



Engineering Department

DATE: February 13, 2024

FROM: Gabe Schell, City Engineer

ITEM: Online Bid Opening and Plan Fee Changes

REQUEST:

Receive update on Engineering Dept use of online bid openings and consider 2024 fee changes for sale of plans and specs

BACKGROUND INFORMATION:

The Engineering Dept posts plans and specifications for projects that are bid to an online system called QuestCDN. This system provides a centralized location that houses plans and specifications before bidding and allows for transparent communication between the City and potential bidders on a project. For the last 4 years, the City has held in-person bid openings at a specific location, date and time while allowing remote participation through online hosting of the meeting. The bidders physically deliver their proposals, contractor's license, bid bonds, and any other required documentation prior to the meeting. These documents are opened and read at the bid opening and reviewed for compliance prior to requesting commission action.

QuestCDN offers a technology solution (vBid) that conducts the bid opening process online. In this system, bidders upload their bid bond, contractor license and submit their bid electronically. This solution allows for reduced errors in submittals, uniform proposals and reduced redundant processes performed by both the bidders and City staff. The Engineering Dept will utilize the online bid opening solution on projects we lead starting in 2024. We will continue to host a public bid opening in the City/County Building and broadcast the meeting online for all interested parties, but instead of opening up physical bids, we will be "opening" the uploaded electronic bids. All bidders wishing to submit a bid will be required to do so through the QuestCDN's system. City Attorney Combs, Finance Director Chernyak, Acting City Administrator Tomanek have been coordinated with before initiating this change. Our conversations with area contractors have been positive as many of the contractors who do work in Bismarck also do work in other cities in North Dakota that have implemented this change to online bid openings.

There is no cost to the City to utilize this system. However, there is a cost QuestCDN charges to bidders for access to its system. QuestCDN establishes a minimum fee for each download of plans and specifications (they can be viewed for free) and for each contractor who submits a bid. The Owner (City/County/etc) can set a fee above the required minimum and participates in a 50/50 revenue share with QuestCDN for all revenue above the minimum fee. The current fee

to download plans and specifications produced by the Engineering Dept is \$75. The recommended fee for 2024 is the minimum QuestCDN fee of \$22 to download and \$42 to submit an online bid. This change will result in a net decrease for all contractors who previously accessed their plans via QuestCDN. No fee changes are recommended for plans and specs printed and mailed by the Engineering Dept and there will remain no fee to bid on a project that does not utilize online bidding.

RECOMMENDED CITY COMMISSION ACTION:

Receive update regarding online bid openings and approve a revised fee schedule to \$22 to download plans and specifications and create a new \$42 fee to submit an online bid.

STAFF CONTACT INFORMATION:

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ATTACHMENTS:

None