

## Proposal Award

This section describes awarding the contract and notifying proponents. Once the proposal evaluation 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 proponent must be contacted and final negotiations undertaken to conclude a contract with minimum delay.

### Negotiating the Contract

If you have included a *Pro-Forma Contract* as part of the Request for Proposals, you have already established the essential contract terms that are considered as mandatory to the process.

It may be necessary to undertake negotiations with the “leading” proponent in order to conclude the contract. These negotiations are likely necessary to finalize details of the work, deliverables, costing or contract terms.

Providing the proponent has not presented unacceptable contractual terms as part of his proposal, **do not advise the proponent that they have “won”!** If contractual items are still to be finalized and you indicate to the proponent that they are the winners, your negotiating position will be diminished. Instead, you may wish to advise them that, after initial evaluation, their proposal was rated the highest and could potentially provide the best value, but a final written contract still needs to be prepared. Ensure that the proponent understands that until such contract is finalized, there is no contractual relationship.

**Caution:** Negotiations do not mean fundamentally changing the requirements or the proposal. Minor negotiations necessary to finalize the contract and provide clarity and understanding of the respective roles and responsibilities are acceptable. In some cases, it may be necessary to revise the scope of the work, but this should not be a significant change.

While the RFP documents and proposal will normally be incorporated into the contract, you must ensure that all negotiated points and understandings be explicitly incorporated into the contract language, including finalized pricing details, deliverables and schedules.

## Letters of Acceptance

*Letters of Acceptance* are used to notify successful contractors of contract award for all service, construction and consulting contracts. A *letter of acceptance* is a formal acceptance of a proposal; it constitutes a legal agreement or contract between the GNWT and the contract party.

The following sample letters may be useful after the final contract negotiations.

### ***SAMPLE RFP LETTERS – SUCCESSFUL PROPONENT***

RE: REQUEST FOR PROPOSALS - (name/reference/number, etc.)

Thank you for your proposal dated (Proposal date) for the above reference project. The Government of the Northwest Territories is pleased to announce it hereby accepts your proposal. Please consider this letter as the GNWT's commitment to enter into a contract. This is your authorization to proceed with the work in accordance with the terms of the contract documents.

In awarding this contract to you, we want to take this opportunity to remind you that local and northern involvement on our projects is a very high priority with the GNWT. Therefore, we expect that you will make every effort to meet the levels that you proposed and hopefully will not stop there but will look for other means to increase even further, the level of northern and local involvement.

The formal contract documents are being prepared and will be submitted to you shortly for execution.

Chairman of Evaluation Committee  
Deputy Minister, or  
Contracting Authority  
(as the case may be)

## Letters of Intent

It is important to understand the difference between a *Letter of Acceptance* and a *Letter of Intent*. A *Letter of Acceptance* formally accepts the proposal offered. A *letter of intent* **does not accept an offer**, but merely indicates the intention to accept an offer at some point in the future (usually, specific conditions must be met before acceptance will be noted). A letter of intent does not constitute an agreement between two parties; if improperly construed, it can cause a great deal of difficulty. For this reason, *letters of intent* **should not be used**.

## Letters of Regret

It is recommended that you advise the losing proponents by telephone or electronic mail immediately upon concluding a contract with the successful proponent. This should be followed up with a formal letter of regret.

*Letters of Regret* should be used for all proposals.

The following sample letter is provided for the purchaser's information and use and is typical of the information that should be provided to the losing proponents.

**Sample Regret Letter**

Dear Sir:

**(Proposal Name/Reference Number; Community)**

Thank you for your proposal dated \_\_\_\_\_ for the above referenced work. We also received proposals from:

We evaluated all proposals in accordance with criteria outlined in the Request for Proposals.

We regret to inform you that your proposal was not accepted; we accepted the proposal from . Your proposal was (*good, acceptable, unacceptable*), but could have been stronger in the following areas:

1. (*indicate items as noted in the rating format where points awarded were relatively low*)

Should you desire, we can also be available to discuss your proposal with respect to its strengths and weaknesses.

We appreciate the time and effort you spent in preparing your proposal and hope you will continue to submit proposals when requested.

Yours sincerely,

