



Winnipeg  
Construction  
Association

# TECHNICAL BULLETIN

Prepared jointly by the Manitoba Association of Architects and the Winnipeg Construction Association, intended as guidelines to increase awareness of recommended industry practices.



## Technical Bulletin #5

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### Subject: Alternative, Separate, Itemized and Unit Prices

Alternative, Separate, Itemized and Unit Prices complicate the preparation and evaluation process of Base Bid; therefore, they should be avoided, and the Bid Calling Authority's attention should be directed to a clear and concise Base Bid package definition. However, if such prices are still required for information, the Bid Documents should clearly identify these prices and specify that they should be provided by all Bidders within 2 hours after Bid Closing, in which case, all Base Bids received shall remain sealed until 2 hours after Bid Closing.

#### Definitions:

**Alternative Price** – Price for a substituted item or section of the work, to be added to or deducted from the Base Bid price.

**Separate Price** – Price for an additional or deleted item or section of the work, to be added to or deducted from the Base Bid price.

**Itemized Price** – Price for a specific item or section of the work included in the Base Bid, required for information purposes only (e.g. accounting, funding or cost coding) and not to be added to or deducted from the Base Bid price.

**Unit Price** – Client or owner pays a fixed sum for each completed unit of work. All other factors being equal, contract can be awarded based on the unit price of materials.

**Contract Award** – The awarding of contracts should be based on the lowest Base Bid or, if specified in the bid documents, on the lowest combination of Base Bid and accepted alternative and/or separate prices. Unsolicited alternative or separate prices shall not be considered in the contract award. The bid document should always clearly specify what approach the bid-calling authority intends to apply. Failing to disclose to bidders the basis upon which their bids will be evaluated is unfair and cannot be condoned; it may also lead to confusion, reduced participation and contract award challenges.

**Note 1:** Other than the price definitions listed above, this bulletin is consistent with CCDC 23 2005 A Guide to Calling Bids and Awarding Construction Contracts, Sections 4.6 – 4.10