



MEMORANDUM

TO: District Engineers
Mark Marek, P.E.
Zane Webb, P.E.
Thomas R. Bohuslav, P.E.
Randy Cox, P.E.
Carlos Lopez, P.E.

DATE: August 9, 2005

FROM: Amadeo Saenz, Jr., P.E. 

SUBJECT: Addenda

Reference the attached memorandum from Robert L. Wilson, P.E., dated May 13, 1999. This memorandum addressed two issues I would like to stress here:

- When addenda are needed
- Issuance of late addenda

Need for an Addenda

The memorandum states that addenda should only be issued when competitiveness of the project could be placed in jeopardy without addenda issuance. Minor quantity errors and general note changes that have little affect on the total price do not justify addenda. However, quantity errors which are large enough to generate bidder confusion and create a potential for unbalanced bids, where the total bid would undergo significant changes with the correction of the error, need to be addressed. The goal for addenda submission (revised plan sheets, notes, spec list and estimate) to the Design Division (DES) field area is ten working days before letting. This time allows for normal processing by the divisions and appropriate review time for the contractors to evaluate the complete addenda. Submit proposed addenda to DES as soon as they are prepared, in advance of the deadline.

Release of statewide or local let addenda for routine maintenance or building projects will be coordinated by the Maintenance Division (MNT).

Late Addenda

There have been occasions when there have been errors found, usually reported by contractors, after the submission deadline for addenda. District staff has replied to contractors with "bid it as shown in the plans and proposal." This is a proper response, except when there is an error that creates the potential for an unbalanced bid. (Note: The 2004 Standard Specifications, Article 2.14.A, states that the amount bid will be determined from the quantities in the proposal.)

As an example, there was an occasion where a square yard quantity in the proposal for concrete pavement was in error by 25 percent. A contractor submitted a penny unit price. After the letting, the error was discovered and, after placing the new quantity and extending with the unit prices to recalculate the total bids, the apparent low bidder changed. Federal regulations, the Texas Administrative Code, and our specifications require that we reject bids that are mathematically and materially unbalanced. The department's rules require that we reject all bids and relet the project when this occurs. Because all bids are rejected, the sealed bid process is compromised for the reletting. Allowing a project to go through letting with an error that could affect the competitiveness of the project is not an option.

Because significant work has gone into bringing a project to letting and because contractors have expended efforts in preparing their bids, I have asked the divisions to make every effort to assist in issuing late addenda. Late addenda may be processed as late as the day of the letting if all contractors can be contacted and can receive and submit the change in their proposal.

If we are unable to process the addenda and notify all contractors, the project will be postponed. Postponement may occur even after the time of opening (1 pm), before bids are read.

Closing

The department has a long history of bringing projects to lettings and conducting lettings with integrity. When errors that would affect the competitiveness of the project are determined to exist, contact the appropriate DES field area or MNT. DES and MNT will coordinate with the pertinent divisions for the issuance of the addenda. This memorandum will be superceded when the information contained is incorporated into department manuals.

Attachment

cc: Scott Burford, Director, General Services Division



MEMORANDUM

TO: District Engineers

Date: May 13, 1999

FROM: Robert L. Wilson, P.E.

Robert S. Wilson

SUBJECT: Addendum Process

Recently, several issues have arisen concerning the department's addendum process. With the ever increasing letting volumes, addenda have become a significant issue for the department and the contracting community alike. This process and some of these concerns were discussed as the last DE/DD/OD meeting.

In an effort to improve the department's addendum process, the Design, Construction, Traffic Operations and General Services Divisions met to outline department practice and offer solutions to these issues with the letting process. Currently, almost 30% of the projects let are having addenda to them. That is high and every addendum puts that project at risk of being rejected at the bid opening and thus causing several months of delay and added cost. As a result, effective immediately, an addendum should be submitted for processing only when:

- The competitiveness of the bid would be in jeopardy if the changes were not made;
- The quantities are in error to a degree that could place the department at a disadvantage in negotiating significant corrections after contract award; or,
- The bid documents would not be substantially representative of the project unless the change is made. This could include special design standard sheets, special specifications, etc.; however, if a regularly used statewide standard sheet was omitted, it would not be considered significant and an addendum would not be released. A change order should be used to add the missing statewide standard sheet.

To help you identify changes to P.S.&E. that should and should not be addenda, I will cite a few examples of addenda that should not be pursued:

1. To renumber sheets on the title sheet or to add sheet numbers that were omitted. This is not critical to bidders.
2. To change the title sheet to include one now signed by local officials in all released copies (having the original is adequate). It is not critical to the bidders to have that signature.
3. If a sheet or so in the P.S.&E. that was released was not signed and sealed, it is necessary to get the original corrected, but it is not critical to the bidders to release an addendum.
4. To change the quantity of riprap or add a few feet of curb and gutter is generally not critical so as to risk the project by issuing an addendum.

These are only a few examples, but keep in mind that to risk your project by issuing an addendum, it must be critical to the bidders that they have this information. Otherwise, those

changes should be handled after the project is awarded. I am also instructing P.S.&E. reviewers in Austin to not initiate an addendum unless it is absolutely critical to do so.

There have also been some concerns where a potential error in the plans is brought to the attention of TxDOT by a potential bidder/contractor/supplier. We should not say that this will be changed prior to letting or by a change order. If this is stated to anyone and not to all, then the potential exists that all bids may be thrown out. We should only thank them for pointing it out, say we will check in to it and if it is to be changed, an addendum will be issued. Otherwise, they are to bid the project just as they see it presented in the P.S.&E. bid package.

Please note, no addenda will be processed prior to the proposal release day. In accordance with the PS&E Review and Processing Schedule, addenda are due in Austin approximately ten working days prior to letting. This addendum will be marked as Addendum #1. Any subsequent modifications to the bidding package should be a rarity; however, when this situation occurs, the second and/or any subsequent addenda must be prepared manually and will be numbered appropriately. An addendum at this late date will also require contacting each contractor by the divisions to notify them, but may easily mean pulling the job from the letting. The second or subsequent addenda will require authorization by the appropriate division director. Also, for your information, it is intended that blanket addenda will no longer be used.

To assist in coordination of addenda and to properly track projects cancelled from a particular letting, the Design Division has created an official addendum and project cancellation list. This list is now being sent via GroupWise to all district engineers on Wednesday of the week prior to letting and again if any addenda and/or cancellations are made between that day and letting.

These new practices should assist in streamlining the letting and addendum process. If you have any questions or need additional information on the department's addendum process, please contact your field area representative in the Design or Traffic Operations Divisions.

cc: Mr. Michael W. Behrens
Mr. Thomas R. Bohuslav
Mr. Carlos A. Lopez
Mr. Lawrence J. Zatopek