

Tender Award

This section describes awarding the contract and notifying bidders. Once the tender review process has been completed, the purchaser should be in a position to either award the contract or to obtain approval to make the award.

Once internal authority or approval has been obtained to award a contract, the successful bidder must be notified of the acceptance with minimum delay.

Tender Acceptance Period

Although an award may be made at any time after the tender closing, the bidder is not bound to accept the award after the specified tender acceptance period. If it appears unlikely that an award will be possible before the tender acceptance period expires, the bidders may either be notified that the acceptance period has been extended, or requested to extend the terms of their tender bids beyond the acceptance period. The procedure for extending the acceptance period depends on the type of tender/contract that is used.

Methods of award notification used for PWS contracts are a *Purchase Order*, *Letter of Acceptance* and *Contract*.

Purchase Order

The *Purchase Order* is used to notify successful bidders for all goods tender awards. In addition to acceptance of the tender, the *Purchase Order* serves to provide specific information relative to shipping and invoicing.

Letter of Acceptance

Letters of Acceptance may be used to notify successful bidders of contract awards for all service and consulting contracts. A *Letter of Acceptance* is a formal acceptance of an offer; it constitutes a legal agreement or contract between the GNWT and the contract party.

The purpose of the Letter of Acceptance is to allow the contractor to commence the work before a formal contract is issued. It allows the contractor to pre-order material, assign resources or to obtain bonding or proof of insurance.

Contract

A formal contract incorporating the terms described in the tender may be sent to the successful bidder for execution.

Important Points of Notification

The award notification should be reviewed carefully to ensure the following details are accurate:

- the award is made to the approved bidder
- the bidder's name and address are identical with those under which the offer was made
- the description of the goods/service/project and the delivery location is identical to that quoted in the tender or proposal
- the contract price shown conforms with the bidder's offer, including any amendments (which should be noted)
- the offer being accepted is correctly identified - i.e., options or alternatives need to be identified if they are being accepted, etc.

Notification of contract award is normally sent by facsimile. It is important that a confirmation of transmission is received and kept on file. In most situations, the original award document should also be sent by mail.

Letters of Regret

Letters of Regret are used to notify the unsuccessful bidders or proponents that a contract has been awarded to another party.

Letters of Regret are generally used only on large dollar value tenders, in excess of \$100,000, and then, only when there is a return of a vendor's bid security involved.

The following sample letter is provided for the purchaser's use:

Sample Regret Letter

Dear Sir:

Re: Tender Name/Reference, Community

Thank you for your tender for the above referenced requirement. We regret to inform you that your bid was not accepted. The bid from _____ was accepted.

(Insert the following where applicable only) Enclosed herewith is the bid security which accompanied your tender.

We appreciated your support and hope you will continue to bid our projects in the future.

Sincerely,

