1. Meets Technical Criteria – Low Bid

What is it?

A variation of best value procurement, meets technical criteria – low bid is a procurement procedure in which all non-cost criteria are evaluated using a pre-determined rating system. Direct point scoring might be used to determine if the technical proposal meets the minimum technical score. The evaluated proposals that are considered fully responsive then make up the competitive range. The price component of the proposal is then opened, and the bidder with the lowest price proposal that is a part of the competitive range is selected (*1*). This variation of best value most closely resembles the traditional design-bid-build low bid procurement process (*2*).

Why use it?

Meets technical criteria – low bid is a useful best value procurement method that uses a basic yes or no in terms of responsiveness to technical and qualitative criteria specified in the RFP. A technical score might be calculated during the evaluation, however, the score is not used in the final determination of award. The score just determines if a bid is responsive or not. The responsive bids are then evaluated using the low bid procurement method (*2*).

What does it do?

Meets technical criteria – low bid allows STAs to use best value to procure a construction team, but is less involved for developing the criteria and evaluating proposals since the technical portion is a pass or fail review and the lowest responsive proposal is award the project, similar to low bid procurement (*2*).

How to use it?

The NCHRP Report 561 (*1*) outlines a process to implementing meets technical criteria – low bid once the STA determines the use of best value procurement. The steps below summarize how to use this variation of best value procurement:

1. Develop qualifications and technical evaluation criteria and weight for the best value RFP based on the project. For each evaluation criteria, the STA must develop a measurable standard against which responsiveness will be measured.
2. It is important to limit the number of qualification and technical criteria to those from categories that carry high importance to the project at hand. Then, the evaluation plan should be written to be completely transparent to any bidding firm. To avoid the possibility of dispute or bid protest, the STA needs to state the evaluation criteria and the weight assigned to each item and ensure that the evaluation team uses them correctly (*4*).
3. Publish the best-value RFP. The RFP will contain the following items as a minimum:
4. Scope of work, plans, and specifications
5. Bid form
6. Contract completion date or days
7. Best-value evaluation plan listing the evaluation criteria with corresponding pre-determined standards
8. Description of what constitutes a non-responsive proposal
9. Evaluate the received best-value proposals against the pre-determined standards (which were included in the RFP) and determine which proposals are fully responsive in meeting the technical and qualifications criteria.
10. All non-cost criteria are evaluated using the pre-determined measureable standards. Direct point scoring may be used to determine if the technical proposal meets the minimum technical score. Those proposals found to be fully responsive make up the “competitive range” and the responsive bids are evaluated against one another.
11. Award the project to the lowest bidding firm that is fully responsive in the technical and qualifications criteria.

When to use it?

In general, meets technical criteria – low bid is preferred for projects that have a tight, but well defined scope and when innovations and/or alternatives are not being sought (*1*). It has also been used for project when the STA has most of the design development complete and will only need the proposing firms to complete the final construction documents.

Limitations?

Although meets technical criteria – low bid is considered a best value procurement procedure, the awarded firm still has to present the lowest priced proposal. Therefore, for this type of best value procurement to be used properly, the STA has to have more knowledge about a project, just as when low bid is used. Also, there has to be less variations in the project design and specifications so that the technical portions are easy to understand and can be compared equally across all of the received proposals.

Who uses it?

Colorado, Georgia, Indiana, Minnesota, Missouri, New Jersey, Ohio, Alameda Transportation Corridor Agency (California)

Example

The Minnesota Department of Transportation (MnDOT) used Meets Technical Criteria – Low Bid for the T.H. 100 Duluth Street project located in Golden Valley, Minnesota (*1*). This project generally consisted of grading, surfacing, ponds, noise walls and retaining walls, signals, lighting, signing, and installation of a bridge from south of Duluth Street to just south of Bassett Creek. The Project also contains work on Duluth Street from Lilac Drive to just east of T.H. 100. The Project also includes the construction of a fully designed pedestrian bridge just south of Bassett Creek. The preliminary estimate of the design-build project was between $15 and $20 million in 2001. The duration of the design-build portion of the project was schedule to take approximately two years.

Under the low bid selection process being used for this project, MnDOT awarded the design-build contract to the short-listed proposer whose technical proposal was determined to be responsive to the RFP technical requirements and whose price proposal was the lowest bid. The proposers technical and price proposals became contract documents.

After the proposal submittal deadline passed, but before the public bid opening, the technical proposal package and price proposal package submitted by each short-listed proposer was separated. The price proposal packages were not opened, but were kept stored in a locked container until the public bid opening. Using this process, no price proposal was opened until MnDOT reviewed all technical proposals and determined whether each technical proposal was either responsive (“yes”) or non-responsive (“no”).

MnDOT examined each proposal, discussed the contents of each, and determined whether a proposal complied with the objective requirements of the RFP and was considered responsive. MnDOT did not rank or score any of the technical proposals. They were only evaluated for responsiveness to technical criteria. The technical bid included criteria for schedule, qualifications, technical design, and warranty.

When MnDOT determined that a technical proposal did not comply with or satisfy any of the objective requirements of the RFP, that proposal was considered non-responsive. The price proposal corresponding to a non-responsive technical proposal was then not opened at the public bid opening, but rather returned unopened, along with the nonresponsive technical proposal, to the proposer. A proposer that submits a non-responsible technical proposal was not eligible to receive any stipend. Mn/DOT then opened the price proposals corresponding to the technical proposals that were determined responsive and the project was awarded to the lowest bidding firm.

### References

1. Scott, Sidney, Keith R. Molenaar, Douglas Gransberg, and Nancy C. Smith. *NCHRP Report 561:* *Best-Value Procurement Methods for Highway Construction Projects*. National Cooperative Highway Research Program, Transportation Research Board, Washington DC, 2006.
2. Beard, Jeffrey L, Michael Loulakis, and Edward C. Wundram. *Design-Build: Planning Through Development*. McGraw-Hill, New York, 2001.
3. Molenaar, K., D. Gransberg, S. Scott, D. Downs, and R. Ellis.  *Project No. 20-7/Task 172: Recommended AASHTO Design-Build Procurement Guide – Final Report*. National Cooperative Highway Research Program, Transportation Research Board, Washington, DC, Aug. 2005.
4. Parvin, C. Design-build: Evaluation and Award. *Roads and Bridges*, Vol. 38, No. 12, 2000, pp. 3-15.