

## **Excessive Use of Alternates**

Owners or designers may elect to include alternates on the bid form. An alternate invites the bidder to increase or reduce its bid depending on whether it chooses to price the alternate. A bidder may decline to price the alternate, but the owner generally has the discretion to select or reject alternates, and thus can effectively determine the overall low, responsible bidder.

Alternates used to manipulate the selection of a low bidder violate Iowa law and violate the principle of accepting and honoring the lowest responsible and responsive bid.<sup>13</sup> A minimal use of alternates minimizes bidder confusion and minimizes claims of improper selection and bid manipulation. Bid forms which contain alternates should be clear as to how contractors are to respond to the alternates; e.g., “no bid.”

It is important to note that voluntary alternates are prohibited and should not be considered in the award of a contract.

<sup>13</sup> As stated in one Iowa case, “The primary purpose of competitive bidding is to prevent fraud and collusion and for protection of public funds.” *Miller v. Incorporated Town of Milford*, 276 N.W. 826 (Iowa 1937).