

**Technical Bulletin:****Division Guidance for Award Limits****Purpose**

To provide guidance for administering project award limits in compliance with specifications and department policy. To ensure consistency in the review of the award limit forms and the application of award determinations.

**Background**

The award limit specification allows a bidder to limit the maximum amount of work they could be awarded under a single letting. This is accomplished by submitting a completed *Award Limits on Multiple Projects* form as part of the bid package. The maximum dollar amount, projects to be considered, and authorized signature must be entered on the form. This lowers the risks to bidders in exceeding their work capability or financial capacities and benefits the department by increased bidding activity and lowering contract cost.

**Division Guidance**

Department policy and standard specifications requires the *Award Limits on Multiple Projects* form to be applied to all proposals. Proposals let as electronic bid will have the form added automatically as part of the bid submittal package by the bidding software. Proposals let as paper bid must have the form included during development of the proposal. Failure to include the form in the proposal could lead to bid disputes or bidders requesting award limits outside the department process. Failure to include the form will be cause to issue an addendum and may lead to rejection of bids and readvertisement of the letting. This is inclusive of all contract types, including ID/IQ and Maintenance PO type proposals. The award limits will not be applied across multiple lettings, only to bids opened under a single letting. Multiple lettings includes lettings under different dates, different divisions, and central lets. Blank forms will be interpreted as the bidder has no request to limit any awards. After determination of acceptable bids, it should be noted if an award limit form was properly executed by the bidder. If the award of the low bids to that bidder will exceed the amount, the bid review committee will be notified. The committee members will review the relevant bids and determine the award of the contracts. The primary determination will be the lowest total cost to the department. The initial factor would be the difference in the overall cost of the contracts if awarded to the low bid versus the second bidder. Additional factors to consider would be if one of the proposals had a single bid and the cost to the department for readvertisement and relet, or the extended maintenance costs or further damage if the proposal must be readvertised. The department cost and option of rejecting all bids and readvertisement under the standard process can also be considered. ID/IQ contracts do not have a true defined cost, so if the

determination, the division may use preference in award to the defined site-specific contract. For determination involving identical ID/IQ contracts the division can award based on the total bid amounts. CS&D can be contacted for guidance in review of bids and cost determinations for award limits.

**Relevant Standard Specifications and details:****Article 103-4 AWARD OF CONTRACT**

- (B) Defines purpose and use of award limits; determination of award to be based on lowest cost determination and in the interest of the department; details how the forms are to be included for paper bid and electronic bid.

**Notes***Award Limits on Multiple Projects forms*

- Minor or clerical errors will be interpreted in the interest of the department. This should not involve negotiation with the bidders.
- Materially incomplete or incorrect forms will be declared invalid.
- Unsigned forms will be declared invalid.
- ★ The forms can be turned in only as part of the bid package, modification or turn in of forms post letting will not be allowed.
- Under no circumstances will the award limit forms be used as a basis to reject bids or deem a bid irregular; the highest extent would be to declare the form invalid and not apply limits to the award.
- Award limit forms only apply to one bidder entity bidding; the forms cannot be used to limit subcontracting or limit awards for additional bidders or joint ventures. Examples: bidding one proposal as a prime and listing a second proposal being used as a subcontractor; bidding one proposal as a prime listing a second proposal bidding the same or another project as part of a joint venture.

**Bid Bonds**

- Bid bonds will be returned to the bidder when the department does not award the bid under the award limits specification.
- Bid bonds will remain in effect when an award form is declared invalid.