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## **ALTERNATES**

### **RECOMMENDATION:**

1. Alternates should be kept to an absolute minimum.
2. Only additive alternates should be considered.
3. Alternates should be considered in sequential order in determining the low bidder.

### **COMMENTS:**

- A. If alternates are required, they should be limited to four (4) if at all possible.
- B. Alternates should be carefully defined and pertinent.
- C. Owners should be advised by the architect on the need to minimize the use of alternates.
- D. Alternates involving multiple trades should be included in the initial documents and should not be added by addendum.
- E. In the event that deductive alternates are required, all alternates should be deductive. A combination of additive and deductive alternates should not be used.

This recommendation, while not mandatory, is the diligent work of a committee which is drawn from a cross section of the construction industry represented by architects and general contractors. The committee presents this recommendation with the expectation that it will be adhered to voluntarily.



**ALTERNATES (Continued)**

It is the contention of Building Contractors that lower basic bids can be quoted when alternate bids are not involved. When alternate bids must be evaluated during the final stages of bid preparation, time for proper analyzation is not available. The tendency for the contractor is to protect himself. This usually means a higher bid to the owner.

The following situation involving only painting quotations with four alternates is an example.

<u>Painter</u>	<u>Basic</u>	<u>Alt. #1</u> (+)	<u>Alt. #2</u> (+)	<u>Alt. #3</u> (-)	<u>Alt.#4</u> (-)
A	10,000	4,000	2,000	(1,500)	(3,000)
B	13,000	2,000	500	(500)	(2,000)
C	15,000	1,000	2,000	(3,000)	(5,000)
D	11,000	2,000	3,000	(2,000)	(2,000)

The low bidder would be as follows:

Base bid	A
Base + #1	D
Base + #1 and #2	B
Base + #1, #2, and #3	D
Base + #1, #2, #3 and #4	C

Many other combinations are available such as Base + alternates 2 and 4, Base + alternate 3, Base + alternates 1 and 4, etc.

The general contractor does not know which alternates will be accepted. He will probably bid using painter A in the example shown. If the Basic bid plus alternate #1 is accepted, the owner will be paying \$1,000 more than he should, because painter D is low on this particular combination.

With the possibility of this situation occurring for several other subcontractors and material suppliers, the general contractors' dislike for alternate bids is clearly seen.

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**JCR-CD-6**

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