

Implementation of Electronic Bidding
“The Iowa Experience”

2002 TUG

Roger E. Bierbaum

Iowa DOT

Contractor Community Buy-In

- Contractors very interested
 - Cost of taking staff to hotel
 - Inconvenience of bidding from hotel
 - Travel concerns in winter
- Contractor Associations concerned
 - Reservations at hotel for 3-5 years
 - Scheduling association meetings
 - Letting breakfasts and presentations

Legislation/Regulations

- Legislation – Electronic Commerce Act
- Proposal Guaranty options considered
 - Original paper bid bonds
 - Faxed Bid Bonds?
 - Surety 2000 electronic bid bond
 - Annual Bid Bonds

How it works!



Required Software

- Expedite – to prepare bids
 - Furnished by the DOT
 - Optional for contractors since 1994
- BidExpress – posting of letting information
 - Website used since 1999

Electronic Bid Submission

Contractor Phase



- Prepare bid with Expedite software
- Digitally sign bid with Expedite software
- Submit bid via BidExpress to BidX

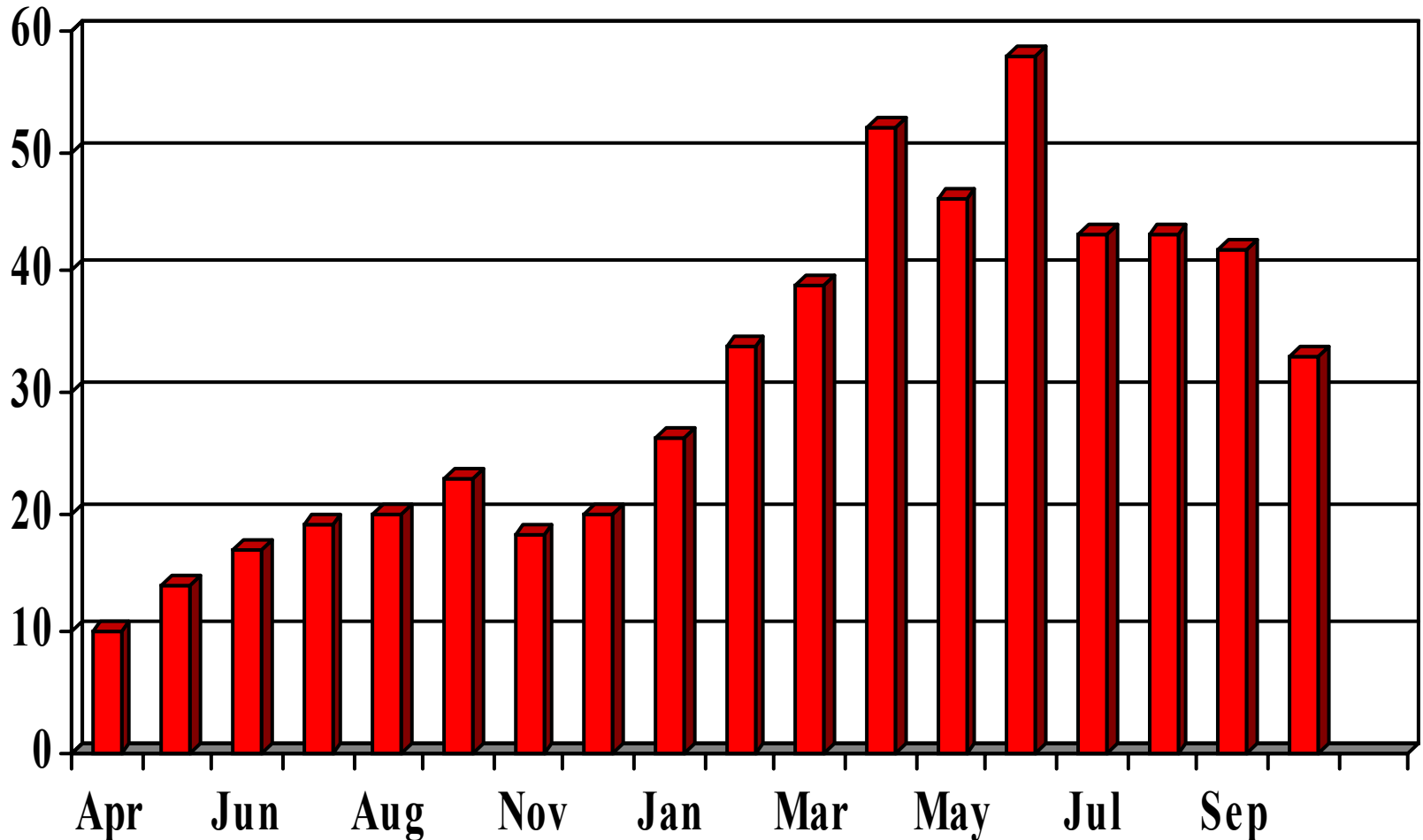
Contractor Training

- January 2000 – Testing with Contractors
 - 9 contractors for 3 mock letting
- January 2001 – Annual Bid Bonds allowed
- February 2001 – Training sessions
 - Evening before letting
 - Small group sessions

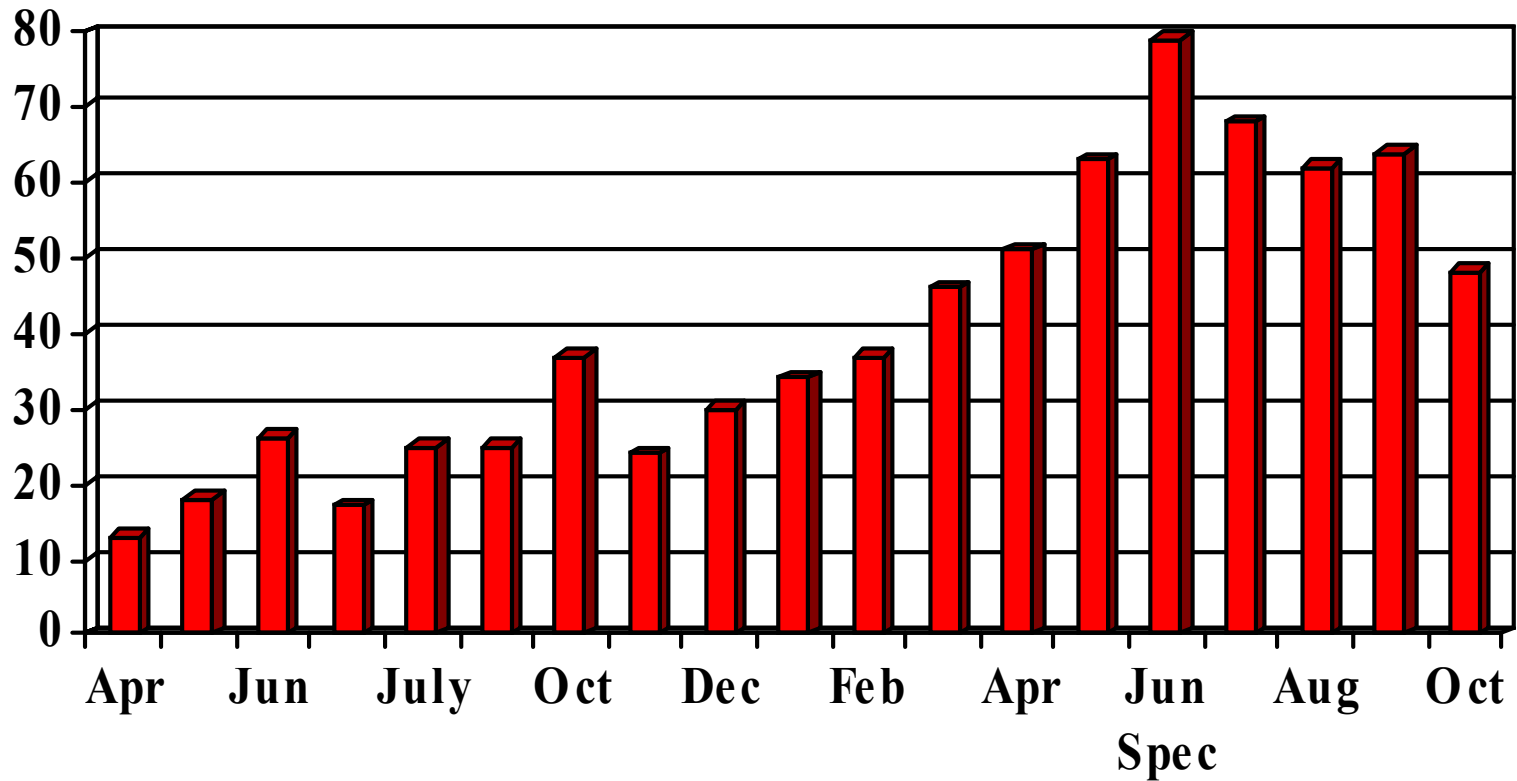
Implementation

- April 3, 2001- First letting allowed
 - 10 contractors
 - 52 bids submitted
 - Allowed dual BidExpress and paper submittals
 - Most went “cold turkey” (no paper backup)

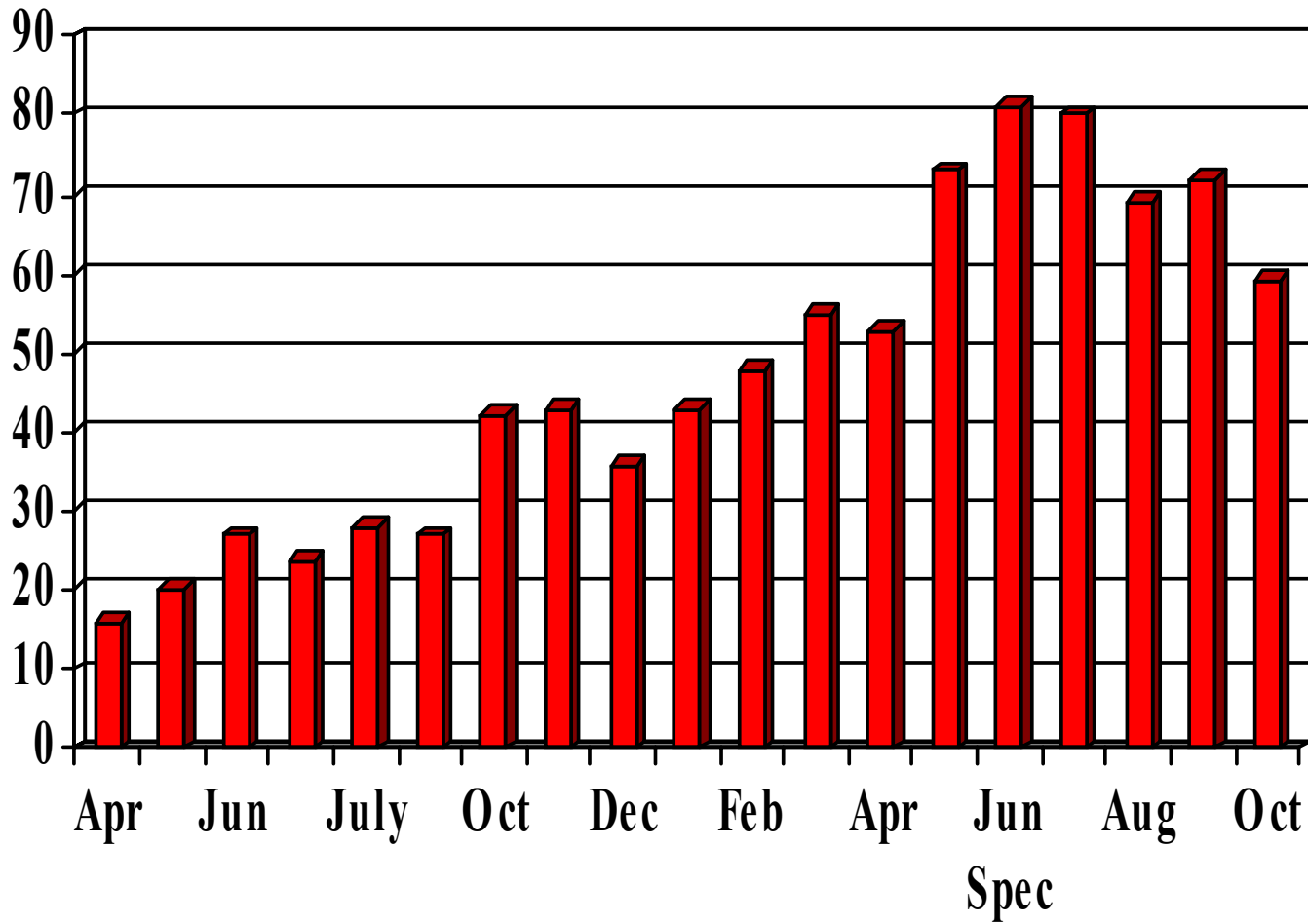
Number of Contractors Bidding via the Internet



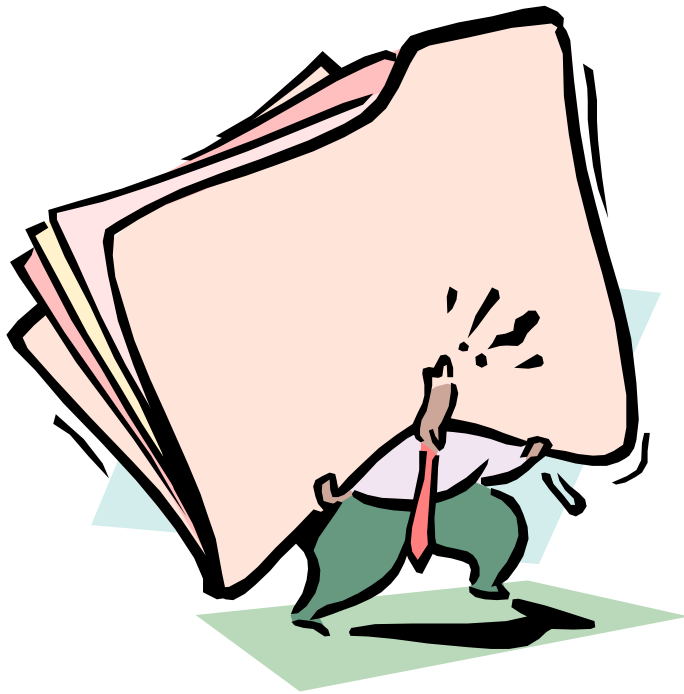
% of Bids via Internet



% Bid Items via Internet



The *FACTS*, **and Nothing but the Facts**



- Over 300 contractors using BidExpress
- 84 contractors approved to bid electronically
- Over 1400 bids submitted over BidExpress
- Over \$1.9 billion bid over BidExpress

Results #1



Letting Hotel

- Reservations
 - January 2002 – 200 Rooms
 - August 2002 – 20 Rooms
- Letting Hotel eliminated
Dec 2002

Results #2



Who was that bidder?

- Three contractor
 - Only bidders on “Valid bidders” list
 - Planned a joint venture
 - Submitted bid of \$30 million
- “Confidential” bidder
 - Not on public “Valid Bidders” list
 - Kept low profile
 - Did not attend letting at hotel
 - Submitted Internet Bid of \$22 million from home office

Results #3



Contractor testimonial

- “I worked on my bid until 6 PM”
- “I went to my son’s soccer game”
- “I went back to the office and worked until midnight”
- “I went home and slept with my wife!”
- “I went into the office early and refined my bid”
- “I submitted my bid and still got in a full day’s work”

Results #4

Emergency letting



- Scope determined –Wed AM
- Notice faxed Wednesday morning
 - 22 patch contractors who bid electronic
- Proposal and EBS file on BidExpress
 - Wednesday noon
- Bid Letting Thursday 11 AM
- Contractor mobilized Thursday PM
- Contract signed Friday AM
- Work began Friday AM

Problems?



Prepare for the unexpected

- Printing bid summary page
 - Download time
 - Printing time
- DOT Internet connection unavailable
 - Modem backup
- Contractors unable to submit a bid
 - Problems - Three consecutive lettings
“What do I do?”
 - Backup plan for the unexpected
 - 2 hr window prior to submittal deadline

The Future is here



- Internet bidding is the contractors' option
- Require electronic bidding (Internet or diskette on bids over \$600,000)
- Contractors bidding from their office, not from the letting hotel

Questions?

