



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

April 10, 2006

CIRCULAR LETTER 2006-02

LOCAL LETTING PROCEDURES

COUNTY ENGINEERS/SUPERINTENDENT OF HIGHWAYS
MUNICIPAL ENGINEERS/DIRECTORS OF PUBLIC WORKS/MAYORS
CONSULTING ENGINEERS

Over the past several years, the Bureau of Local Roads & Streets (BLRS) has implemented many changes to the procedures on local lettings that include state or federal funds. This circular letter summarizes the local letting requirements for both funding sources; however, the BLRS Manual should be reviewed for full details about the local letting procedures. Local agencies under Agreements of Understanding may have different requirements outlined in their signed agreement; however, all Illinois and Federal rules and regulations must be met.

Chapter 12 “Letting and Contract Award - MFT and State Funds” of the BLRS Manual detail the requirements for state funded local lettings.

Bidding Threshold

All contract proposals, material proposals, or quotations estimated to cost \$20,000 or more shall be competitively bid and awarded to the lowest responsible bidder. The \$20,000 limit is a recent increase for municipalities and townships; counties have had this limit for several years. In special circumstances (sole source suppliers, emergency purchases, and state joint purchasing program), the \$20,000 bidding threshold does not apply.

Prequalification of Bidders

Prequalification is required on all construction proposals greater than \$50,000. For contract proposals less than \$50,000 and material proposals, prequalification is optional. Prequalification should be noted in the *Notice to Contractor's Bulletin*.

Advertising to Receive Bids

Upon determination that a public letting is required, a Notice of Letting must be advertised to inform all bidders of the scheduled letting. IDOT's *Notice to Contractor's Bulletin* is published on a weekly basis. Each advertisement must appear in the bulletin not less than 11 days before the date on which bids are received. Local agencies may also be required by state statute or local ordinance to advertise in local newspapers.

Issuing Proposals

If prequalification is required, proposals must only be provided to contractors who supply their Certificate of Eligibility. Proposals may also be denied to contractors

for uncompleted work with the local agency, false information provided in previous contracts, failure to pay all bills, default under previous contracts, unsatisfactory performance record on past work for the local agency, and conflicts of interest.

Proposal Guaranty

All bidders are required to submit a proposal guaranty in the form of a bid bond, bank cashier's check, or certified check for at least 5% of the amount of bid or for the amount specified. A local agency may deny the use of a bid bond, but may not further restrict the proposal guaranty.

Apprenticeship and Training Certification

The low bidder for all formal contracts or any material proposal with work being performed by the contractor must comply with apprenticeship and training certification requirements. The certification statement is required documentation and may not be waived as a technicality.

Opening Bids

At the time and place specified in the Notice to Letting, all bids received will be opened and read with the exception of any bid from a contractor that is not qualified or any bid that is missing required documentation. The person reading the bid should state the name of the bidder, describe the proposal guaranty, and read the total bid amount for each contract or material group. Individual unit prices may be read at the option of the awarding agency.

Award or Rejection

The awarding agency has the right to award or reject any or all proposals, to waive technicalities, to advertise for new proposals, or to proceed with work if the best interests of the awarding agency will be served. The department must concur with any award; therefore, the awarding agency must comply with the procedures in the BLRS Manual. If procedures are not followed, a project may not be eligible for MFT or other state funds.

Execution of Contract Proposals

The awarding agency must notify the lowest responsible contractor of the agency's intent to award the contract by sending a copy of the contract and contract bond within 45 days. However, the awarding agency should wait a minimum of 8 days to ensure that no protests have been received on the apprenticeship and training certification requirement. If the 45-day requirement is not met, the contractor may withdraw their bid without penalty.

The contract must be executed by the successful bidder and returned with the contract bond within 15 days. Failure of the contractor to execute the contract and file acceptable bonds within the 15 days will result in cancellation of the award and forfeiture of the proposal guaranty. The awarding agency must then execute the contract through the county board or municipal board.

Execution of Material Proposals

Form BLR 12330 is the only documentation required for the district to approve the award, and together with the proposal booklet, constitutes a material

purchase contract. This form shall be signed by an appropriate local official and submitted to the district for approval. Approved copies of the form will be returned to the local agency, and the local agency is required to return a copy to the successful bidder.

Chapter 24 “Letting and Contract Award - Federal Funds” in the BLRS Manual detail the requirements for federally funded local projects in Section 2.

Eligibility

Certain types of federally funded projects (e.g., enhancement projects, small projects, non-highway projects, and material only projects) may be locally let with department approval; however, the Central BLRS and District Local Roads Engineer may select other projects on a case-by-case basis. Furthermore, the District BLRS will submit a request to the Central BLRS for a local agency to administer a local letting. The District BLRS will determine if the local agency is capable of administering a letting and contract for the type of project involved and if the local agency is adequately staffed.

Disadvantaged Business Enterprise Program (DBE)

All federal and state DBE requirements must be met. The local agency will designate a DBE Liaison Officer and notify the District BLRS of the selection. The project will be reviewed by the District Equal Employment Officer and the District Labor Compliance Officer for compliance with DBE requirements and to establish DBE percentage goals.

Prequalification

The prequalification requirements are the same as MFT or State funded projects.

Proposal Review

The local agency is responsible for submitting the proposal to the District BLRS. The District BLRS will approve and submit to the Central BLRS a copy of the proposed bidding proposal, Form BLR 24110, and the PS&E. Federal participating items need to be broken out on all plans and estimates. All Federal environmental and right-of-way requirements must be met. The Central BLRS will review proposals to ensure compliance with Federal requirements and request Federal authorization after receipt of the locally executed joint agreement. Funds will be obligated when all requirements have been addressed.

Advertising to Receive Bids

The advertising requirements are similar to MFT or State funded projects; however, a 21-day advertisement period is required.

Letting and Award

The District BLRS is required to attend the local letting to ensure compliance with all IDOT letting procedures. The Central BLRS will concur in the award based on submission of the recommendation of award from the local agency and the District BLRS tabulation of bids; Form BC57, Affidavit of Availability; and DBE Utilization Plan. The District BLRS will approve the executed contract or Form BLR12330, Approval of Award. The Central BLRS will prepare the detailed estimate and project agreement used to obtain Federal reimbursement.

Please contact the District BLRS with any questions on the local letting process. Each District BLRS has assigned Local Field Engineers to their counties. Local agencies should establish an open line of communication with their Local Field Engineer to ensure local lettings proceed without problems or delays.

Sincerely,

A handwritten signature in black ink that reads "Charles J. Ingersoll". The signature is written in a cursive style. To the right of the signature is a vertical red line.

Charles J. Ingersoll, P. E.
Engineer of Local Roads and Streets