

Construction Bid Package Strategy

August 2014

Agenda

- ▶ **Jane Addams Memorial Tollway (I-90) eastern segment construction challenges**
- ▶ **Benefits of bid package strategy**
- ▶ **Recommend combination bid option**
- ▶ **Implementation I-90 eastern segment**
- ▶ **Discussion/next steps**

Eastern Segment Construction Challenges

- ▶ **Largest construction years in Tollway's history**
 - ▶ \$1.4 billion in 2014, \$1.6 billion anticipated for 2015
- ▶ **Heavier daily travel volume during peak hours**
 - ▶ 3-4 times more traffic than on western segment
- ▶ **Compact construction area**
 - ▶ Eastern segment has additional lane of traffic now and will be widened
- ▶ **Compressed construction schedule with complex projects**
 - ▶ Creation of new interchanges
 - ▶ Transit accommodations/coordination with Pace
 - ▶ Implementation of active traffic management
- ▶ **Challenging maintenance of traffic (MOT)**
- ▶ **Complex logistics/coordination required**
 - ▶ Movement of equipment and materials in work zone

Flexible Bid Package Strategy

- ▶ **Competition fosters more competitive bid prices**
 - ▶ May attract additional prime bidders
 - ▶ Provide new subcontracting opportunities
 - ▶ Opportunity to implement new small business goals
- ▶ **Optimize schedule**
 - ▶ Provide contractor flexibility
 - ▶ Means and methods
 - ▶ Staging and operations
 - ▶ Better coordination of operations in confined space
- ▶ **Potential cost savings**
 - ▶ Economy of scale
 - ▶ Maximize efficiencies

Developing Flexible Bid Packages

Goal to meet schedule and maintain budget

- ▶ **Considered lessons learned from previous work**
 - ▶ Tri-State Tollway (I-294) Reconstruction and Widening Project
 - ▶ I-90 Fox River Bridge Project
 - ▶ Illinois Route 390/I-290 Interchange Project
- ▶ **Researched other agencies**
- ▶ **Reviewed legal and procurement policies**
- ▶ **Implementation process**
 - ▶ Identify viable locations
 - ▶ Consider various bid package strategies
 - ▶ Develop packages and goals
 - ▶ Educate industry
 - ▶ Advertise bids

Other Agency Experience With Combination Bids

- ▶ **Chicago Department of Transportation Skyway Project (2002 and 2003)**
 - ▶ Used combination bid option (same method the Tollway is recommending)
 - ▶ Average bid package was \$20 million to \$25 million
 - ▶ Estimated savings of 6 percent



JCAR Permits Combination Bids

Section 6.190 Combination Bids for Construction Contracts

- ▶ A combination bid is a total bid received on two or more contract items. No combination bids other than those specifically established by the department will be considered. Separate bid forms will be issued for each contract item in the combination. Bids may be submitted on the combination as well as on the separate contract items of the combination. The CPO reserves the right to make awards on combination bids or separate contract item bids.
- ▶ If a combination bid is submitted on two or more contract items, separate bids on each individual contract shall also be submitted, and unless separate bids are so submitted, the combination bid will not be considered. If the bidder intends to submit a combination bid, the bidder shall state, in the place provided in the bid form, the amount of the combination bid for the entire combination.
- ▶ If a combination bid is submitted on any stipulated combination, and errors are found to exist in computing the gross sum bid on any one or more of the individual bids, corrections will be made by the CPO and the amount of the combination bid will be corrected so that it will be in the same proportion to the sum of the corrected gross sum bid as the combination bid submitted was to the sum of the gross sum bid submitted.
- ▶ The following provisions govern combination bidding:
 - ▶ When a combination bid is submitted and awarded for two or more contract items, the combination bid price will be prorated against each contract item in proportion to the bid price submitted for each individual contract item.
 - ▶ Separate contracts will be executed for each individual contract item included in the combination.
 - ▶ The completion time for all contracts awarded on a combination bid will be the latest completion time designated in any of the contracts included in the combination, unless otherwise provided in the contracts.

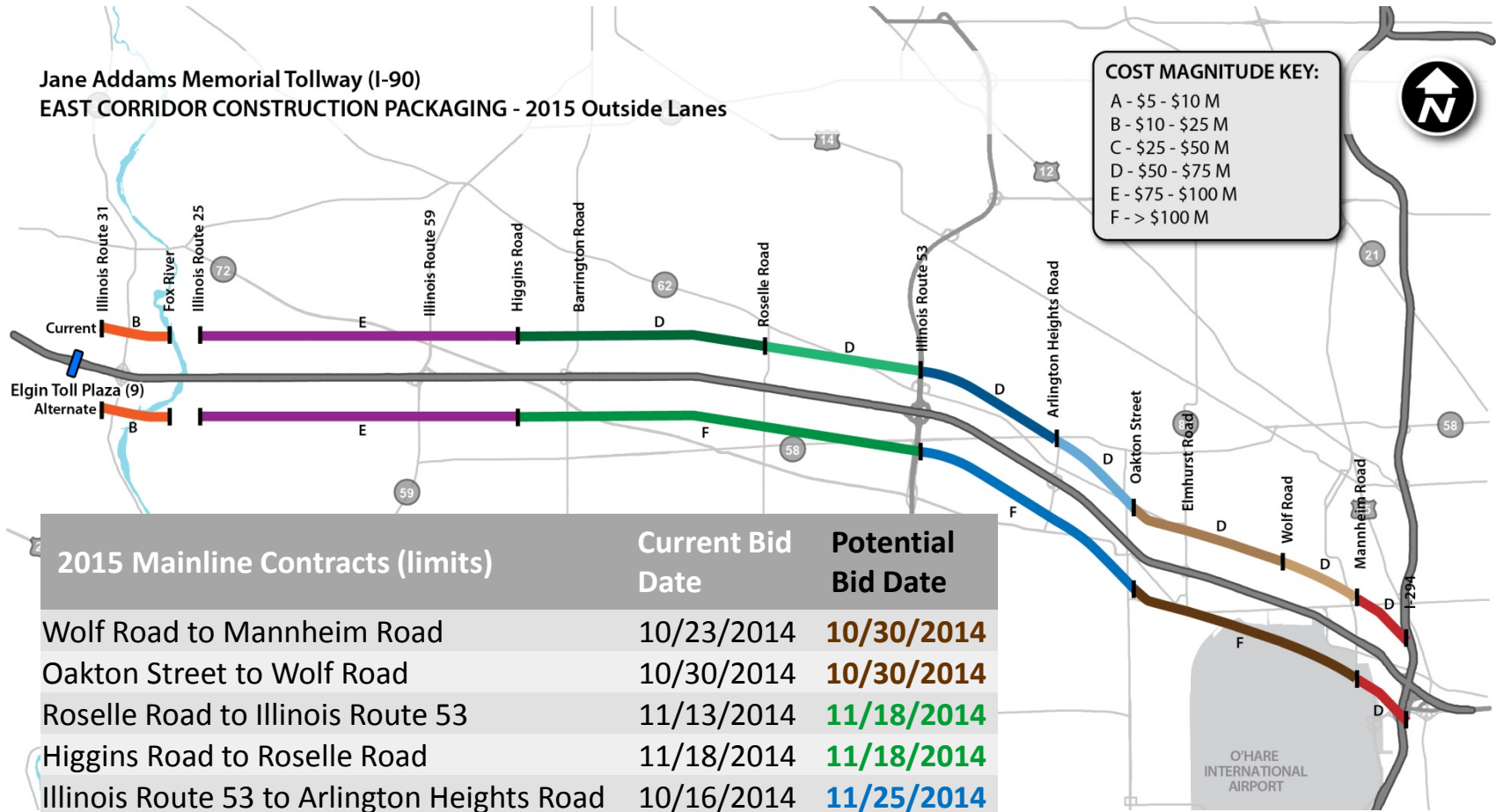
Identified Locations: I-90 Eastern Segment

- ▶ **Good timing - contracts advertising this fall**
 - ▶ 2015 mainline roadway (outside lanes)
- ▶ **Feasible to build and provide access**
 - ▶ Unified designers for the bid packages
 - ▶ Opportunity to bid adjacent mainline contracts
 - ▶ Optimize the schedule



Alternate Construction Contract Packages

Jane Addams Memorial Tollway (I-90)
EAST CORRIDOR CONSTRUCTION PACKAGING - 2015 Outside Lanes



2015 Mainline Contracts (limits)	Current Bid Date	Potential Bid Date
Wolf Road to Mannheim Road	10/23/2014	10/30/2014
Oakton Street to Wolf Road	10/30/2014	10/30/2014
Roselle Road to Illinois Route 53	11/13/2014	11/18/2014
Higgins Road to Roselle Road	11/18/2014	11/18/2014
Illinois Route 53 to Arlington Heights Road	10/16/2014	11/25/2014
Arlington Heights Road to Oakton Street	11/25/2014	11/25/2014
Illinois Route 31 to Fox River Bridge	12/16/2014	
Illinois Route 25 to Higgins Road	12/4/2014	
Mannheim Road to Tri-State Tollway	12/11/2014	

Recommendation: Combination Bid

Offer contractors opportunity to bid on two specified 2015 adjacent contracts with a combination bid option

▶ Potential bidding process

- ▶ Contractors have the opportunity to bid both contracts as advertised
- ▶ Contractors have the opportunity to submit one combination bid, only if they submit bids for both contracts
- ▶ Considering limiting joint ventures to two firms

▶ Special provision in contract documents will specify award determination

- ▶ Look at lowest bid combination (contract 1 and contract 2)
- ▶ \$46 million + \$49 million = \$95 million
- ▶ Lowest bid is \$94 million

Bidder	Contract 1 (millions)	Contract 2 (millions)	Combo Bid (millions)
Bidder A	\$50	\$50	\$98
Bidder B	\$46	--	n/a
Bidder C	\$47	\$49	--
Bidder D	\$52	\$53	\$94

Next Steps/Discussion

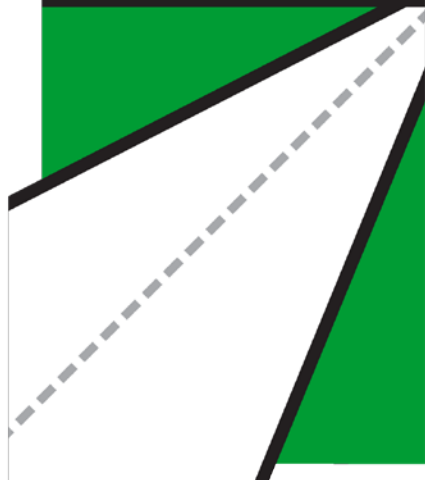
▶ Next Steps

- ▶ Gather input from the Board of Directors
- ▶ Educate the industry
- ▶ Advertise bids

▶ Discussion

- ▶ Should we limit the joint ventures to two firms?
- ▶ Is the magnitude of bid packages acceptable?
- ▶ Is this bid package strategy a possibility for other corridors?

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The Illinois Tollway

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THE FUTURE**

THANK YOU
