

06-20. Add-on Procurement Items and Alternate Procurement Items

Internal Policies and Procedures of the Utah State Board of Education
Policy # 06-20
Subject: Add-on Procurement Items and Alternate Procurement Items
Effective Date: 1/19/2018
Revision Dates:
Purpose: In an effort to fully utilize the budget available and maximize the amount of work awarded within a project budget, USBE may use a procurement technique called add-on procurement items or alternate procurement items.
Policy: USBE may use add-on procurement items and alternate procurement items as a way to most effectively and efficiently procure goods and services.
References: Utah Code Annotated, Title 63G Chapter 6a, Utah Procurement Code; Utah Administrative Code Title R33; Utah Administrative Code Title R277-122

Procedures:

- Add-ons are additional procurement items or additions to the original scope of work that may be awarded as part of the contract.
 - An add-on is a defined portion of the work that is priced separately and thus provides an option for the procurement unit in determining the final scope of work for the project.
- Alternates are different or upgraded materials, components, products, supplies, construction methods, etc. that may be awarded as part of the contract.
 - Alternates provide the procurement unit with a choice between different products or methods that can be used in the project.
- Add-ons and alternates are a means for a procurement unit to defer certain decisions on the scope of a project until after pricing is obtained from prospective vendors.
- The process of successfully incorporating Add-ons and Alternates into a procurement process can provide a procurement unit with maximum flexibility in awarding contracts.
- Using an excessive number of Add-ons and Alternates should be avoided because it can unnecessarily complicate the procurement process.
- USBE will include language in the solicitation that sets forth a method of evaluating add-ons and alternates to objectively determine to whom the contract will be awarded.
- In the comparison of bids, add-ons and alternates will be applied in the same order of priority as listed in the Bid Form.
- To determine the bid prices for purposes of comparison, USBE shall announce to all bidders a “Base Bid plus add-ons or alternates.”

- For comparison purposes add-ons or alternates will be accepted, following the order of priority established in the Bid Form, until doing so would cause the budget to be exceeded.

Procurement Fraud Warning

- Depending on which add-ons or alternates are selected, the order of the bidders could change.
- This is a cause of concern for some vendors who fear that public agencies may use add-ons and alternates to manipulate who the low bidder is and to purposely exclude a bidder from receiving a contract award.

Invitation for Bids

- Add-ons and Alternates must be prioritized and can only be accepted by a procurement unit in the order of prioritization. Low bid wins. This is to prevent manipulation and steering to a favored vendor.
- Alternates will be accepted on a prioritized basis with Alternate 1 being highest priority, Alternate 2 having second priority, etc. Alternates will be selected in prioritized order up to the construction cost estimate.

RFP (Best Value)

- Add-ons and Alternates do not have to be taken in order.
 - However, a cost-benefit analysis is required if the highest scoring vendor is not the low cost provider for the add-ons and alternates selected.