

SAM - BUDGETING

AWARD CONSTRUCTION CONTRACT

6853

(Revised 5/1998)

Awarding the construction contract is the first step in the construction phase. The construction phase consists of awarding the bid (this section) and the actual construction (Section 6854). *Please note that the discussion in this section applies to the design-bid-build process used for most state projects.* Projects built under the design-build process use different phases.

What occurs during the bidding step of the construction phase? Typical activities during the bidding step are advertising the project in construction trade papers, submission of bids by interested parties, analysis of those bids, selection of the lowest responsible bidder, contract execution, and delivery of a formal notice to the contractor to begin the construction work.

Information requirements to release construction funds. After bids have been received and DGS certifies that a valid low bid exists, the client department requests DOF to authorize award of the contract and to transfer construction funds to the Architecture Revolving Fund (ARF). The client department provides the following information with this request:

1. The standard fiscal reporting requirements specified in Section 6845;
2. Form 22, *Request to Transfer Funds* (6868 Illustration 1). Projects financed with bond funds use a different transfer form—GS-OSA 220—also discussed in Section 6868;
3. A copy of the bid tabulation (see 6853 Illustration); and
4. A PWB agenda item and briefing document for reversion. These are required only if there are savings in the appropriation because of a favorable bid. The item must request reversion of savings and a proportional reduction in contingency funds at the next regular PWB meeting. Formats and examples for PWB agenda items are available from the DOF Capital Outlay unit. Include *all* information required in Sections 6845 and 6862.

Steps following release of construction funds: Upon approval of the DF-14D and related documents, DOF signs the Form 22 and returns all documents to the client department for transmittal to SCO and DGS. With this approval, an official award of the contract may be made to the low bidder. Following execution of the construction contract, DGS gives the contractor formal notice to proceed with construction.

Construction without bid/contract: If a department is authorized to construct a major project in-house, either by statute or provisional language in the Budget Act, the department may submit the standard fiscal reporting requirements specified in Section 6845 to request release of funds to proceed to construction. The option “other” should be selected on the DF-14D and write: “in-house construction.”

