



SUBJECT POST-BID OPENING CONTRACTING PROCEDURE FOR NON-FEDERALLY FUNDED CONSTRUCTION PROJECTS	A. P. No. 2-6
	Effective Date Rev. May 1, 1985

1. PURPOSE

To define responsibilities and associated time limits in the post-bid opening process for the expeditious preparation, review and approval of contracts and initiation of construction work.

2. OBJECTIVES

- a. To describe a process after bid opening, for the efficient and timely preparation, review and approval of bid tabulations, contracts, contract award ordinances and appropriation ordinances for non-federally funded construction projects.
- b. To provide written procedures which identify departmental and contractor's responsibilities in the post-bid opening process.
- c. To expedite the preparation, review and approval of bid tabulations, construction contracts, contract award ordinances and appropriation ordinances.

3. DEFINITIONS

- a. Bid opening - The act of opening sealed bids submitted by potential contractors for construction improvements for the City of Houston.
- b. Bid tabulation - A listing of bidders and associated bid amounts submitted for a construction project with a recommendation for award.
- c. Contract - The entire contract instrument containing the contract documents, notice to bidders, bid proposal, general conditions, special conditions, technical specifications and other related documents.
- d. Contract documents - The initial portion of the contract containing the standard four-page contract form providing for signatures, the performance bond, the payment bond, the one-year maintenance bond and the affidavit of non-interest.
- e. Work order - A written statement issued by the Director of Public Works to the contractor of a construction project which authorizes the initiation of work on the project.
- f. Working day - A regular eight-hour work day for the City of Houston.

Approved

Date Approved

6-25-85

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4. SCOPE

This administrative procedure is applicable to all City departments responsible for non-federally funded construction projects which do not require assessments.

5. RESPONSIBILITIES

- a. The City Secretary's Office is responsible for conducting the bid opening and hand carrying a copy of the bids to the Public Works Department. The City Secretary's Office will hand carry contract award and appropriation ordinances to the City Controller's Office as soon as they are approved by City Council. The City Secretary's Office is also responsible for picking up the award and appropriation ordinances from the Controller's Office after certification of fund availability. Additionally, the City Secretary attests to the contract documents.
- b. The appropriate section of the Public Works Department is responsible for the preparation of the bid tabulation, review of the bid bond of the successful bidder based on a check list provided by the Legal Department, completion of the Request for Council Action form in accordance with Administrative Procedure 2-1, completion of the standard contract, the contract award ordinance and the appropriation of funds ordinance. Additionally, the Public Works Department is responsible for notifying the contractor for proper execution of the contract documents, setting up a monitoring system to assure contractor compliance with the ten day contract return deadline, issuing the work order and notifying the contractor of the start date.
- c. The Legal Department is responsible for design and legal approval of the standard contractor notification form, contract documents and ordinance forms and preparation and update of a bid bond check list. The Legal Department is also responsible for review of the bid bond check list relating to the successful bidder, review and approval of the contract documents, contract award ordinance, and the appropriation of funds ordinance, after they have been prepared by the Public Works Department. Additionally, the Legal Department is responsible for the review and approval of the execution of the fully executed contract documents (including performance bonds) after they are returned by the contractor.
- d. The Finance and Administration Department is responsible for review and approval of the Request for Council Action after it is prepared by the Public Works Department and the resolution of funding issues as a result of variations in the approved Capital Improvement Plan. Additionally, the Capital Improvements Division has the added responsibility of monitoring the overall process in this procedure and taking necessary action when problems arise.

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- e. The Controller's Office is responsible for review of the contract award and appropriation of funds ordinances and certifying availability of funds. The Controller's Office is also responsible for the review of the contract documents, for setting up project appropriations in ARMS/80, encumbering funds, assigning contract numbers and counter-signing the documents.
- f. The Contractor is responsible for picking up the contract after being notified and returning same properly executed in 10 working days.
- g. The Mayor and/or her designee is responsible for placement of the award and appropriation ordinances on City Council agenda and signing the contract documents.
- h. The Affirmative Action Division is responsible for the minority and women business enterprises certification process.

6. PROCEDURE (See Attached Flow Diagram)

- a. The opening of bids for construction projects occurs on Tuesday morning at 11:00 a.m. in the City Council Chamber. Upon completion of the bid opening, a copy of the bids are sent to the appropriate section of the Public Works Department, i.e., bids opened on a storm sewer project are sent to the Storm Sewer Engineering Section of Public Works. Transmittal of a copy of the bids occurs on the same day as the bid opening and is hand carried to the Public Works Department.
- b. The appropriate section of the Public Works Department reviews the bids and prepares a bid tabulation after conferring with the originating City department. This section will also review the bid bond of the apparent low bidder, based on a bid bond review check list provided by the Legal Department. These reviews shall take a maximum of two (2) working days. If a problem is discovered with the bid bond, the matter is referred to the Legal Department for a more detailed analysis by indicating such referral on the lower left hand corner of the Bid Deposit Review Checklist and leaving such form in the Public Works File Room.

Should issues arise in regard to the low bid, the certification of the apparent low bidder or associated sub-contractors, or the funding availability for the project, a maximum of fifteen (15) working days is provided to make adjustments or revisions as may be appropriate.

- c. After all the aforementioned issues are resolved, the appropriate section of the Public Works Department completes a Request for Council Action form, which recommends acceptance of the appropriate bid and award of the contract; and obtains the appropriate signatures from the funding City department; and

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completes the contract documents and the standard award and appropriation ordinances. Preparation of these documents will be completed in a maximum of eight (8) working days (no later than 2:00 p.m. of the second Tuesday following bid opening, see attached calendar for contracts with no problems requiring action as specified in 6.b.). Upon the completion of the preparation of these documents, they are transmitted to the Public Works File Room on the third floor of City Hall Annex. A check list will be routed with the documents to assure completion of each step. The person responsible for completion of a given step will sign and date the check list, as appropriate.

- d. A representative from the Legal Department will come to the Public Works File Room to review and approve the bid bond, review the checklist relating to the successful bidder, award and appropriation ordinances, and the contract documents. This review will occur on Tuesday and Thursday afternoons at 2:00 p.m.
- e. When the documents are approved by the Legal Department, the following actions take place simultaneously:
 - 1) The contractor is notified on the same day to pick up the contract and have it signed. The contractor has ten (10) working days to return the contract properly executed (no later than the fourth Tuesday following bid opening, see attached calendar). A contract monitoring system will be set up by the Public Works Department to assure that the ten (10) day return deadline is met by the contractors. Contractors will be required to sign a statement when they pick up the contract which points out that the execution of the contract is subject to final approval by City Council and acknowledges the ten (10) day contract return deadline.
 - 2) The original bid tabulation and Request for Council Action are hand carried to the Finance and Administration Department for review and approval. The Finance and Administration Department reviews, approves and then hand carries the documents to the City Secretary's Office. This step occurs in one working day (no later than the third Wednesday after bid opening, see attached calendar).
 - 3) The contract award ordinance, appropriation of funds ordinance, and a copy of the Request for Council Action are hand carried to the City Controller's Office. The City Controller's Office reviews the ordinances, certifies availability of funds and calls the City Secretary's Office to pick up the ordinance. This step occurs in one working day (no later than the third Wednesday after bid opening, see attached calendar).

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- f. The Council Agenda Director reviews the Request for Council Action for placement on the City Council agenda for the following week. The deadline for submission of items to be considered for placement on the City Council agenda is 10:00 a.m. every Thursday (refer to Administrative Procedure No. 2-1).
- g. The City Council reviews and takes action on the contract award and appropriation of funds ordinances during regular council meetings on Tuesdays and Wednesdays (no later than the fourth Wednesday after bid opening, see attached calendar).
- h. The Public Works Department will closely monitor the ten (10) day contractor review period on each contract and will contact contractors if they exceed the ten (10) day limitation. A standard notice, approved by the Legal Department, will be sent by Public Works to the contractor on the 5th day (3rd Tuesday following bid opening) warning that an alternative award may be made if the contract is not returned within the ten (10) day limitation.
- i. The Public Works Director, or his designee, signs the contract after it is returned.
- j. The contract is then sent to the Public Works File Room for Legal review on Tuesdays and Thursdays at 2:00 p.m. When Legal approves the contract documents, the contract is hand carried by Public Works to the City Secretary's Office.
- k. Upon City Council approval of the contract award and appropriation of funds ordinances and contract documents, a designee of the Mayor's Office goes to the City Secretary's Office and signs the contract documents and the City Secretary attests. This step occurs on Thursday mornings, one week following City Council approval.
- l. The contract and a copy of the signed award and appropriation ordinances are hand carried to the City Controller's Office. The City Controller's Office sets up project appropriations in ARMS/80, encumbers funds, assigns contract numbers and counter-signs the contract documents. These actions take place in three (3) working days (no later than the fifth Tuesday after bid opening, see attached calendar).
- m. Upon the counter-signature of the contract documents by the City Controller, the Construction Division of the Public Works Department is notified and picks them up the same day.
- n. The Construction Section prepares a work order which is signed by the Director of Public Works or his designee. The issuance of the work order occurs in three (3) working days. The contractor is notified by the Construction Section by telephone and written

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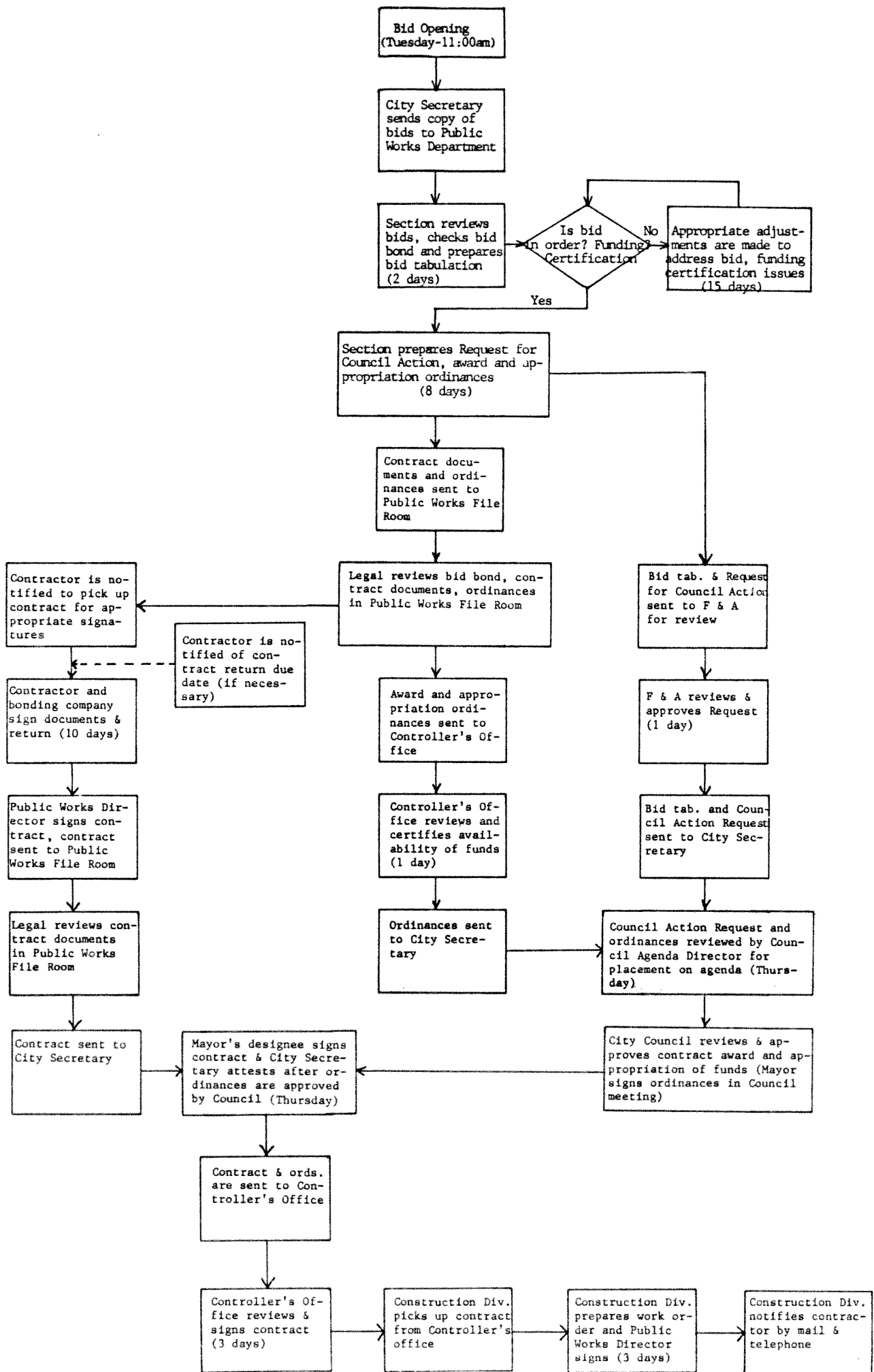
correspondence (no later than the sixth Friday following bid opening, see attached calendar).

The entire process from the day of bid opening on a project to issuance of a work order shall take 30 working days to a maximum of 45 working days on problematic projects.

7. MONITORING

- a. The Capital Improvements Division will periodically review the process to assure compliance with the steps specified in this procedure.
- b. All departments involved with this procedure are required to maintain a log (see attached example) which indicates dates and times of the receipt and transmission of contract documents, ordinances or Requests for Council Action. The Public Works Department log will reflect the action dates of the Legal Department which will not be required to maintain a separate log. Each of these departments shall periodically review these logs for performance in complying with the time limits specified in the procedure. Each department shall prepare a monthly exception report which details those cases where the time limits were exceeded. This exception report will be sent to the Capital Improvements Division on the third day of each month.
- c. The Capital Improvements Division will compile the departmental reports and submit monthly status reports to the Mayor.

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POST-BID OPENING PROCEDURES
CALENDAR OF EVENTS

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
WEEK 1		Bid opening @ 11:00 a.m. Transmitted to Public Works Section (6.a.)			
WEEK 2					
WEEK 3		1) Contract doc., Council Request & ord. completion. 2) Legal review of above doc. (2:00 p.m.) 3) Contractor pick up contract (6.c.d.e.l.)	1) F & A review of Council Requests (6.d. 2.) 2) Controller review of ord. (6.e.3.)	Review of Council Request for placement on agenda (6.f.)	
WEEK 4		Public Works sends notification to contractor of contract return due date (6.h.)	City Council approval (6.g.)		
WEEK 5		1) Contractor returns executed contract (6.i) 2) Legal review of executed doc. (6.j.)		Contract doc. signed by Mayor's designee & attested by City Secretary (6.k.)	Controller review of contract (6.l.)
WEEK 6		Controller countersigns contract (6.l.)	Construction Division prepares work order (6.m.)		Work order is issued & contractor notified (6.n.)

NOTE: Projects which require adjustments due to bid, certification or funding issues have 15 additional work days for preparation of the Request for Council Action and contract documents.

EXAMPLE

POST-BID OPENING CONTRACTING PROCEDURE
LOG FORM

_____ Department

<u>LOG IN</u>	<u>LOG OUT</u>	<u>DATE OF DOCUMENT</u>	<u>PROJECT/DESCRIPTION OF DOCUMENT</u>	<u>PERSON RESPONSIBLE</u>
<u>Date</u> <u>Time</u>	<u>Date</u> <u>Time</u>			