



# CONTRACT EVALUATION PROCESSES

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# Summary of Current Processes Followed for All Contracts

# Current Processes

- **Project cost estimation**
- **Bid analysis**
- **Bid award/reject recommendations**

# Estimates

## Location and Design Estimate

- **Developed by district using historical price data from previous two years**
- **Created and updated throughout project development and finalized prior to submission for advertisement**
- **Is the publicly-shown estimate (e.g., Commonwealth Transportation Board and Commissioner)**

# Estimates (cont.)

## Evaluative Estimate

- **Developed by Construction Division (using similar process as private contractor)**
- **Estimate of labor/equipment/materials based on project specific information. Estimation may involve obtaining supplier quotes and using location-specific historical price data.**
- **Used to establish baseline against which bids are compared**
- **Developed at the same time contractors are preparing bids. Estimate is not finalized until a week prior to bid letting**
- **Evaluative estimate is confidential (limited internal availability, not available to public—exempt from FOIA)**

# Bid Analysis

**Bid results publicly read, as submitted, and then determined to be within or in excess of the range of the evaluative estimate**

**Central Office Construction Division staff perform bid analysis**

- **Bidders evaluated for their eligibility to bid on VDOT contracts**
  - **Prequalification Status, VSBEP Status**
- **Contract value and bid prices evaluated for:**
  - **Bid irregularities**
  - **Unbalanced bidding**
  - **Token bids**

# Bid Analysis (cont.)

## Additional factors considered when bids exceed the range of the evaluative estimate

- Need and urgency of project (e.g., safety concerns, structurally deficient)
- Availability of competition
- Geographic constraints (e.g., travel distance, topography)
- Market conditions
- Schedule and phasing requirements
- Ambiguity in proposal and/or construction plans



# Recommendation Process

**Staff makes initial recommendation for award or rejection based on low bidder's total bid and considering individual unit prices**

**State Contract Engineer evaluates staff members' initial recommendation based on bid and unit prices of all bidders, agency need, and other extenuating circumstances and finalizes recommendation:**

- **Reject; Do not re-advertise**
- **Reject; Re-advertise with or without plan revisions**
- **Award; Enter into memorandum of understanding with low bidder**
- **Award**

## Recommendation Process (cont.)

**State Contract Engineer meets with Deputy Chief Engineer and other staff members to discuss bid results and finalize recommendations to award and/or reject**

**The CTB's and Commissioner's ballots are developed for projects recommended for award. All rejections (around 5% on average) are excluded from the ballots**

- **Ballots detail project information, number of bidders, low bid, and district's location and design estimate for comparison (ballots are public documents)**

**Questions?**

