

Preparing Tenders

This section deals with the preparation of tender documents, and includes discussions on standardized tender documents.

Approval to Tender

Undertaking the tender process introduces legal obligations upon the Government. Once tendered, contracts are formed between the Government and bidders; therefore, certain approvals and documents must be used in the process. The tender process begins with one of two initiating documents:

Requisition for Supplies and Services

A Requisition for Supplies and Services, when properly completed, is the recommended document to use to obtain approval to commence procurement. In addition to providing funding and requirement information, this form also provides a unique reference number that can be used to identify the tender/proposal, contract and financial commitment.

Tender Data Form

The *Tender Data Form* is used primarily by the Dept of Transportation and Public Works & Services to initiate a competitive bidding process for construction contracting. In addition to providing funding and requirement information, this form also provides a unique reference number that can be used to identify the tender/proposal, contract and financial commitment.

Tender Documents

The procurement of goods or services should be governed by appropriate terms and conditions clauses. The conditions to be used will depend on the nature of the procurement. A specific

procurement may only require standard terms and conditions or it may require a more detailed specification of individual terms or conditions (non-standard).

Standard Tenders/Contracts

PW&S has developed a number of standard tender/contract documents which have been reviewed and approved by the Department of Justice and are available for general use by GNWT departments, boards and agencies. Section 1.7 provides additional information.

A standardized tender/contract is a type of recurring tender/contract approved by the Legal Division, Department of Justice, where the terms and conditions remain unchanged, except for the particulars of the parties involved, the work or description of it and price.

TABLE: PWS STANDARD DOCUMENTS

Type of Tender/Proposal	Standard Document
Air Chartering	<i>Request for Tenders/Contract – Aircraft Services</i>
Goods Purchasing	<i>Purchase Order</i>
Goods Purchasing	<i>Request for Tenders</i>
Goods Purchasing	<i>Request for Quotation</i>
Services - General	<i>Universal Service Tender/Contract</i>
Services - Consulting	<i>Universal Service Tender/Contract</i>
Services - Minor Construction	<i>Universal Service Tender/Contract</i>
Standing Offer – Goods	<i>Standing Offer Goods Tender/Contract</i>
Standing Offer – Maintenance	<i>Standing Offer Maintenance Tender/Contract</i>

Standing Offer – Services	<i>Standing Offer Services Tender/Contract</i>
Architect/Engineering Services	<i>A & E Consultant Agreement</i>
Construction Projects	<i>Construction Tender and Construction Contract</i>
Services - General	<i>Request for Proposals – General</i>
Services - Consulting	<i>Request for Proposals – Consulting</i>
Services – A & E	<i>Request for Proposals – A & E</i>

Non-standard Contracts

The *Financial Administration Manual, Directive 3301* clause 3.4 states that all contracts over \$50,000 in value that are non-standard contracts must be approved by the Legal Division, Department of Justice.

As access to legal services is restricted, PW&S staff should forward the contract draft to the Asset Management Division for necessary approvals by Justice.

Tender Periods

The amount of time to be specified between issuing the tender and the closing date will vary depending upon a number of factors including:

- whether the tender will be invitational or advertised
- the type of contract (goods, construction or service)
- particulars of the requirement

In the interests of access and competition, high value and complex requirements should be left open for bid preparation for a longer period, to allow bidders an adequate amount of time to prepare

their responses.

Advertised Tenders

It's essential that the minimum tender period gives contractors sufficient time to prepare accurate bids.

The suggested minimum tender periods for advertised tenders depend on the contract value and scope complexity.

Recommendations are as follows:

Contract Value	Suggested Minimum Times
less than \$100,000	2 working week (10 business days)
\$100,000 and over	4 working weeks (20 business days)

Invitational Tenders & Web Posting

With the issuance of FAM Directive 3401 and the establishment of the Contract Registry, all procurements valued over \$5000 must now be posted to the registry website. The effect of this policy direction is to effectively eliminate the “invitational tender” and put all procurements over \$5000 into the category of public tenders. This does not prevent the contract authority from inviting select vendors to bid on a procurement while still posting it to the registry.

The time period required to obtain tenders using invitational tenders & web posted procurements is generally shorter than that required for publicly-advertised tenders.

Since there are no advertising restrictions, the time period allowed for submitting tenders should be reasonable and sufficient to ensure a reasonable bid response. Some factors to consider include:

- the marketplace

- availability of suppliers or contractors
- location of bidders
- use of facsimile or sealed bids

As a general rule, the minimum time period to be allowed for invitational & web tendering is one week. This is acceptable in the case of simple, well-defined goods contracts, where there is a clearly identified supplier base capable of supplying the goods.

On the other hand, the maximum time to be allowed for tenders is a judgement call and depends on what reasonable time period is required to enable prospective bidders to properly prepare and submit a tender.

Bid Security

Bid security may be required. For a discussion on that, see 3.2 *Bid Security*.

Fee for Tender Documents

In order to offset the cost of printing tender documents a non refundable fee has been established for each set of tender documents supplied to contractors bidding on projects estimated to

Fees for tender documents should not be confused with **Bid Security** (refer to *Section 3.2*).

cost more than \$100,000. It is generally used only in construction contracts. The amount to be charged for tender documents has been established by the Financial Management Board at \$50.00 per set.

Payments for the tender documents may be made by cash, bank draft, money order, certified cheque or by charge to the bidder's GSN account.

This fee for tender documents does not normally apply to *Request for Proposals* and must not be charged to:

- construction associations
- hamlet/community offices
- regulatory authorities
- other GNWT departments

Refunds may be made by way of credit note only if the:

- project is cancelled;
- contractor did not receive tender documents within a reasonable time and was unable to bid;
- payment has been received and not credited to the contractor's account.

Plan Holder's Log

For construction tenders only, a *Plan Holder's Log* must be maintained. Contract documents sets should be numbered sequentially and referenced in the log as they are distributed. The log should contain the name and the address, telephone number, fax number and email address of every company or person who requests a copy of the bid documents.

The *Plan Holder's Log* is public information and is available to the public at any time prior to or after tender closing. In extreme circumstances, and only following discussion with the Regional Superintendent or Director, Asset Management Division, the *Plan Holder's Log* may be deemed confidential.

Immediately prior to tender closing, caution should be exercised if no general contractors or only one general contractor has picked up documents. If an interested bidder knows this information, that bidder will be aware that there is no competition. In this case, the log should still remain public, but the contract co-ordinator should make a note of the circumstances. Following closure of the tender, a review should be conducted to determine whether the bid in fact represents competitive bidding.

The information contained in the *Plan Holder's Log* (bidder's name and address) may be provided over the telephone or by facsimile to the person requesting the information. That person will

determine who is a general contractor and who is a subcontractor. If drawings or contract documents are available in several centres, you must also advise the person making the inquiry. It is then up to that person to obtain the *Plan Holder's Log* from those other centres.

Extreme care must be taken so that incorrect or misleading information is not provided during the tender process.

Tender/Proposal Register

In case of tenders or proposals for goods or services, a *Tender/Proposal Register* containing a record of the names and addressees of all vendors who have been invited to bid or who have requested and received documents should be maintained.

Tender Opening Centres

PW&S has a number of *tender opening centres* throughout the NWT. These are provided with regional and area centres where the Department conducts contracting activities. A *tender opening centre* is a location from which tender documents will be distributed and where tenders will be received and opened.

The following is a current listing of PW&S *tender opening centres*:

Yellowknife	Regional Office
Yellowknife	Headquarters
Inuvik	Regional Office
Fort Smith	Regional Office
Hay River	Area Office
Fort Simpson	Area Office
Norman Wells	Area Office

For projects, the number of such locations to be used will generally depend on value and type of contract. The following guidelines are consistent with the needs of the NWT construction industry and is recommended particularly for construction contracts:

- **under \$250,000** – tender documents should be distributed and received at the issuing office.
- **\$250,000 to \$500,000** – tender document should be distributed and received from regional tendering office
- **over \$500,000** – tender documents should be available for distribution from the issuing office, any Area offices and the North Slave Regional office. Tenders should be received at the issuing office and the North Slave Regional office.

Tenders for goods and maintenance services should normally be received and opened at the originating office.

It is imperative that tenders close simultaneously at all tender opening locations.

Facsimile Tendering

The use of facsimile transmissions has become widespread and legally acceptable over the past few years. Receipt of facsimile bids could be considered routine for low value tenders, depending on whether the requirement lends itself to the technology.

For contracts exceeding \$100,000, it is recommended that Regional Superintendents or Divisional Directors be consulted prior to using facsimiles.

To protect the Government from the possibility of claims for breach of confidentiality, technical breakdown and other issues related to the receipt of bids, the *'Instructions to Bidders'* section of the tender documents must contain conditions under which facsimile tenders will be accepted.

Current PW&S standard tender documents contain such conditions.