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Innovation at State Departments of Transportation

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Contract Award Innovations

Limitations Placed on Contractors with Uncompleted Contracts

A+C Bidding

Requirement of Critical Path Method Schedules



Limitations Due To Uncompleted Contracts

Not Allowed To Bid On Subsequent Projects

Provides Motivation For Contract Completion

Potentially Reduces Number of Bidders



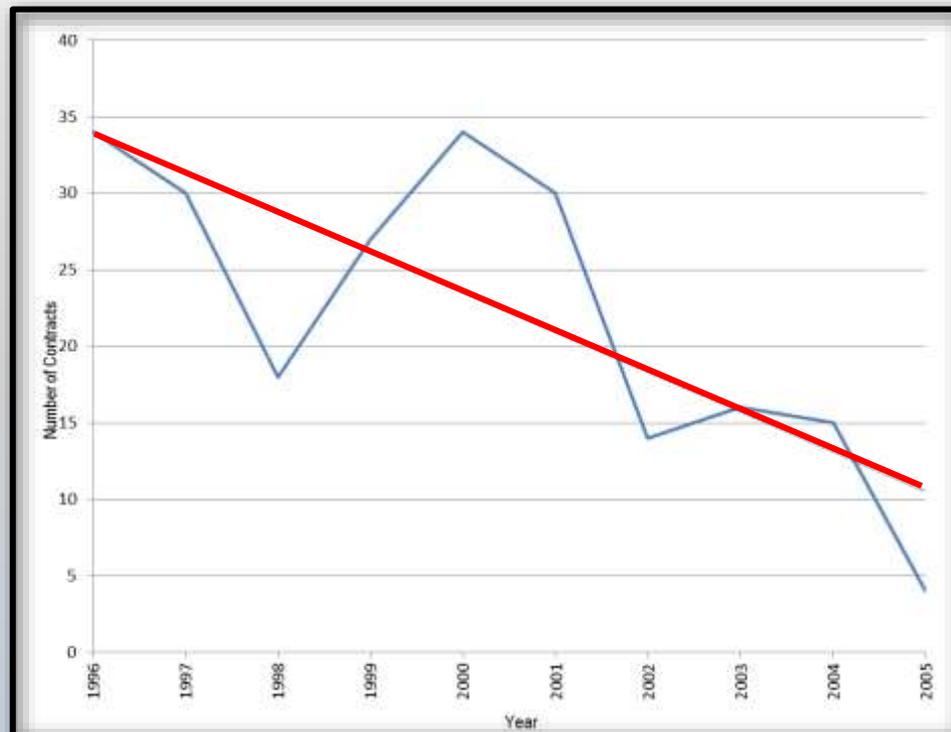
Limitations Due To Uncompleted Contracts

Number of Uncompleted Contracts

Before Implementation of Limitation on Bidding
July 1987 – June 1996



After Implementation of Limitation on Bidding
June 1996 – June 2005



A+C Bidding

“A” and “C” Components

Road User Cost

Bid Amount For Award Consideration



Use of A+C Bidding

Example Project – Road User Cost \$192,000

Contractor	Amount Bid “A”	Days Bid	Bid Amount for Award Consideration
Bidder #1	\$ 94,824,908	450	\$ 181,224,908
Bidder #2	\$ 91,928,841	652	\$ 217,112,841

Use of A+C Bidding

Example Project – Road User Cost \$19,000

Contractor	Amount Bid “A”	Days Bid	Bid Amount for Award Consideration
Bidder #1	\$ 11,347,361	203	\$ 15,204,361
Bidder #2	\$ 10,757,903	393	\$ 18,224,903

Critical Path Method Schedule

- Required On A+C Contracts
- Generalized Scheduled Approved Before Contract Execution
- Detailed Scheduled Approved Before Work Begins
- Identifies Possible Delays
- Provides Method to Determine Time Adjustments





Benefits





Questions

