



Construction Bid Alternate Policy

Policy Information

Policy Sponsor: System Office of Capital, Utilities, and Real Estate

Approved by: Senior Assistant Vice President, Capital, Utilities, and Real Estate

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Purpose

During the course of capital construction project design and construction bidding formation, bid alternates may be identified to maximize project scope when base bid values are less than bid projections. This policy will outline how construction bid alternates will be structured in bidding documents for all University of Illinois capital construction units (CCU) as well as how awarding bid alternates will be accomplished. A consistent approach of determining and awarding bid alternates between campuses will provide a transparent approach on how construction contracts will be awarded to the lowest responsive and responsible bidder.

Scope

This policy is applicable to capital construction units across the University of Illinois System.

Statement of Policy

All University of Illinois campus construction units must follow a standardized and transparent approach for structuring and awarding bid alternates in capital projects, ensuring compliance with the Illinois Procurement Code and consistent awarding to the lowest responsive and responsible bidder.

Procedures



The majority of capital projects undertaken by the University of Illinois are subject to the requirements of the Illinois Procurement Code (30 ILCS 500). The Board of Trustees of the University of Illinois is a Construction Agency pursuant to the Code. The Board of Trustees and University Administration, through the System Office of Capital, Utilities, and Real Estate, establish policies, procedures, systems and other considerations related to capital projects.

This Policy governs the order in which construction bid alternate(s) will be chosen and how these bid alternate(s) will be selected when awarding construction contracts.

BID ALTERNATES PURSUANT TO THE ILLINOIS PROCUREMENT CODE

During formation of construction bid documents, a determination may be made as to whether to include bid alternates. The Illinois Procurement Code, Article 20 of the Code (30 ILCS 500) states that “all State contracts shall be awarded by competitive sealed bidding” and section 20-10(g) further states “the contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids”.

The Procurement Code, procurement rules, University policies, and University contract documents seek to provide a consistent and transparent bidding environment from which contracts are awarded while allowing flexibility to increase project scope within an approved budget. University policies and procedures must be followed to ensure that resulting awarded construction contracts are consistently issued to the lowest responsible and responsive bidder when including construction bid alternates.

BID ALTERNATE REQUIREMENTS

A. CCU shall list all bid alternates on the construction bid form with a numbering scheme for identification, not for prioritization. If the CCU decides to change, add or delete any bid alternates, an addendum shall be issued prior to the published bid opening date.

B. The low bidder shall be the sum of the lowest base bid plus all bid alternates as determined by the CCU which are within available project funds. If the CCU deviates from alternates that could have been taken within available project funds, the CCU shall document the rationale and gain CCU Head approval for all projects \leq \$2.5M and Senior Assistant Vice President – Capital, Utilities, and Real Estate for projects $>$ \$2.5M.

C. Accepted bid alternates shall be declared by the CCU prior to bids being sent to the Director of the Office of Procurement Diversity (OPD) (or designee) for Business Enterprise Program (BEP) certified vendor participation Good Faith Effort (GFE) review. All bid proceedings shall be sent to OPD within 5 business days of the bid opening. If GFE review results in Divisions of Work



(DOW) low bidder removal, the CCU shall determine if bid alternate selections need to be revised by following step B above.

D. Bid alternates shall apply to all DOW to be bid and will be shown on the bid form for each DOW to price each bid alternate. Bid alternate numbers will be sequential with each containing a unique work scope. Bid alternate numbers shall not be broken out by selected DOW.

E. All bid alternates should be independent of each other such that taking one bid alternate will not require another bid alternate to be taken. If that were to be the case, combine the two bid alternates into one single bid alternate.

F. Two (2) different bid alternates may be combined as a separate bid alternate (i.e. bid alternate 3 is taking bid alternates 1 and 2 together) to determine if there are economies of scale to implement them both at the same time.

G. Any bid alternate that does not have a bid price shown on the bid form by the bidder, i.e. left blank, indicates "No Bid", "No Change", No Charge (or N/C), or "Not Applicable" (or N/A) or something similar, will be an indication that that DOW has submitted a bid for that bid alternate for \$0.00.

H. Awards to all DOW shall be by the DOW's base bid and the same accepted bid alternate(s) chosen by the CCU.