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BID ON LARGEST BRIDGE CONTRACT COMES IN UNDER

Value of 3 Superstructure Contracts Nearly Equal to Original 2001 Estimate for Single Superstructure Contract

Baltimore, Md. – The apparent low bid on the final – and largest – contract for building the new Woodrow Wilson Bridge came in at $191 million, which is 25 percent under the budgeted amount of $255 million, reported the Maryland Department of Transportation’s State Highway Administration (SHA). With this bid, the cost of the bridge superstructure is $491 million, just slightly higher than the original 2001 estimate of $487 million.

"We are extremely pleased with the bids on the superstructure. Our efforts to gain value and competition have paid off," said Neil Pedersen, Acting Administrator of SHA. "We are on budget and on track."

Of four bidders, the apparent low bid was submitted by Potomac Constructors, a joint venture of the American Bridge Company, of Pittsburgh, Pennsylvania, and Edward Kraemer and Sons, of Plain View, Wisconsin.

The cumulative value of all Maryland contracts to date (bridge, landside work, environmental mitigation) will be lower than was originally estimated in the 2001 project financial plan. This positive result is due to 12 of 14 Maryland contracts to date having come in under estimate, with an average under of 13.8 percent.

The “Maryland approach” contract covers construction of the bridge from the abutment in Maryland to the draw span just off the Alexandria shore. Crossing more than three-quarters of the Potomac River, the job will build 10 of the new bridge’s 18 spans; the Virginia approach spans are mostly over land.

Building the bridge’s foundations has been underway since July 2001, and the contract is now nearly completed. The bridge will be built in the following sequence:

- Complete Outer Loop Bridge in late 2005/early 2006 to allow transfer of traffic off the old bridge. Initially, this bridge will carry both Outer and Inner Loop traffic. Six lanes of travel with safety shoulders will replace current six lanes with no functional shoulders.
- Complete Inner Loop Bridge in late 2007/early 2008, providing eight lanes for general purpose travel, two lanes for merging/exiting, two lanes for future rail or bus transit or HOV, a local/express lane configuration, safety shoulders and a bike/pedestrian path.
Five adjoining contracts – three for the new bridge and two for the Virginia and Maryland Beltway tie-ins – must meet concurrent milestones. To encourage on-schedule performance, the bridge and highway contracts include financial incentives/disincentives to facilitate concurrent completion.

Chronology of Bridge Contracts:

- October 2000 - Initial construction on the bridge begins with the start of river dredging. The $14 million contract was completed under budget and on time.
- July 2001 - Foundations construction begins. Valued at $125 million, the work now is more than 90 percent complete and is expected to be completed under budget and on time.
- December 13, 2001 - Bid opening for remainder of bridge (BR 3) yields only one proposal that is 75 percent higher than engineers’ estimate.
- January 2002 - SHA rejects bid, forms Independent Review Committee (IRC) to examine why competition was limited and why the single bid came in so far above estimate.
- March 2002 - IRC issues report. Key recommendations: break the BR 3 contract into multiple elements, conduct “value engineering” to identify potential savings, adjust contract specs. to be more “contractor-friendly,” lower bonding requirements, undertake extensive marketing efforts.
- May/June/July 2002 - SHA announces plans for implementing majority of IRC recommendations, including breaking the contract into three elements: the draw span portion (BR 3A), the Virginia approach (BR 3B) and the Maryland approach (BR 3C).
- July 2002 - BR 3A (Draw span portion) is advertised.
- November 7, 2002 - Bid opening for BR 3A.
- February 21, 2003 - Notice to proceed for BR 3A.
- April 22, 2003 - Notice to proceed for BR 3B.
- May 1, 2003 - Bid opening for BR 3C (Maryland approach).
- July 2003 - Anticipated notice to proceed for BR 3C.

How Major Contracts are Awarded

(partial listing of additional steps taken for Wilson Bridge contracts are in bold):

1. Construction contract is advertised in classified sections of construction/engineering trade media. Two half-page display ads were designed and placed in Engineering News Record, a leading trade media outlet. Prior to advertisement, SHA conducted outreach to scores of qualified contractors worldwide.
2. Detailed specifications/plans are made available to potential bidders. Large and complex jobs often encompass phone-book-sized documents. The specifications and plans are available for purchase by contractors at nominal cost to cover duplication. Bid packages were distributed free-of-charge to contractors who had purchased the original superstructure bid package.
3. Group briefings are usually held for interested contractors to present contracts and to call attention to specific contractual aspects. Questions from contractors either are answered on the spot or by mail to all plan holders if the information is not readily available. Pre-bid meetings were conducted, including special outreach to disadvantaged business enterprises.
4. Addenda are sent to bid package holders to clarify or change contract specifications.

Contractor bids are due on a specific date and time. Sealed bids are
physically opened at a bid opening and an "apparent low bidder" is identified. The apparent winner's proposal is then more closely examined to make certain it meets contract specifications and other conditions. Typically completed in a few days, this process also allows non-winners to challenge the apparent low bidder's submission. A legal process is in place to quickly handle bid challenges.

After the apparent low bidder's proposal is verified as correct, various required submissions are made by the low bidder and necessary legal documents are prepared.

Upon execution of all required documents, the contract is formally awarded.

The contractor then receives a "notice to proceed,” which triggers mobilization and actual construction.

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