Florida Department of Transportation

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ESTIMATES BULLETIN 10-07

DATE: September 22, 2010

TO: District Estimate Coordinators, District Contracts Administrators, and District Construction Engineers

FROM: Phillip "Greg" Davis, State Estimates Engineer

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COPIES TO: Duane Brautigam, David O'Hagan, Alan Autry, Bill Connor, Dale Stanley, District Design Engineers, and Consultant Project Management Engineers

SUBJECT: New Design-Build Cost Estimating Process (Trns•port)

BACKGROUND:

The Long Range Estimating (LRE) system's hide-dollar field (which provided security for cost estimate data) was removed with the implementation of the lump sum estimating policy. This policy provides for duplicate project estimate files to be created in the Trns•port system with pay item & quantity details to facilitate cost estimating. LRE is no longer considered a tool for storing the official estimate for lump sum contracts.

Questions were raised concerning the confidentiality of design-build official cost estimates since LRE was one of the methods used for estimating these types of contracts. Upon review by the Alternative Contracting Office (Office of Construction), it was determined that design-build contracts must comply with FS 337.11(7) and thus FS 337.168(1) would also apply. FS 337.168(1) requires that the official cost estimate is confidential for a project until contract execution, or until the project is no longer under active consideration for letting.

In addition, it has been discovered, through recent reports generated for FHWA auditing purposes, that the official estimates for some design-build projects were being overwritten in Trns•port. The official estimates were erased by loading of the winning proposal amount in Trns•port PES. As a result, reports for FHWA were misleading in that the contract award amount was the same as the official estimate.

REQUIREMENTS:
The official cost estimates used for comparison to design-build proposals for the purpose of determining award are confidential under FS 337.168(1). These cost estimates must be loaded into the Trns•port PES (Preliminary Estimating System) (similar to class 1 & 7 contracts) to provide security for the cost estimate data, per FS 337.168(1). Also, the design-build official cost estimate must be different than the amount programmed, to protect confidentiality. In order to preserve the official estimate, the winning proposal amount must be manually entered into Trns•port LAS (Letting & Awards System) by the District Contracts Administration Office.

The Design-Build Guidelines will be updated to include the following: "The official cost estimate used for analyzing bids must be stored as a lump sum amount in the Trns•port system, where appropriate security features exist. In order to comply with FS 337.168(1), the amount stored in Trns•port as the official estimate must not agree with the amounts being advertised or funded for the project. Additionally, the official cost estimate should not be stored in LRE."

IMPLEMENTATION:
The above new process will be mandatory beginning with the January 2011 letting. Earlier implementation is advantageous and encouraged.

If there are any questions concerning this bulletin, please feel free to contact Greg Davis by email or by phone at (850)414-4170.