

Notice of Public Hearing
LSA Document #07-36

Notice of Public Hearing

Under [IC 4-22-2-24](#), notice is hereby given that on April 5, 2007, at 9:00 a.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Room C, Indianapolis, Indiana, the Indiana Department of Transportation (INDOT) will hold a public hearing on proposed amendments to [105 IAC 11](#), which governs the prequalification of contractors and bidding for construction contracts. The proposed amendments allow INDOT to utilize electronic bidding systems on construction contracts.

The proposed amendments are intended to improve the bidding process for road building contracts. Under the proposed amendments, INDOT could replace its existing paper-based process that requires bidders to purchase paper documents; prepare, tabulate, and review them manually; and transport the completed bid to Indianapolis for opening with an electronic bidding process.

The proposed amendments could have the following cost on the regulated entities for the first year because of the costs of the electronic bidding system that INDOT plans to utilize: 178 bidding firms × \$100 digital signature fee = \$17,800.00, 178 bidders × \$600 subscription fees = \$106,800.00, and 1,943 bids × \$22.50 in bid preparation costs = \$43,717.50 for a total cost of \$168,317.50 in the first year. After the first year, the annual cost on regulated entities would be the same as the first year minus the digital signature fee of \$17,800.00 for a total cost of \$150,517.50. The annual cost decrease of eliminating paper bid preparation would be the following: 1,943 bids × \$32.40 for a total savings of \$62,953.20. Therefore, the net annual impact on regulated entities would be \$105,364.30 in the first year and \$87,564.30 in each additional year. The proposed amendments would result in a significant savings to regulated entities because electronic bidding would require less time in bid preparation, reduce transportation costs, eliminate the need to attend lettings, and result in fewer irregular bids. INDOT estimates that a contractor submitting the average 10.9 bids per year would receive a net annual benefit of \$2,016 when the cost of electronic bidding fees is considered.

The benefits to contractors, which include long term cost savings and increased efficiency, and to INDOT, which include reduced printing costs and staff time spent on entering and tabulating bids, outweigh and justify the cost requirements that this rule would impose.

Copies of these rules are now on file at the Indiana Government Center-North, 100 North Senate Avenue, Room 855 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

Karl B. Browning
Commissioner
Indiana Department of Transportation

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