



Wisconsin DOT pioneers the Bid Express® service, reaps benefits quickly

Needs analysis: WisDOT was assessing all of its systems in the late 1990s and elected to be the first state transportation agency in the US to accept bids online. **Solution:** WisDOT selected the Bid Express service due to its interfaces with existing software systems. **Results:** After a brief implementation period, contractors quickly warmed to the new process. Within a few months, approximately 92% of bids were coming in online. Agency time spend on letting day activities was cut in half.

Wisconsin Department of Transportation (WisDOT) first became aware of the Bid Express service in 1997 when they were implementing AASHTO's (American Association of State Highway and Transportation Officials) pre-construction software modules developed by Info Tech, Inc. They had an existing service that they were using to communicate bidding information to contractors. "During our evaluation assessment we determined that we had three options; create new interfaces from the newly implemented modules to the existing bidding service, develop a new bidding service to interface, or use the Bid Express service that already interfaced," said David Castleberg, Construction Engineering Technology Supervisor with WisDOT in Madison, Wis.

The Bid Express service was fairly new at the time and was offered to WisDOT as a means to provide the current services to their contractors and expand on those services in the future using the Internet. "We decided to take the plunge and be the first state to offer bidding information on Bid Express."

Once the decision was made, it was time to convince the contractors that this was a good idea. This first step in implementation is often referred to as 'one-way bidding,' since contractors download bidding files from the Bid Express service and then submit their bids either on paper or on a disk using the AASHTO's Project Bids™ software. "The biggest challenge facing the contractors was working on the Internet to get their information," Castleberg said.

It was also a change for them to go from an all paper process to a partially electronic process. As a result, WisDOT phased in the use of the software. "When we first implemented, paper was still the main form for bid entry and considered the 'controlling' document. Preparing the bid using the AASHTOWare Project Bids software was still optional and the completed file was submitted on a diskette. They still submitted a signed paper

printout with this method. After a year we went to mandatory use of the AASHTOWare Project Bids and submission of bids on diskette with paper printout backup. Paper still controlled."

Contractors immediately felt the impact of the implementation, but quickly saw the benefits, too. "The time savings for the contractor was the 24/7 access to Bid Express to download their bid files, and in preparing and editing the bids using the AASHTOWare Project Bids," he said. With the Bid Express service, the contractors also had access to planholders and eligible bidders lists that were helpful to those subcontractors who needed to know who to potentially submit quotes to.

There were immediate benefits on the agency side, too. WisDOT received less support calls from contractors looking for bidding information and implemented simple procedures for creating the bid files and posting information to the Bid Express service, which saved time over the old way of doing business.

However, the biggest impact for the department was clearly on the post-letting processing side. With the bid files on diskette, it was a simple process to load the data for further processing. "We no longer had to hand-key all the bid data from paper forms submitted by the contractor. Previously, we had hired six temporary employees each month to key the data from the paper forms. This processing took four to six hours once all the edit checking was done. With one-way bidding, we dropped down to three temps working for two to four hours."

Castleberg and his team felt that the next step was to go with two-way electronic bidding. With this method, bidding information is not only downloaded from the Bid Express web site, but also completed bids are submitted back via the Internet. He knew that the contractors might not be eager to get on board. But, given the success of one-way bidding, they forged ahead.

"We have really enjoyed Bid Express and the service it provides. The contractors pay for the service they receive and the department benefits from the product being managed by Bidx.com. This saves us even more resources."

David Castleberg, P.E., Construction Eng., Tech. Supervisor,
Wisconsin Dept. of Transportation

"The contractors were reluctant when we first proposed the idea of two-way bidding to them. They were hesitant to remove themselves from physically handing off their bid proposal. They had questions about creating Info Tech Digital IDs, error checking, verification of receipt of bids and Internet connection failures. However, I believe that we did a good job of advanced planning with the contractors, so that we were able to answer their questions and rest their fears. Once they realized that it would not be a difficult process for them to manage and they realized the benefits to them, they were ready. We worked with a group of 10-15 contractors, trained them, and conducted two pilot lettings before our final roll-out of two-way bidding. This group of pilot contractors sold the idea to the rest of the industry."

Wisconsin's first two-way letting was a success. There were 21 proposals to let and 99 bids were submitted. Of those, 46 were submitted over the Internet. The contractors did not report any problems. Castleberg attributes this to good planning and training. With two-way bidding, the agency eliminated the remaining three temporary employees.

Castleberg says that two-way bidding quickly became the norm simply because the contractors liked it. "This was evident in the number of contractors submitting bids electronically - even though it wasn't mandatory. They could still submit bids on diskette, but this soon became a small percentage of the bids submitted. Because they were submitting bids from their offices, they no longer had to travel to Madison every month for the letting. This saved them hundreds of dollars each month in travel and hotel costs. The department still held a public reading of the results, but since they were being posted on Bid Express, the contractors could also view the results at their office."

Use of the Bid Express service has also changed the process for getting subcontractor quotes. "Previously, most of the quoting was done in person at the hotel, the evening before the letting. Now quotes are done in advance by fax and e-mail, therefore contractors are preparing their bids in a more timely fashion.

Plus, with the Bid Express service, contractors who bid in Wisconsin, as well as neighboring states like Iowa, Michigan, and Minnesota can use the same Bid Express service for preparing those bids."

Castleberg would advise agencies interested in implementing the Bid Express service to start with good planning and to get the contractors involved early. "The more they feel involved,

and perceive they are part of the process, the better buy-in you will have from them." He also feels that the training and pilot lettings were vital to the process.

"The Bid Express support staff was extremely helpful during our implementation process. We invited them on-site on two occasions to meet with our staff and with contractors to explain the service and answer any questions they had. During our set-up, they were very helpful in answering our technical questions, so that we could get everything configured and running properly. Ongoing support has been very good."

"Our biggest benefit, in addition to reducing the number of staff needed, is in the savings of processing time. A typical letting contains 45 proposals with 175 bids submitted. Prior to one-way bidding, we were still processing and analyzing as late as 5:00 to 7:00 P.M. on the day of the letting. With one-way bidding, we were done at 3:00 to 4:00 P.M., and with two-way bidding we are done by 1:00 P.M.." Castleberg and his team do less error checking because the software does extensive error checking prior to submittal.

Do errors sometimes appear? "Our only errors are from the handful of diskette proposals with paper corrections and a possible 'paper only' submittal." In Wisconsin, diskettes are mandatory if not submitting two-way, and a 'paper-only' submittal costs the contractor \$75 for processing.

"We have averaged 92% of bids being submitted via the Internet since we implemented two-way bidding. As a result, the department discontinued holding the public reading at a local hotel that had been used for over 25 years and moved it to a conference room in our own building. Where there used to be over 200 persons in attendance at the letting, we are now lucky if one or two contractors stop in for the reading."

All in all, Castleberg feels that his agency made a good choice. "We have really enjoyed Bid Express and the service it provides. The contractors pay for the service they receive and the department benefits from the product being managed by Info Tech. This saves us even more resources."

He has only one regret. "I wish we would have implemented two-way bidding a year earlier. We would have saved everyone even more time and money." •



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