

**Conservation Programs Division
Watershed Operation and Maintenance
Standard Operating Procedure (SOP)
Obtaining Written Bids for O&M Projects**

1. General

The purpose of this SOP is to provide clarification and guidance to conservation districts with watershed operation and maintenance (O&M) projects estimated to exceed \$50,000. The procedures and suggestions are provided to assist districts with the bidding process and standardize the documentation forwarded to the Conservation Programs Division (CPD) for review and approval. All forms referred to in this document can be found under District Resources, Forms for Conservation Districts on the Commission website. The name of all forms will be highlighted in **blue** when referenced throughout this document.

2. Invitation to Bid

The intent is to execute a clear and fair bidding process as well as clearly define what is required of the district. The district assembles the project bid package which includes: **Bid Notice**, **Bid Form** and **Scope of Work**.

- ▶ **Bid Notice** (Bidding Forms – Tab 1) – used to tell bidders who is requesting bids, what the project is, when bids are due and how to submit bids.
 - Questions/decisions for the district:
 - Is it necessary to have a pre-bid site showing?
 - Is the pre-bid site showing mandatory or non-mandatory for bidders? If mandatory, contractors must attend the site showing to be eligible to bid.
 - What is the date and time of the site showing?
 - What is the meeting location for the site showing? (on site or at your office)
 - What is the date and time bids will be due in the district office? It is recommended that a minimum bid notice period be at least seven days. This period of time is subject to the project size, complexity, and the nature or scope of the work being performed.
 - Does the district need/want OCC and/or NRCS staff to attend the pre-bid site showing? If yes, please consult with them when scheduling your site showing.

Design packages prepared by NRCS will include an estimated cost and estimated performance time. The total estimated cost amount can be included as part of the Bid Notice. **DO NOT INCLUDE A COPY OF THE NRCS ENGINEER'S ESTIMATE COST STATEMENT WITH THE BID NOTICE.**

- ▶ **Bid Form** (Bidding Forms – Tabs 2 & 3) – There are two options/forms, **unit price** or **total cost** based bid. The unit price and amount would be completed by the bidder. Estimates prepared by NRCS are generally unit price based.

- To be completed by the district:
 - Both forms: bid due date and time, project name, district name, and calendar days to complete the work
 - Unit price bid form-for each bid line item: description, specification number, quantity and unit of measure
- ▶ **Scope of Work (SOW)** (Bidding Forms – Tab 4) – Includes a description of work, special requirements, specification, drawings, etc.
 - Category 4 O&M projects (no NRCS engineering design/bid package and estimated cost exceeds \$50,000) will require the district to write a project SOW. It is acceptable to include provisions that pertain to the district's unique requirements, special work hours, access to the site, or unique landowner issues.
 - Category 5 O&M projects (NRCS engineering design/bid package and estimated cost exceeds \$50,000) bid package has been prepared by NRCS.
- ▶ District Identifies Bidders – transmit the project bid package to at least three suitable bidders. The district must maintain a list of bidders who received the bid package. Project bid packages may be transmitted to bidders and responses received back to the district, by mail, email, or hand delivered.
- ▶ **Pre-Bid Site Showing** – If the district chose to have a pre-bid site showing all attendees should **sign in** (Bidding Forms – Tab 5). If the site showing is mandatory, all contractors must sign in. Contractors who fail to sign in will not be eligible to bid. The district must take **minutes** of the site showing (Bidding Forms – Tab 6).

While the bid period is open, it is acceptable to answer questions that individual bidders may have. The questions should be documented. If a particular question results in the district's desire to modify the requirements or SOW, an addendum should be sent to all bidders to clarify, change the requirements, or extend the bid deadline if necessary.

3. Bid Review and Approval

Upon receipt of the bids, check each response to ensure that the required information is present and in order. As bids must be compared 'apples-to-apples', it is not acceptable for a bidder to write in their own conditions or propose an alternate SOW.

All bids including no-bids should be presented to the District Board at a regularly scheduled meeting. The District Board must take action to approve the lowest responsible bid. An example District Board meeting agenda item might be: *Discussion and possible approval of the lowest responsible bidder for repair of Blue Creek Site 1*. Copies of all bid responses, including no-bids would be part of the District Board meeting packet as an exhibit to such an agenda item. The District Board's decision must be documented in the District Board meeting minutes.

The district will notify the successful bidder that their bid was accepted. The district will also notify all other bidders their bids were not accepted. If requested, the district can release a copy of all bids submitted for the project.

The district will have the successful bidder sign an **Agreement** (Bidding Forms – Tab 7). A copy of the bid, proof of general liability insurance shall be \$100,000 (each occurrence) and \$300,000 (general aggregate); automobile liability (owned, non-owned and hired vehicles) shall be \$100,000 (each occurrence) and \$300,000 (general aggregate), for bodily injury and property damage; and proof of worker's comp insurance must be attached to the **Agreement**.

- ▶ What if the district cannot obtain three bids?
The district must document their efforts and reasons three bids were not obtainable. If a bidder declines to furnish a bid, their "no-bid" statement is acceptable and will count as a response. If only a single bidder furnishes a bid, the district should document that reasonable efforts have been made. If the district cannot find any suitable bidders, contact CPD staff for assistance.
- ▶ What should the district do if all bids exceed the amount approved for the project and/or the bidders cannot perform the work within the required time frame?
The district should evaluate the SOW, can modifications be made that would decrease the cost? Were district's estimates off or are the bids excessive? The district might consider re-bidding the project. If re-bidding, notified bidders that all bids were rejected, and the district will re-bid the project. Before re-bidding, identify additional bidders and modify the SOW if necessary.
- ▶ Approved bid is equal to or less than the amount approved.
Once approved by your District Board the successful bidder can be notified. The district will prepare an **Agreement** and route it to the bidder for signature. A copy of the bidder's **Bid Form** and insurance certificates must be attached to the **Agreement**.
- ▶ Approved bid exceeds the amount approved.
If the District Board accepts a bid amount that exceeds the amount previously approved, the district has three options to make up the difference. First, use locally earned funds. Second, use the district's other operating funds. Third, request additional funds from the Commission. The option chosen must be documented in the District Board meeting minutes. If the third option is chosen the request for additional funds must include the amount being requested, justification statement if the bid approved was not the lowest dollar amount bid and copies of all bid responses. CPD will review the request and determine if additional funds are available. CPD will notify the district in writing if approved. Once funding is secured the district can notify the successful bidder. The district will prepare an **Agreement** and route it to the bidder for signature. A copy of the bidder's **Bid Form** and insurance certificates must be attached to the **Agreement**.

- ▶ Approved bid is not the lowest dollar amount bid received.
The district must have adequate and defensible justification. If the lowest responsible bid approved by the District Board is not the lowest dollar amount bid their approval must include a justification statement. In other words, how did the District Board determine the lowest responsible bidder.

4. Contract Management

- ▶ **Notice to Proceed** (NTP) (Bidding Forms – Tab 8) – When all **Agreement** signatures have been obtained, the district will issue a **NTP** to the contractor. The contractor is not to start work until a **NTP** has been issued. The **NTP** date should be coordinated with the contractor and NRCS project engineer if the project was designed by NRCS. The **NTP** will usually be issued after the pre-work meeting.
- ▶ **Pre-Work Meeting** – It is beneficial and required to conduct a pre-work meeting with the contractor to establish a schedule, working hours, points of contact and any special notification requirements, such as access to the project site. People that might be invited are: district staff and board members, OCC watershed technician, watershed aide (if applicable), NRCS project engineer (if applicable), and NRCS project inspector (if applicable). The district must take **minutes** of the Pre-Work Meeting (Bidding Forms – Tab 9).
- ▶ Progress Inspections and Payments to the Contractor – The district should review the work progress. This can be periodic or by way of regularly scheduled progress meetings as identified in the pre-work meeting. If the project duration is more than one month, inspections should coincide with the contractor’s monthly invoice in order to determine if the progress payment is commensurate with the state of completion.

The contractor must use the **Certificate of Payment** (Bidding Forms – Tab 10) form to submit a payment request to the district. The contractor is to complete the top section, sign and submit it to the district. If the project is NRCS designed, the NRCS project engineer or inspector must also sign the payment request. Finally, the district must sign the payment request and attach it to an **OSF 3 Claim Form** and submit it to OCC for payment. All O&M expenditures must be on a separate **OSF 3 Claim Form**. Use item code 96. Once the funds have been paid to the district a check can be issued to the contractor.

- ▶ **Change Orders** (Bidding Forms – Tab 11) – Occasionally, it will be necessary to process a **Change Order** due to unforeseen site conditions or requested modifications to the work. The contractor and/or district should prepare a written proposal for the change. If the project is NRCS designed, the NRCS project engineer must also agree with the proposed change. If a proposed **Change Order** will increase the cost of the project the district must secure additional funding. If the district chooses to request additional funds from Commission a copy of the **Change Order** must be submitted to CPD. CPD will notify the district in writing if approved. Once approved the district can notify the contractor.

- ▶ **Contract Disputes** – When issues such as non-performance or non-compliance arise, it is important to intervene early by communicating with the contractor. The district should endeavor to find out what the problem is, and what is required to correct the issue. This information should be documented with a written memorandum to the contractor. If these efforts are unsuccessful or the contractor becomes unresponsive, CPD staff should be contacted for assistance without further delay.

5. Final Inspection and Closeout

Prior to making the final payment, the work should be reviewed by the district in the presence of the contractor. If the project is NRCS designed, the NRCS project engineer or inspector should also attend the final inspection. Any deficiencies should be noted on a written 'punch list' so the contractor knows exactly what needs to be corrected. The final corrections should be verified with a final inspection.

The contractor must use the [Certificate of Payment](#) form to submit a final payment request. The contractor is to complete the top section, sign and submit to the district. If applicable, the NRCS project engineer or inspector must sign the payment request. Finally, the District must sign the payment request and attach it to an [OSF 3 Claim Form](#) and submit it to OCC for payment. Closeout of the project is complete when payment has been made to the contractor.