



CONTRACTING WITH TXDOT 101

Instructions for New Contractors
Construction Division

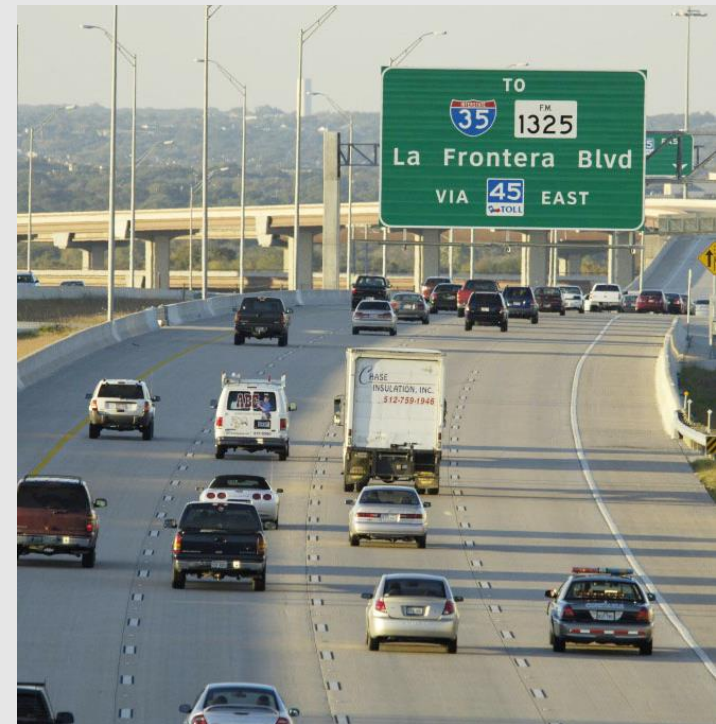


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DOING BUSINESS WITH THE TEXAS DEPARTMENT OF TRANSPORTATION



Through collaboration and leadership, we deliver a safe, reliable, and integrated transportation system that enables the movement of people and goods.

TxDOT maintains 80,423 centerline miles, 53,875 bridges, and 6,101 traffic signals. TxDOT also oversees a state owned aircraft fleet and assists with marine traffic.

Doing Business with TxDOT

Information on opportunities to do business with TxDOT can be found on our website:

<http://www.txdot.gov/business.html>

Additional information is included: <http://www.txdot.gov/business/resources.html>
including the 2014 Standard Specifications for Construction and Maintenance of
Highways, Streets, and Bridges

Information regarding the State Construction and Maintenance Letting Schedule, along
with Local Let projects are also found here: [http://www.txdot.gov/business/letting-
bids.html](http://www.txdot.gov/business/letting-bids.html)



PREQUALIFICATION



Prequalification

- All prime contractors must be prequalified by TxDOT before they are able to bid on Construction Division projects. Contractors only doing subcontracting work do not need to be prequalified.
- Prequalification instructions can be found at <http://www.txdot.gov/business/contractors/contractor-prequalification.html>.

Prequalification

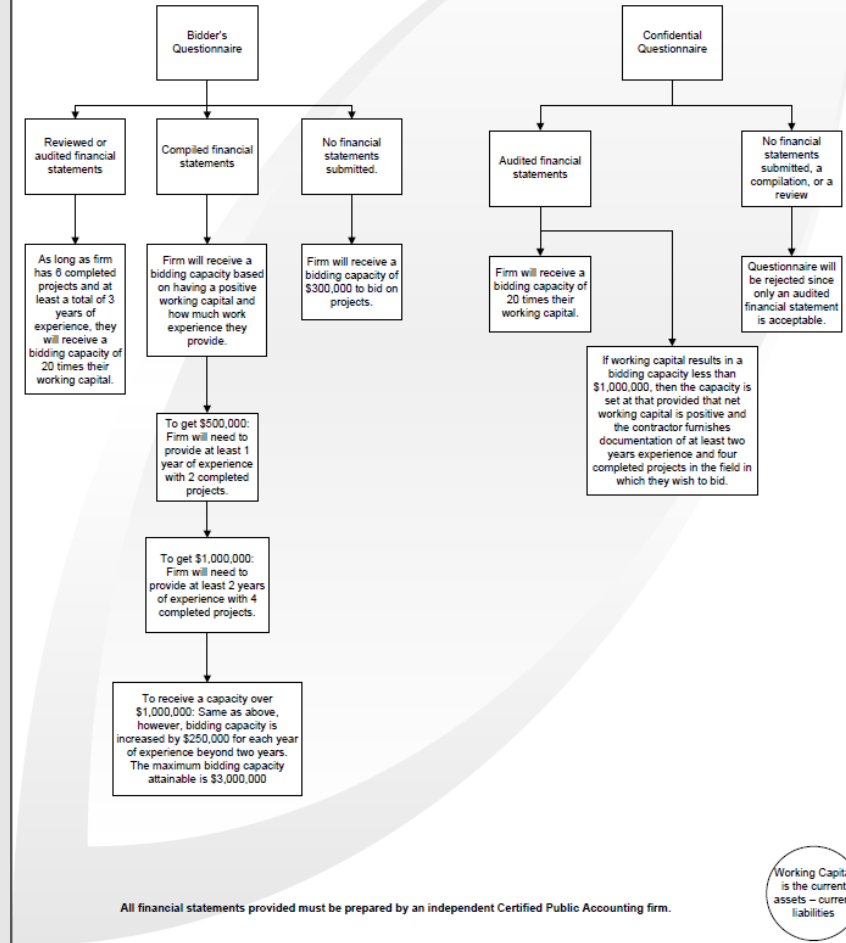
- TxDOT determines contractor bidding capacity—the maximum dollar value a contractor may have under contract with TxDOT at any given time—depending on the amount and type of financial information disclosed. There are two types of prequalification.
- Bidders Questionnaire (BQ)
 - BQ prequalification allows bidding only for “waived” or emergency projects with an engineer’s estimate lower than the contractor’s available bidding capacity. These include some maintenance projects under \$300k and specialty work.
 - Contractors may disclose financial information and experience.
 - Minimum initial bid capacity is \$300K.
- Confidential Questionnaire (CQ)
 - CQ prequalification allows bidding for any project with an engineer’s estimate lower than the contractor’s available bidding capacity.
 - Contractors must submit a complete set of audited financial statements to qualify.
 - Bidding Capacity = Working Capital (current assets – current liabilities) multiplied by a factor determined by the department.

Prequalification

- For all pre-qualified contractors, Available Bid Capacity is dynamic.
- Available Bid Capacity = Initial Bid Capacity - Bid Amount of Awarded contracts + Progress Payments on awarded contracts. (Progress Payments are monthly payments made on awarded work completed that month.)
- The prequalification process is a financial qualification, and takes some time to complete. Time constraints are detailed in the instructions.

Prequalification

Prequalification Bidding Capacity Calculation





NOTICE TO CONTRACTORS



What projects is TxDOT scheduled to let?

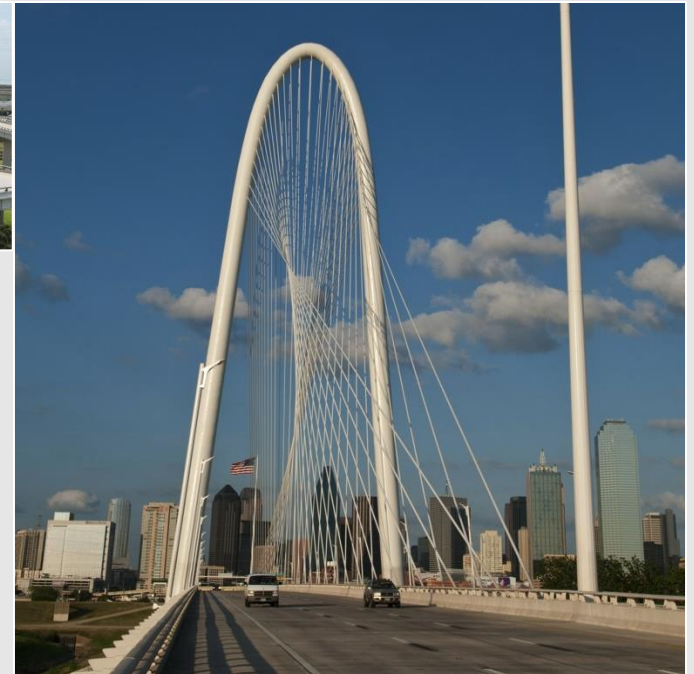
- TxDOT publishes the Notice to Contractors 21 days before the scheduled letting date for that project.
- The Notice to Contractors can be found at <http://www.txdot.gov/business-cq/ntc.htm>.

This page includes the Notice, which lists announcements regarding new information or requirements and other relevant information for contractors, along with lists of the projects scheduled to be let in upcoming months.

- Projects are divided by type into three lists:
 - State Let Construction,
 - State Let Maintenance, and
 - Local Let Maintenance.
- The lists include links to specific details about the project, including locations, roadways, and bid items. “Waived” projects that can be bid by contractors that qualified under the BQ guidelines are also noted on these lists.
- TxDOT also posts all contracts for bid on the Electronic State Business Daily through the Texas Comptroller of Public Accounts website: <http://esbd.cpa.state.tx.us/>.



BID PROPOSALS



What am I bidding?

- Once contractors are pre-qualified, they can bid on projects. To do this they must receive:
 - a paper bid proposal (to bid manually with paper [discouraged]) or
 - an authorization to bid a project in the electronic bidding system (encouraged).
- All bid proposal requests must come through the TxDOT Bid Proposal Request System (BPRS). Contractors must sign up for access to this system and receive a user ID and password. Instructions to sign up can be found at <http://www.txdot.gov/business/letting-bids/bps.html>.

Entrance into BPRS can be found at <http://www.txdot.gov/business-cq/pr.htm>.

Bid Proposals

- When a contractor requests a bid proposal through BPRS, among other verifications, the system compares the contractor's available bidding capacity against the engineer's estimate for the requested project. If the available bidding capacity is less than the engineer's estimate of the project in question, the system denies the request. If the available bidding capacity is greater than the engineer's estimate for the project and the contractor has met all requirements to bid on the project, three things happen:
 - TxDOT sends a paper bid proposal to the contractor (likely to change in the near future, so a contractor wanting a paper proposal will have to opt in to receive it),
 - the contractor is authorized to bid in the electronic bidding system, and
 - the contractor is placed on the bidder's list, which shows all contractors that have received a proposal for the project.
- It should be noted that this is not an immediate process. When a contractor requests a proposal it will not automatically verify and release to the contractor. This process can take up to a couple hours.
- BPRS allows a contractor to obtain an informational bid proposal directly from the website. Informational proposals are not accepted for bidding purposes, as there is no bidding capacity check needed to receive them, but they can be used to review the type and extent of the work as well as other requirements.

Bid Proposals

The bid proposal—official proposal or informational—is a good resource to determine the scope of the work and to help a contractor determine what to bid for each bid item, when used together with Plans Online and TxDOT’s specifications.

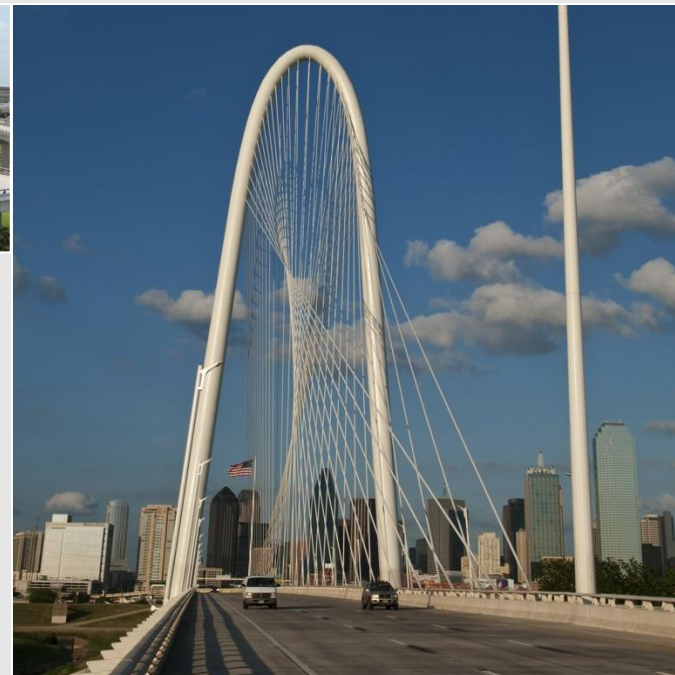
TxDOT’s Plans Online system allows contractors to download the complete set of plans for the project, along with informational proposals, addenda, and revisions. TxDOT’s Plans Online system can be accessed at <http://www.txdot.gov/business/letting-bids/plans-online.html>.

Additionally, the specifications describe most items of work, which are incorporated into the plans by reference. Modifications to the specifications are contained in the plans. TxDOT’s standard specifications are published in the Department’s *Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges*. This book is available free online or may be purchased in hard copy.

- The online version is published at <ftp://ftp.dot.state.tx.us/pub/txdot-info/des/spec-book-1114.pdf>.
- Instructions for purchase can be found at <http://www.txdot.gov/business/resources/construction-sales.html>.



BIDDING TXDOT CONTRACTS



Bids

Contractors can bid manually (by paper) or electronically using iCX (TxDOT's electronic bidding system).

- Manual Bids

For manual (paper) bids, the contractor must complete the official bid proposal mailed by TxDOT. Bid documents are due at the TxDOT office conducting the letting by the date and time of the published letting. No late bids are accepted.

Paper bids must be complete, with all required documents and signatures. TxDOT will not accept incomplete or nonresponsive bids. A list of examples of both can be found in our Specification Book under Item 2 Instructions to Bidders.

Bidding TxDOT Projects

- Electronic Bids

A contractor can bid electronically using iCX after requesting and receiving an account. The online system enables a contractor to submit or change a bid from anywhere and at any time up to the close of bids. A successful bid proposal request (using BPRS) authorizes the contractor to bid the project electronically through iCX. Information on TxDOT's electronic bidding system can be found at <http://www.txdot.gov/business/letting-bids/ebs.html>.

Using iCX eliminates many of the errors that cause paper bids to be deemed nonresponsive. The system will not allow a contractor to submit a bid without completing all required items.

For contracts that a contractor has been authorized to bid on, iCX sends courtesy emails about changes to the project, known as addenda (see below).

When a contractor requests a proposal it will not immediately appear in their iCX account. We recommend requesting in advance since this process may take up to a couple hours.

Bidding TxDOT Projects

- *Addenda*

Addenda are changes to the plans after the proposals have been advertised. Sometimes addenda do not change the bid a contractor wants to make, but in other cases, they make changes to the work, add work, or add quantities of existing work. Contractors must acknowledge all addenda, even if they do not change the contractor's bid. Failure to acknowledge an addendum will cause the Department to deem a bid nonresponsive and reject it.

For paper bids, addenda are listed at <http://www.txdot.gov/business/letting-bids/addenda-information.html>.

It is the contractor's responsibility to verify the existence of all addenda and respond to them.

For electronic bids, addenda are posted to iCX. Contractors that have successfully requested a proposal on a project and can bid that project in iCX will receive a courtesy email from the system informing them of the addendum. They are required to access their bid, acknowledge the addendum, make any resulting changes to their bid, and resubmit the bid.

Bidding TxDOT Projects

Proposal Guaranty

Bidding requires a proposal guaranty to discourage frivolous bids.

- Paper Bids

For paper bids, the proposal guaranty may be a cashier's check, money order, or a bid bond in the amount shown on the proposal. Personal checks are not accepted.

- Electronic Bids

The electronic bidding system requires the use of electronic bid bonds. A surety agent can assist contractors with account setup with either of the two electronic bonding companies (Surety 2000 or Surepath).

Checklist – Did I do it right?

There is a checklist for manual (paper) bids at http://ftp.dot.state.tx.us/pub/txdot-info/bid_checklist.pdf.

For electronic bids, the iCX system will detect most errors and not allow bid submission with problems or unaddressed issues.



BID TABULATIONS



I bid on a project. Now what?

On the bidding day, at the specified time, bids are closed. No bids are accepted after bid closing.

At bid closing, TxDOT reviews all bid documents and rejects any unresponsive bids. After tallying results and conducting multiple verifications, the Department publishes the bid tabulations to the internet. Bid tabs can be found at

<http://www.dot.state.tx.us/business/bt.htm>.

The low bid contractor is now called the “apparent low bidder.”



AWARD OF CONTRACTS



Award of Contracts

The Texas Transportation Commission conditionally awards state-let contracts at its regular monthly meetings, generally scheduled for the last Thursday of each month. The Commission may reject some projects due to price or other considerations.

The results of Commission action are shown at

<http://www.txdot.gov/insdtdot/orgchart/cmd/cserve/results/awardededs.htm>.

Local-let maintenance projects are awarded at the TxDOT District level. Results are shown at

<http://www.txdot.gov/insdtdot/orgchart/cmd/cserve/results/awardedl.htm>.

For Commission awarded contracts, contractors will receive an Award Letter advising them that they have been conditionally awarded a contract.



EXECUTION OF CONTRACTS



Execution of Contracts

Once the Commission awards a contract, the Department proceeds with execution by printing and mailing the contract to the awarded contractor.

Contractors must sign and return the contracts with any required payment and performance bonds. Payment bonds insure that subcontractors and materials suppliers get paid. Performance bonds insure that the contractor completes the work; were the contractor not able to complete the project for any reason, the surety that issued the bond would be required to complete the work in the contractor's stead and for the same bid price.

Contracts less than \$25,000 do not require payment or performance bonds.

Contracts between \$25,000 and \$100,000 require only payment bonds.

Contracts over \$100,000 require payment and performance bonds.

At this time, contractors must also provide DBE information, proof of insurance, Texas Ethics Commission forms, and other required submittals.

When all required materials are received, the Construction Division or Maintenance Division signs the contract and returns it to the contractor. The contract is now executed.

The Construction Division or Maintenance Division also sends a copy or notification to the District in which the work is to take place. The District then takes over the contract for administration and completion of the work.



COMPLETING THE WORK



Completing the Work

The District and contractor will work together to begin prosecuting the work according to the terms of the contract. A preconstruction meeting will be held with the local TxDOT representatives for the project. For most projects, the District will require the contractor to provide a schedule. The contractor will begin the work according to the contract requirements and District approval.

The District will make Progress Payments to the contractor monthly according to the work performed, measured, and accepted for payment. At the end of the project, the District will accept the work and issue a final payment.