

Internal Policies and Procedures of the Utah State Board of Education	
Policy #:	06-20
Subject:	Add-on Procurement Items and Alternate Procurement Items
Date:	June 29, 2022
Policy Owner:	Director of Purchasing and Contracts
Policy Officer:	Deputy Superintendent of Operations
References:	
<ul style="list-style-type: none"> • Utah Code Annotated, Title 63G Chapter 6a, Utah Procurement Code • Utah Administrative Code Title R33 • Utah Administrative Code Title R277-122 	

I. **PURPOSE:**

In an effort to fully utilize the budget available and maximize the amount of work awarded within a project budget, the Utah State Board of Education (“USBE”) may use a procurement technique called add-on procurement items or alternate procurement items.

II. **POLICY:**

USBE may use add-on procurement items and alternate procurement items as a way to most effectively and efficiently procure goods and services.

III. **PROCEDURES:**

1. Add-ons are additional procurement items or additions to the original scope of work that may be awarded as part of the contract.
 - a. 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.

2. Alternates are different or upgraded materials, components, products, supplies, construction methods, etc. that may be awarded as part of the contract.
 - a. Alternates provide the procurement unit with a choice between different products or methods that can be used in the project.
3. 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.
4. The process of successfully incorporating Add-ons and Alternates into a procurement process can provide a procurement unit with maximum flexibility in awarding contracts.
5. Using an excessive number of Add-ons and Alternates should be avoided because it can unnecessarily complicate the procurement process.
6. 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.
7. In the comparison of bids, add-ons and alternates will be applied in the same order of priority as listed in the Bid Form.
8. To determine the bid prices for purposes of comparison, USBE shall announce to all bidders a “Base Bid plus add-ons or alternates.”
9. 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.

IV. PROCUREMENT FRAUD WARNING

1. Depending on which add-ons or alternates are selected, the order of the bidders could change.
2. 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.

V. INVITATION FOR BIDS

1. 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.

2. 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.

V. **RFP (BEST VALUE)**

1. Add-ons and Alternates do not have to be taken in order.
 - a. 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.

VI. **HISTORY:**

The effective date of this policy was January 19, 2018. On June 29, 2022, this policy was formatted to comply with USBE Internal Policy 00-01.