately. State the type of opening and if the bidders are permitted to attend.

Bidding Documents

Before the bidders are able to do anything, they must know how to obtain the project documents. Be sure to specify who may obtain documents and exactly how and where to obtain the documents and what the cost may be.

Bidder Qualifications

The owner may wish to require bidders to submit qualifications statements before or with the bid. AIA A305 is a convenient form to collect information about bidders' background, references, and financial stability. State if and when qualifications statements are required.

Bid Security

Bid security is an insurance to protect the owner if the winning bidder refuses to sign a contract. The bid security will pay the difference between the winning bid and the next lower bid so the owner is not penalized by a bidder's refusal to sign the agreement. State what form and what amount of security is required, usually as a percent of the bid.

Right to Reject

Solicitations should always include a statement that the owner has the right to waive irregularities and to reject bids. This statement gives the owner flexibility to act in the owner's best interest.

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