

# APPROVED

September 13, 2013

Michigan State  
Administrative Board

## State Administrative Board

### Resolution 2013-5

Effective September 13, 2013

### APPROVAL OF DESIGN-BUILD CONTRACTS BIDDING PROCEDURE

Resolution 2013-5 provides for the State's bidding procedure for design-build contracts, entered into by the Department of Management and Budget (DTMB) Design and Construction Division.

#### PURPOSE/OBJECTIVE

- To competitively obtain a single contractual point of contact and responsibility for both the design and construction of: buildings, expansions, rehabilitations, repairs, demolition, site development and environmental remediation projects (Projects), where the State's interests are better served by using a streamlined design-build delivery rather than the more commonly used process of obtaining and administering separate design and construction contracts.
- To assure that all bids received are consistent with the requirements of the bidding documents
- To award each contract to the responsive and responsible best value bidder.

#### APPLICATION

- All state departments and agencies except those state colleges and universities which have not designated the DTMB's Design and Construction Division as its agent for Projects.

#### INFORMATION

- Design-build project delivery addresses a need for efficient, effective and expedient delivery of design and construction facilities Projects where the Project has:
  - Minimal design needs
  - Requires significant investigation or demolition during design
  - Is an emergency project or requires expedited schedule delivery
  - Exceeds current in-house skilled trade capacity
  - Is an installation of a manufactured product or a multiple-trade package
- Design-build project delivery is a common and recognized project delivery approach used throughout government and private sector design and construction contracting. The design-build entity contracts to be responsible for both the design and the construction of the Project.
- All design-build Project contracts are publicly advertised and competitively bid. An exception is made only for contracts necessary because of emergency conditions involving protection against potential injury or damages to persons and property. Each contract is awarded in accordance with existing applicable

state statutes (including prevailing wage and fringe benefits, bonding, qualified disabled veterans' preference, best value and nondiscrimination), and State Administrative Board resolutions.

- If the DTMB Director determines that the best interests of the state will be served, the DTMB Design and Construction Division may use a pre-qualification process to determine the acceptability of potential bidders, subject to a public advertisement stating such intent.

## **PROCEDURE**

- The DTMB Design and Construction Division determines a project is best suited for the design-build delivery process and prepares bidding documents describing the scope of work, quality and schedule requirements, and providing all statutory and standard language requirements of a state design contract and a state construction contract.
- The DTMB Design and Construction Division establishes a time and date for the bid opening and extends a public invitation for bids through advertisements on the DTMB procurement web site.
- The DTMB Design and Construction Division receives the proposals for each advertised Project and conducts a bid opening, either public or on-line for electronic bids, at the time and date set, if appropriate.
- The DTMB Design and Construction Division prepares a tabulation of all proposals received and reviews each proposal for irregularities or noncompliance with the bid requirements.
- The DTMB Design and Construction Division reviews the proposals with the client agency.
- Except as provided below relative to veteran's preference, the award of contracts for projects funded in whole or in part with state funds shall be made to the responsive and responsible best value bidder. The bidders will be evaluated for responsiveness and responsibility based on the following:
  - Compliance with the bid specifications and requirements.
  - The bidder's financial resources.
  - The bidder's technical capabilities.
  - The bidder's technical experience.
  - The bidder's past performance.
  - The bidder's insurance and bonding capacity.
  - The bidder's business integrity.
- The bids will be evaluated for best value based on price and qualitative components by comparing the qualitative components of the three lowest responsive and responsible bidders. The comparison may also include other bidders whose bids are within 10% of the lowest responsive and responsible bidder. The qualitative components may include, but are not limited to the following:
  - Technical design,
  - Technical approach,
  - Quality of proposed personnel, and
  - Management plans.

- For contracts under \$250,000, best value will primarily be based on the lowest responsive and responsible bid.
- If a qualified disabled veteran meets the requirements of the contract solicitation and with the veteran's preference is the lowest bidder, the DTMB Design and Construction Division will enter into the contract with the qualified disabled veteran bidder.
- The DTMB Design and Construction Division submits the recommendations for contract awards by way of agendas to the State Administrative Board or the DTMB for approval, setting forth the reasons for the selection of the contractor as the responsive and responsible best value bidder or as the qualified disabled veteran with the low bid.
- Upon State Administrative Board approval of the recommendation for a contract award, DTMB's Design and Construction Division notifies the successful bidder in writing of the award and identifies the documents required for execution of the contract.
- Upon receipt of contract documents, the DTMB Design and Construction Division makes final review and obtains signatures to complete the execution of the contract documents.