

OSE Tip of the Day

A101, Part 2

July 13, 2020

After the A101 SCOSE is purchased and downloaded, there are fillable fields to be completed. Some of the fields should be filled before advertisement and others after successful bidding. The items in Article 4 should be completed after successful bidding. This TOD will only address Article 4.

Section 4.1, Contract Sum: The Contract Sum noted in this section is the total amount of the contract prior to starting the Work. It includes the Base Bid amount and the amount of all accepted Alternates. Note, if negotiations were allowed prior to award, the amount listed in Section 4.1 would be the negotiated amount(s). (See OSE Manual, Chapter 6, Section 6.17)

Section 4.2, Alternates: OSE allows a maximum of three Alternates to be bid in a construction project. Depending on the available funds, the Agency may accept the Base Bid and all, none, or some of the Alternates. (See A701 SCOSE, Section 5.3.2). In Section 4.2.1, the Alternates to be listed are only those that were accepted.

Section 4.3, Allowances: Allowances are typically listed in the technical specifications as an amount of money that should be included in the Base Bid for specific items. (See A201 SCOSE, Section 3.8). The A/E can extract the description and amount listed in the Specifications and memorialize them in this Section.

Section 4.4, Unit Prices: Unit Prices are costs requested for particular items by the Agency and provided by the Bidder on the Bid Form. The Agency has the option to accept the Unit Prices offered, negotiate them with the Bidder prior to award, or not use them at all. The listing of Unit Prices to be used during the life of the contract can be memorialized in this section.

Section 4.5, Liquidated Damages: Liquidated Damages (LD's) are an amount of money that the Agency has determined they will recover if the contract is breached by the construction not being complete and ready for its' intended use by the expected Substantial Completion date. The amount of the LD's should be a reasonable estimate of the value, based on the information available at the time of bidding, of the damages the Agency anticipates it will incur if the Substantial Completion date is not met. Therefore, LD's are not punitive, ie. they are not to be used as a punishment or a penalty for failure to complete the project on time. Agencies and A/E's should be aware that LD's need to be a reasonable and enforceable. Also, for projects that have excessive LD's in the contract, bidders might include additional funds in their bid to cover the LD's "just in case" they exceed the Substantial Completion date. If they meet the date, they made a little extra bonus money and the agency is none the wiser.

Next week, Part 3. Good Day!