DATE: [DATE]

**CONFIDENTIAL**

**MEMORANDUM**

**BID ANALYSES SUMMARY REPORT**

TO: Steve Townsen, P.E.

City Engineer

FROM: [PROJECT ENGINEER]

CONCURRANCE: [EOR NAME]

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| RECOMMENDATION TO: | **X** | AWARD | **X** | REJECT |

Project Name: **[Project Name Here]**

|  |  |
| --- | --- |
| Bid # | XXXXX |
| Bid Opening Date | MM/DD/YYYY |
| ODOT Key # | KNXXXXX |
| Engineer’s Estimate | $X,XXX,XXX.XX |
| Low Bidder | Company Name |
| Low Bid Amount | $X,XXX,XXX.XX |
| % Over / Under Engineer’s Estimate | % |
| Number of Bidders | 3 |

**Project Engineer comments and recommendations:**

City of Portland received [NUMBER] bids for the project ranging from a high of $X,XXX,XXX.XX to a low of $X,XXX,XXX.XX. The Engineer’s Estimate was $X,XXX,XXX.XX, making the low bidder X.XX% above/below the Engineer’s Estimate.

THIS IS SAMPLE TEXT. WRITE THE EVALUATION IN YOUR WORDS. Emulsified Asphalt for Tack Coat showed evidence of being mathematically unbalanced. However, the low unit price, small percentage of the item in relation to the total, and similarity in bid price from the other two bidders does not make this cause to disqualify the low bid. Comparing bid item prices with both the Engineer’s Estimate and the average bid prices reveals that while there are other items that are well below or above, none of the other items, as a percentage of the total bid, are significant and no others appear to be unbalanced.

**Commentary and recommendation:**

The FHWA publication “Guidelines on Preparing Engineer’s Estimate, Bid Reviews and Evaluation” states that for a bid with three bidders to be considered competitive, the low bid should not exceed 110% of the Engineer’s Estimate. Since the low bidder was 1.51% above the Engineer’s Estimate the bid is considered competitive.

Based upon this analysis, we have determined that the project should [be awarded to the lowest responsible bidder / be rejected.]

**Comments on the schedule of bid items as follows:**

The attached table contains each bid item with unit price and total for the Engineer’s Estimate and each of the bidders. For the low bidder, each item’s percentage over or under the Engineer’s Estimate and the average bid price has been calculated. In addition to the percentage differences, a third column contains each item’s percentage of the total bid. Asphalt Tack Coat appears to be intentionally low and mathematically unbalanced, but it is a very small percentage of the total bid and has no way of resulting in significant increased costs. There were other small items that were well above or below the Engineer’s Estimate, but do not appear to be unbalanced.

**Bid Analyses:**

* Bid Item 2 “Mobilization” was 118% above the Engineer’s Estimate, but was in line with the other bidders pointing to the Engineer’s Estimate under-estimating mobilization costs.
* Bid item 5 “Temp. Removable Tape” was 175% below the average bid price and 66.67% below the Engineer’s Estimate. This is a very small item and a very small percentage of the total contract.
* Bid items 11 “Pollution Control Plan” and 12 “Health and Safety Plan” were 400% above the Engineer’s Estimate. However, the low bid price for these items was in line with the average bid price. The Engineer’s Estimate probably underestimated the cost of these items given the size of the project.
* Bid item 17 “Connect New Pipe to Existing Inlet” was 133% higher than the Engineer’s Estimate. As this is a small item, the Engineer’s Estimate likely under-estimates the cost of performing the item.
* Bid item 18 “Cold Plane Pavement Removal, 0-2”” bid price received was 135% above the Engineer’s Estimate, but in line with the average bid price. Given the more difficult work involved in performing this work at each side street, the difference is probably due to an underestimation of the cost in the Engineer’s Estimate.
* Bid item 24 “Emulsified Asphalt Tack Coat” appears to be mathematically unbalanced at $1.00 per ton. This compares to the other two bidders at $1.00 for the second and $0.01 for the third. As this is a small item and the cost is minimal, there is no cause to reject the bid and no risk of incurring additional Federal funds as a result.
* Bid item 26 “Wood Sign Post” is 100% above the Engineer’s Estimate, but in line with the other two bidder’s. This item is a very small percentage of the whole and not likely to increase. The difference in bid price was probably due to a low estimated unit price by the Engineer for the small quantities involved.

SEE ATTACHED BID TAB EXCEL REPORT