

**DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**  
**Competitive Bidding Guidance for Economic Development Projects**  
**September 2002, Updated September 2008**

**Definitions**

The following are useful definitions for reference.

**Public Building** (section 1-1(e) cgs): "...shall include a statehouse, courthouse, townhouse, arsenal, magazine, prison, community correctional center, almshouse, market or other building belonging to the state, or any town, city, borough in the state, and any church, chapel, meetinghouse, or other building generally used for religious worship, and any college, academy, schoolhouse or other building generally used for literary instruction."

**Public Works Contract** (section 46a-68b cgs): "...means any agreement between any individual, firm or corporation and the state or any political subdivision of the state other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the state, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees."

**Competitive Bidding** (the Architect's Handbook of Professional Practice, Vol. 2, AIA 1987): Competitive bidding seeks to find the lowest reasonable price for the project through competition for the work. The theory is that many interested contractors have access to the project and that head-to-head competition will produce the best possible price consistent with marketplace conditions.

**General**

1. Many state general financial assistance programs such as the Manufacturing Assistance Act (MAA), Urban Action (UA) and Small Town Economic Assistance Program (STEAP) statutes do not provide guidance on the applicability of publicly advertised competitive bidding of construction projects. The guidance detailed below establishes agency policy regarding the use of publicly advertised competitive bid for DECD sponsored projects.
2. It is DECD's policy to maximize the benefits derived from the use of public funds and to protect these funds from inappropriate use.
3. All major contracts for construction should be procured through a competitive process. Competitive bidding is a standard practice within the construction industry. Competition provides numerous benefits such as:
  - a. Cost savings to the client and state
  - b. Fair competition for construction contracts
  - c. Ensuring the use of qualified contractors
4. Construction bids can be obtained through a non-publicly advertised competitive process or through a publicly advertised process.

**Guidance**

The nature of the project and the organization of DECD's client determine whether a project's construction contracts are publicly advertised for competitive bidding.

Publicly advertised competitive bidding may also be appropriate for certain clients and/or projects. A public competitive process will help the client locate qualified firms and establish a market rate for the improvements.

Please refer to the table below as a guide for compliance with the contract solicitation process.

<b>Client Category</b>	<b>Project Category</b>	<b>Public Competitive Bid</b>	<b>Competitive Bid</b>

Financial assistance to for-profit corporation for WC, M&E, Training, etc	private	No	No
Financial assistance to for-profit corporation for building, site or infrastructure improvements	private	No	Recommended
Financial assistance to not-for-profit corporation for building, site or infrastructure improvements when acting on behalf of a municipality	public	Yes	Yes
Financial assistance to not-for-profit corporation for building, site or infrastructure improvements when acting on behalf of a municipality	private	Recommended	Local Procurement Process
Financial assistance to not-for-profit corporation for building, site or infrastructure improvements when acting for their own interests where state funding is less than 25% of the total project cost	private	Highly Recommended	Yes
Financial assistance to not-for-profit corporation for building, site or infrastructure improvements when acting for their own interests where state funding is greater than 25% of the total project cost	private	Yes	Yes
Financial assistance to municipalities for construction/improvements of public infrastructure/public land	public	Yes	Yes

### Forms of Publicly advertised Processes

1. The most common practice of public notice of construction contracts is to advertise the request for bids in a newspaper of general circulation, New England Construction News or Dodge Plan Room. General contractors prepare sealed bids for the contract, which are opened on an identified date with an award shortly thereafter.
2. A second method is for the DECD client to publicly notice a call to pre-qualification of contractors. Contractors would submit their qualifications for review by the owner and the owner's representative. A short-list would be assembled of the qualified contractor's. These pre-qualified contractors would then be eligible to receive and review construction contracts for their trade. This method is most often used for construction management contracts and is useful in eliminating unqualified contractors for bidding on work that is outside of their experience/ability.

### Forms of Non-public Processes

1. With medium to large projects it is common for the project sponsor to use a construction manager to bid out the separate construction divisions or phases in multiple bids. The construction manager (CM) would then manage each contract to avoid scheduling and progress conflicts and maintain cost and schedule objectives. CM contracts can be "CM at risk" or general CM contracts. CM at risk contracts typically include a bonus or award for exceeding schedule or threshold expectations.
2. With small projects it is common for the project sponsor to approach three to five reputable contractors and request that they submit a quote or price for a specific amount of work. This method is most often used for single trade oriented projects, such as minor plumbing or HVAC work. Telephone solicitations are also common.

### Public Bidding Process

See latest DECD *Bidding Procedures for Infrastructure and Real Estate Projects*.