

PROCEDURES
AND
GUIDELINES
RECOMMENDED
FOR USE
ON PUBLICALLY-FUNDED
CONSTRUCTION PROJECTS



Produced by the
**PUBLIC CONSTRUCTION COUNCIL
OF BRITISH COLUMBIA**

Introduction

This set of guidelines is intended to provide direction and guidance on those contract arrangements and procedures for publicly-funded projects which are acceptable to public owners, the consulting professions and the construction industry.

The Canadian Construction Document Committee (CCDC), 85 Albert Street, Ottawa, Ontario, K1P 6A4 has prepared standard documents and guidelines that are widely used in the industry and which are in addition to these guidelines and believed by the Public Construction Council of British Columbia to be complementary to these guidelines.

Since these guidelines might well be consulted by people and organizations with widely varying degrees of knowledge of construction industry practice, an attempt has been made to give both general background information as well as specific contract guideline considerations.

Readers must be cautioned however, that there are many, many factors that may influence and affect appropriate or preferred contractual arrangements for any project.

Some of these factors include the type of project, size of project, location, prevailing economic conditions, and other such matters.

By necessity then, these guidelines simply set forth some but not necessarily all of the factors regarding the construction process that might be considered before embarking upon contractual arrangements.

These documents are to be considered guide-lines only, and cannot provide or be considered any form of assurance of contract award, expedited construction, administrative expediency nor trouble free contractual arrangements. Ever-changing conditions, laws, standards and practices affecting the industry militate against this. Nonetheless, it is hoped that these guidelines will assist the expedition of the complicated process of construction bidding and implementation.

Acknowledgement

This is the fifth edition of the document, “Procedures And Guidelines Recommended For Use On Publicly-Funded Construction Projects”. It is produced by the Public Construction Council of British Columbia and updated as required.

The Council is dedicated to providing a forum where issues involving both the purchasers and sellers of public sector construction in the province may be discussed openly and constructively for the benefit of both.

The Council is not actively involved in the fields of Arbitration and Mediation. It is, however, capable of directing those who wish these services to parties who provide them. Enquiries should be directed to the General Secretary of the Public Construction Council.

The Public Construction Council’s Documents Committee acknowledges the input and assistance received from all members of the Council during the preparation of this document.

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Public Construction Council of British Columbia

The Public Construction Council is a voluntary group with official representation from:

- Public owners engaged in Construction Projects
- The Construction Industry
- The Consulting Professions

Members

Public Owners:

- University of British Columbia
- Simon Fraser University
- B.C. Buildings Corporation
- Ministry of Forests
- University of Victoria
- B.C. Hydro
- Public Works & Government Services Canada
- Ministry of Skills, Training & Labour
- Ministry of Education
- Ministry of Health
- B.C. Transit Authority
- B.C. Ferry Corporation
- Ministry of Transportation and Highways

Construction Industry:

- British Columbia Construction Association
- Electrical Contractors Association of British Columbia
- Mechanical Contractors Association of British Columbia

The Consulting Professions:

- Architectural Institute of British Columbia
- Consulting Engineers of British Columbia
- Quantity Surveyors Society of British Columbia

Industry Communications:

- Journal of Commerce

Established in 1974, the Council's main function is to provide a forum where issues may be discussed freely and constructively for the benefit of the Public Owner and the Construction Industry. Many issues have been amicably resolved through the valuable direct contacts provided by the Council membership.

Meetings are held every three months or as required and various committees are formed for specific purposes.

The standing committees of the Council are:

- Membership Committee
- Documents Committee
- Speakers Committee

The Construction Industry, Public Owners and the Consulting Professions are encouraged to bring their concerns and assistance to the Council in order to enhance relationships in the industry.

Contact with the Public Construction Council of British Columbia can be made through the General Secretary at the office of the B.C. Construction Association, Suite 400, 3795 Carey Road, Victoria, B.C.
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Tendering Procedures for Publicly-Funded Construction Projects

1. GENERAL INFORMATION

1.1 Major Steps in a Construction Project

The major steps in a typical construction project are listed below in chronological order.

- (1) Establish the need for a construction project. Complete preliminary assessment of the amount of funding required and the source of the funding.
- (2) Produce written description of requirements of the project. On larger projects this is often called a Facility Program which describes functional and space requirements. Establish interim budget and time schedule.
- (3) Retain design consultants as appropriate for the project.
- (4) Design project. Depending on the size of the project this may be in several stages.
- (5) Produce contract documents including
 - Front End Documents
 - Specifications
 - Working Drawings
- (6) Advertise the project for public tenders.
- (7) The tendering period.
- (8) Receiving tenders.
- (9) Opening tenders.

(10) Reviewing tenders.

(11) Post tender negotiations.

(12) Awarding the contract.

(13) Construction of project.

(14) Acceptance of project.

1.2 Public Owners

The main emphasis of the public owner when purchasing construction is on the need for public accountability.

Public accountability can be in many forms. Examples range from answering private citizen's requests for information to assuring participants in the bidding process of equitable procedures to a full public enquiry or litigation.

All participants on publicly-funded projects must be aware that the process is open to public investigation.

The public owner is advised to choose forms of tendering and contract arrangements in which the method and criteria for choosing the successful bidder are clearly identified. This is usually the low bidder who has met the terms of the tender documents.

It should be noted there is legal precedent against changing the terms of tendering arbitrarily once tenders have closed.

In practice, both private and public owners use very similar methods of tendering and contract arrangements.

1.3 Purpose of Tendering

The purpose of tendering is to get the best competitive price from all contractors who wish to submit a bid and are able to meet the terms of the contract.

Tendering is an expensive process. It is not a method to obtain free estimates. Experience has shown that once contractors are aware of irregular tendering practices they may either not bid such projects or increase the amount of the bid to allow for increased costs.

1.4 Recommended Forms of Contract

There are various methods and procedures of contracting which all have advantages in certain circumstances.

The two recommended forms of contract for publicly-funded projects are the stipulated sum contract and the unit price contract.

(1) Stipulated Sum Contract

This is the recommended type of contract for most public construction projects and is by far the most widely used. These guidelines are written largely on the basis of stipulated sum contracts.

The owner and the owner's consultants design the project and prepare full contract documents prior to tendering. The project is then tendered and the contract is awarded to the low bidder meeting the requirements of the documents. The stipulated sum given by the general contractor becomes the cost of the work subject to changes to the scope of the work authorized by the client or the client's representative.

Experience has shown that this form of contract is often faster than other forms as the contractor is able to fully plan and co-ordinate the work on commencement of construction.

(2) Unit Price Contracts

This is a form of contract usually used for engineering projects such as road building, bridges and dams where the actual conditions on the site may vary from the predicted conditions.

The work is divided into a series of units. Each unit has a description of the work, an estimation of the quantity of work and a price. An example would be: Mass rock excavation 1000 m³ at \$_____ is \$_____.

A unit price contract may also contain lump sum items such as a complete structure where the design is complete and all information is shown on the drawings and specifications.

The contractor gives a unit rate for each of the different categories. The calculated quantity is multiplied by the unit rate to give the price for each item. The unit rate includes all profits, overheads and other costs. The tendered contract sum is derived from the sum of all the items.

The final cost of the contract is established by measuring the actual quantities encountered at the site and applying the contract unit rates to each of the different items.

As economies of scale can create unfair pricing for both the owner or contractor if significant variations from the estimated quantities occur, both are usually protected by limiting the use of the unit price to a predetermined percentage variation from the quantities specified in the construction documents (typically 20%). Deviations beyond these percentage variations are subject to negotiation.

The key to the success of this form of contract is to have proper investigations and design completed prior to tendering and giving detailed descriptions of the various items. This enables contractors to submit realistic bids and to reduce the unknown factors to a minimum.

1.5 Forms of Contract for Special Circumstances

In some special circumstances there are procedures and forms of contract that may be preferred over the two previously recommended forms of contract.

Each of these methods can and have been successful on public projects. However, they do require careful administration to avoid major problems and concerns on projects.

The names given to these methods of contracting are not precise due in part to the numerous variations possible in the contract arrangements.

(1) Cost Plus Contracts

The contractor is paid the actual cost of labour and materials plus overhead and profit.

Cost plus contracts are used in some special cases such as in an emergency where work is required immediately or where the scope of the work is difficult to determine.

There are several versions of the system that generally relate to methods of determining acceptable costs, overhead costs and profits.

While any form of contract can be successful it should be noted that cost plus contracts can be difficult to control.

(2) Management Contracts

There are two basic types of management projects:

(I) Project Management where a Project Manager manages and controls the planning, design, contract document production, tendering and construction.

(II) Construction Management where the manager manages only the tendering and construction section of the work.

In practice, the two terms are used fairly loosely and somewhat interchangeably. There are numerous variations in the terms of reference for management contracts. These

variations usually reflect the needs of the owner in choosing the management form of contract.

Management contracts can be used successfully on all construction contracts. However, they are more frequently used on contracts where the number of contractors able to bid the project is limited.

The success of the system depends very much on the ability of the manager and in practice there are few qualified managers that specialize in this form of contract.

Management contracts also tend to suffer from disputes, usually as the result of overlapping responsibilities of manager, consultants, and contractors.

As there have been a number of major problems on publicly-funded projects, it is recommended that public owners obtain independent advice and carefully assess the other options prior to choosing any form of management contract.

(3) Fast Track Contracts

The term "fast track" means different things to different sectors of the industry.

Basically, it is a method of sequencing the phases that attempts to expedite the construction of a project. Usually the construction starts before all aspects of the design are complete. An example would be where the excavation starts before the structural design is complete.

Fast tracking is often used on commercial projects such as a manufacturing plant or shopping centre where the building designs are fairly simple and comparative costs to other similar buildings are readily available. In addition, the construction costs of these types of buildings may be less important than the value of benefits of putting the facility into operation. There is a danger of compressing the design time as it often leads to requiring substantial changes being made to meet the owner's final design requirements.

Fast tracking has a history of creating problems, cost overruns and disputes, and it has not always proven to be faster.

(4) Design and Build Contracts

This is a system whereby an owner acquires finished accommodation by requesting proposals from developers who usually have special knowledge and experience in the type of building required.

The system generally works best for standard type buildings such as simple offices and warehouses.

There is also merit in the owner leasing the space and making the developer responsible for the viability of the capital expenditures and building maintenance.

Special buildings such as schools, hospitals and other single purpose public buildings are not suitable for developer proposal types of contract.

2. FRONT END DOCUMENTS

2.1 Introduction

The first section of the Construction Documents outlines the contractual basis of a construction project and are known in the industry as the "Front End Documents". These sections of the specifications are usually based on standard documents which must be adjusted to suit the requirements of each project.

Many of the items in the front end documents become very significant when disputes arise. Therefore, it is important that the contract be administered in accordance with the full understanding of these items. Failure to follow contract procedures may make special provisions void as the procedures actually being used may be accepted over the written contract in any legal judgment.

These guidelines give recommendations on the front end documents suitable for publicly-funded projects.

2.2 Contents

- (1) Notice to Contractor

- (2) Specification Index
- (3) Instructions to Bidders
- (4) Form of Tender (based on CCDC documents)
- (5) General Conditions (based on CCDC documents)
- (6) Supplementary General Conditions
- (7) The Addenda

2.3 General Notes

(1) Selecting the Tender Date

Where feasible, tendering authorities are advised to ascertain what other projects are being advertised and the date when the tenders close. The closing of several projects close together may restrict bidding by general contractors, sub-contractors and suppliers.

(2) Length of Tender Period

Owners are advised not to try and save project time by unreasonably reducing the tendering time.

If there is not sufficient time allocated for the tender period the general contractor may be unable to prepare the best tender possible. As a result the owner may pay a higher price for the building than is necessary. Tendering authorities should bear in mind that contractors and sub-contractors cannot always start work on a tender on the day that documents are available. Therefore, in a very short tender period it may be impossible for sub-contractors to obtain drawings and specifications. It must also be remembered that when the Bid Depository system is being used subtrade prices must be submitted to the Bid Depository not less than two working days before the general contractors' tenders close.

For projects of less than \$250,000, the tender period should be 2 - 3 weeks; for projects above that amount the minimum period should be 4 weeks. Large or complicated projects should be at least 6 weeks.

(3) Irrevocable Tenders

The tenderer, by submitting an irrevocable tender, agrees not to withdraw the tender

for a specific period of time. This in effect makes the tender irrevocable from the time tenders are closed until the expiry of the stated period for acceptance.

(4) Separate or Alternative Prices

Where the scope of work is clearly defined and sufficient budget flexibility exists to provide for tender price variations, it is recommended that separate and/or alternate prices not be used, these being the majority of construction contracts.

In large projects, as most public owners are working within strict budget constraints, the inclusion of separate and/or alternate prices may be necessary to provide a fair and competitive means of meeting, within the tender process, a specific budget.

There are two procedures for obtaining these prices.

The first method is where the separate and/or alternate prices affect the base price and are considered in determining the low bid. In this case the low bidder is chosen by combining the base bid plus or minus the separate and/or alternate prices that are either accepted or rejected. This also means the low bidder may be determined by which combination of separate and/or alternatives are accepted, which can lead to allegations by the bidders of manipulation by the public owner.

The second method used is where the low bidder is chosen on the base bid and the separate and/or alternative prices do not affect the selection procedure. This means the separate and/or alternate prices need not be competitive and can result in major variations in the prices quoted.

The tender documents should clearly indicate which of the above two procedures is to be followed.

Where separate and/or alternate prices that potentially involve multiple trades are part of the tender the following principles should be adopted:

A tender process which allows adequate time prior to the submissions of bids, for the general contractor to estimate a price for the scope of work included in the alternate and/or separate price, must be provided. For this purpose the use of the British Columbia Construction Association Bid Depository system is recommended.

A list of subtrades intended to be used by the general contractor for the base bid, separate prices and/or alternate prices must be provided as part of the tender submission. The tender authority must enforce the use of these subtrades to avoid what is often called "bid shopping".

The use of separate and/or alternate prices should only be used to meet target budgets and should be restricted to no more than 10% of the tender price in total value. The use of separate and/or alternate prices as a shopping list is to be discouraged.

(5) Unit Prices

It is recommended that unit prices be limited to the civil engineering work of the construction project and that they be used in the manner shown on page 10. Again, proper investigations, design and full description are essential to reduce the unknown factors.

Where unit prices are used in conjunction with a stipulated sum contract and the work is not included in the base tender price, the documents should provide for the unit price and a specified quantity to be considered in determining the lowest complete price for the total job in the award of the contract.

Where unit prices are used in conjunction with a stipulated sum contract and a specified quantity of work is included in the base tender price, the documents should provide for the unit price to be applicable only when the estimated quantities are exceeded.

(6) Prequalification of Bidders

The prequalification of bidders should not be used in publicly-funded projects without special reason. For example, where bidders must have special expertise, prequalification may be justified.

It is recommended that the requirements of prequalification be specifically identified and that advertisements be placed requesting submission of qualifications prior to the bidding process.

It should be noted that determining prequalification criteria and qualifications can be difficult and contentious.

2.4 The Documents

(I) Notice to Contractors

This should include statements on each of the following:

- The name of the project (preferably in capital letters).
- The type of contract, i.e. whether it is for a general contract, a separate contract of one element of the building such as excavation, or a series of subtrades that form a part of a general contract.
- A brief description of the work, sufficient to allow contractors to assess whether or not they wish to bid the work.
- The time, date and place from which documents can be obtained, the amount of the deposit required and to whom the deposit is payable.
- The number of sets of documents that will be issued to general contractors. If it is intended to issue documents to some subtrades, the names of those to whom they will be made available should be stated.
- The construction association plan viewing rooms at which plans will be available (two or more sets should be at each location).
- The period for which the price is to remain unchanged.
- The bond requirements.

Bid Depository procedures will apply as per the Instructions to Bidders.

State the time, date and place of opening of tenders. Note the time is to be stated in Pacific or Mountain Time, Standard or Day-light Saving Time. If the place is a room within a building the room number or name must be given. Problems have occurred where tenders or revisions by telegram or facsimile have been delivered to the building but not passed on to the actual tendering room. The time and date up to which bids will be received and the tender opening time should be the same.

Tenders will be opened publicly.

A statement that the lowest or any tender will not necessarily be accepted should be included.

The name and address of the prime consultant should be included.

Addenda will be issued to Plan Rooms and registered holders of sets of contract documents.

(II) Instructions to Bidders

Information on the following is to be included in the documents in a section designated "Instructions to Bidders".

(1) Description and Scope of Work **Description**

- Name and address of the project.
- New work, alterations, additions.
- Work not included in the contract.
- Owner supplied material.

Scope

- State the limits of the work in sufficient detail that the bidders understand the scope of the contract.

(2) Project Consultant

- Name, address, telephone number and facsimile (fax) number of the prime project consultant to whom inquiries should be addressed.

(3) Submission of Tenders

Envelope

- In sealed envelope supplied or, if none supplied, addressed to tendering authority and with name of project on face of envelope.
- Name and address of tenderer on face of envelope (required if tender is late and must be returned unopened).
- Tenders are not to be submitted by facsimile.

(4) Delivery

- Address of place of delivery; if possible state the room to which it is to be delivered.
- Date and time of receipt of tenders in Pacific or Mountain Time, Standard or Day-light Saving Time as appropriate.
- Date and time of opening tenders if this is different from the time of receipt.
- No tenders will be accepted after the receipt time; late tenders will be returned unopened.

(5) Amendments

- Changes to the tender must be in writing; no telephoned messages will be accepted; telegrams must have the confirmation delivered prior to the time of receipt of tenders; telex and facsimile (fax) may be accepted. State fax telephone number.
- A revised price is not to be given; only the addition to or deduction from the tender price and changes in dates and names of subtrades are to be stated.
- Late arriving amendments for whatever reason are not to be considered.

2.5 Contract Security

On some projects tendering authorities may accept certified cheques or cash in lieu of a bid bond.

Tendering authorities should be aware, however, that anyone with adequate financial resources can provide cash or a certified cheque for contract security.

Bonding companies, on the other hand, provide only to contractors they believe can perform the work. Therefore tendering authorities are assuming a greater risk in accepting cash or certified cheques rather than requiring bonding.

When dealing with bonds the following guidelines are recommended:

- Bonds shall be in the forms of the following CCDC documents:
 - 220 Bid Bond
 - 221 Performance Bond
 - 222 Labour & Material Bond

(Or on a form as specified by the tendering authority)

- A bid bond is required for jobs exceeding \$100,000 in value.
- The amount of the bond is to be stated as a percentage of the tender amount or as a specified dollar value (normally 10% of the tender price).
- Bid bond is to be issued by a company licensed to transact business in the Province of British Columbia.
- Bid bond will be retained by owner until agreement has been signed and performance bond and labour and material payment bond has been provided, each in the amount of 50% of the contract price.
- Bid bonds of unsuccessful bidders will be returned after the contract has been signed.
- Bonding of subtrades to be in accordance with latest Rules of Procedure of BCCA Bid Depository.
- The bond is to state the name of the project.
- There is not to be a description of how the bond is to be applied; this is clearly stated on the bond.

2.6 Bid Depository

When the Bid Depository is called for:

- Latest BCCA Rules of Procedure to apply.
- List the trade sections that are to be deposited in the Bid Depository.
- Provide names and addresses of Bid Depositories to be used.
- Date on which trade section bids will close (two working days before general contractors' tenders).

2.7 General Instructions

(1) Acceptance of Tenders

- Lowest or any tender not necessarily accepted.
- If the tender is awarded, it is awarded to the lowest qualified bidder.
- If a tender includes separate or alternate prices refer to Section 2.3.
- Unit Price contracts to be awarded on the basis of lowest sum of all the items.

(2) Equivalent Products

- Tender to be based on the product specified.
- For approval of equivalent products, submit request in writing to the prime project consultant at least 10 working days prior to closing of depository bids or in such time as to permit transmission of the approval to other bidders.
- State information required.
- Approval of equivalent products will be only by addenda.

(3) Qualification of Bidders

- A clause requiring a bidder to submit details of his experience or financial status in the tender documents, should not be included. A clause requiring the successful low bidder to provide such information prior to acceptance of the tender is appropriate.
- Those contractors who are successful in their bid on a public project must be registered with the Workers' Compensation Board. The contractor must be required to use qualified personnel who have been trained and follow the WCB (and other pertinent) regulations.
- It is the goal of the Public Construction Council to achieve quality workmanship and a zero accident frequency.

(4) Clarification of Documents

- Request for clarification to be submitted at least 10 working days before closing date of Depository Bids - where necessary, an addendum will be issued.

(5) Site Examination

- When a site examination is required it should be mandatory for all bidders and attended by a responsible representative of each bidding company.
- If the work is an existing building, state the arrangements to be made for site visit.
- Bidders to examine site and ascertain all site conditions pertinent to the contract.

(6) Labour

- It is the responsibility of the contractor and the sub-contractor to ascertain the labour conditions existing on the project, with particular reference to union or non-union labour, and to comply with these conditions. The cost of doing so shall be included in the tender price.

(7) Taxes

- Federal Goods and Services Tax (GST) is not to be included in the tender price or be considered part of the contract price. This tax is to be charged over and separately to any progress claims or invoices during the term of the contract. GST on that part of a claim for payment held for Builders Lien purposes, does not become payable until payment of the holdback by the public owner.
- Include all other taxes and duties. Taxes already announced prior to the calling date of tenders and due to come into force during the course of the contract are to be included in the bid.
- Any tax adjustments made after the calling date for tender, are to be included by an addendum.
- Tax adjustments, due to changes made after the date of calling tenders and not covered by an addendum, will decrease or increase the contract price accordingly.

(8) Insurance

- If the contractor is providing insurance it is to be in accordance with GC20 Insurance of CCDC2.

(Tendering authorities should make themselves aware of current prevailing minimum acceptable levels of liability insurance).

(9) Contract

- To include the following:
 - Form of Tender
 - Standard Form of Agreement including General Condition and Supplementary Conditions, if applicable
 - Instructions to Bidders
 - General Requirements
 - Drawings as listed in the Agreement
 - Specifications
 - Addenda listed in the Form of Tender
 - Addenda or letters issued following negotiations after tender opening

(10) Deposit

- Drawings and specifications to be returned in good condition within 30 days from receipt of tenders for refund of deposit.

(11) Special Information

- Any special information regarding the construction work, e.g. if required, outline the schedule of work to be performed in a particular sequence, or areas of the site to which access is to be confined.

NOTE: As scheduling of work may add considerably to costs it is important to fully describe the scheduling of work. Clauses such as scheduling of work to be agreed with owner are not practicable. (Where the work is done to existing buildings it is often impractical to continue the operations within the buildings while building work is under way as even minor work can be disturbing to occupants).

3. FORM OF TENDER

3.1 The Project

Allow 3 lines for the name of the project.

3.2 Submitted By

Allow 3 lines for the name, address and telephone number of the tenderer.

3.3 Submitted To

The owner should enter his legal corporate name such as the name of the public society, crown corporation, ministry, etc.

The tender should not be addressed to the administrator or any other person or group of people, e.g. “Gentlemen”, or “Sir”. It is the corporate body that will accept the successful tender and therefore must be the recipient of the tender.

3.4 Offer

State the following:

“The undersigned, having examined the Contract Documents as listed in the Instructions to Bidders and having a full knowledge of the locality and conditions affecting the Work, do hereby offer to complete the Work in accordance with the Contract Documents for the sum of _____ () in lawful money of Canada.”

This amount includes all cash allowances, contingencies, taxes and duties in force or announced at this date, except as otherwise provided in the tender documents.

The Contract Documents should not be listed here. Usually, a list is used as part of a standard document for all tenders that a tendering authority may call and so may contain errors when applied to a specific contract.

THE ABOVE ITEMS should all appear on page 1 of the Tender Form to permit easy reference at the opening of tenders.

3.5 Security

State the following:

“I enclose herewith a bid bond in accordance with CCDC 220, made out to _____ (name of Owner) _____ in the amount of ten percent (10%) of the tender issued by a company authorized to transact business in the Province of British Columbia.”

NOTE: There is no need to refer to the terms of the bond regarding failure to sign a contract or provide the required contract surety as these are stated on the bond. A letter of consent of surety is not to be specified and the bond is to be for ten percent of the tender, not for a specified amount of money.

3.6 Acceptance

State the following:

“If notified in writing by the Owner or its authorized representative of the acceptance of this tender within thirty (30) calendar days of the tender closing date we will commence the work within fifteen (15) days of such acceptance and:

Execute the Form of Agreement of the Canadian Standard Construction Document - CCDC-2 1982 amended by the Supplementary General Conditions (or other Standard Form of Agreement);

Provide the documents by Supplementary General Condition GC 14.1 - CERTIFICATE OF PAYMENT:”

If tenders are not to be Irrevocable, phrases such as “This tender will remain firm” or other similar phrases are not to be used.

3.7 Addenda

State the following:

“Acknowledgement is hereby made of receipt and inclusion of the following addenda to the Contract Documents:

Addendum No. ____ dated ____:____ pages
Addendum No. ____ dated ____:____ pages
Addendum No. ____ dated ____:____ pages
Addendum No. ____ dated ____:____ pages
Addendum No. ____ dated ____:____ pages”

Where several or extensive addendum are issued, serious consideration should be given to extending the bidding period.

3.8 Completion Date

State the duration of construction in calendar days on the Tender Form. When the date of award is known, the actual date of completion will be filled in on the documents prior to signing.

Where time is of the essence to the completion of the contract, bidders should be so informed in the Instructions to Bidders.

Any requirement for extensions of time by either party must conform to CCDC2 re: notice provisions.

Where the work is to be phased or completed in accordance with a schedule specified in the Instructions to Bidders a clause similar to the following is to be added:

“Construction of the work will be carried out in the sequence stated in Section ____ of the Instructions to Bidders.”

3.9 Conditions

State the following:

“It is understood and agreed that;

- (1) The addition to, or changing of, any words in this Form of Tender or the failure to comply with and complete all items may be cause for rejection without consideration of the Tender;”
- (2) If the tender is awarded, it is awarded to the lowest qualified bidder.

3.10 Superintendent

It is not recommended that the superintendent be named at the time of tender submission as it is not a factor that will affect the award of the contract. It is recommended that the suitability of the superintendent be negotiated later.

3.11 Sub-contractors

The tendering authority is to list the trades he requires to be named and also list separately the names of manufacturers of products, if required.

The documents should state:

- (1) The contractor may be required to show his capability of performing subtrade work shown as "Own Forces".
- (2) A clause to the effect that the contractor agrees to employ those sub-contractors listed by him in writing and accepted by the owner at the signing of the contract and sub-contractors or suppliers will not be changed without the written approval of the owner.

3.12 Signature

To ensure that all parts of the tender are included in the signed document, the signature is to be on the last page of the tender. The following paragraph is to appear above the signature.

"Where a Tenderer is a corporation the tender must be signed with the legal name of the corporation followed by the legal signature of an officer authorized to bind the corporation into contract. A certified copy of a resolution naming the person or persons as authorized to sign the Agreements for and on behalf of the Corporation shall be submitted to the Consultant if and when requested."

The format for signing is to be as follows:

Contractor's Registered Name and Address
Signature of Legal Signing Authority

Witness' Legal Signature

Witness' Address

Signed this _____ day of _____
Nineteen Hundred and _____

4. GEOTECHNICAL INVESTIGATIONS

This item is included due to concerns expressed by public owners and the construction industry over the problems that have occurred as a result of soil conditions, geotechnical investigations and designs that have not taken into account the site conditions. Soil conditions vary greatly in

British Columbia and, in many cases, vary over short distances. It is, therefore, important that owners, prime consultants and contractors pay full attention to the conditions that can be expected.

It is usual for the owner to pay for the geotechnical investigations directly but it is the prime consultant's responsibility to advise on the extent of investigations required. The prime consultants are advised to locate buildings and design to avoid problems wherever practical in order to reduce the risks and costs.

It is also recommended that the geotechnical investigations report be included in the contract documents.

5. THE PUBLIC ADVERTISEMENT

The public advertisement inviting contractors to bid should be placed in a trade journal that is distributed throughout the province such as the Journal of Commerce. In addition, advertisements should be placed in appropriate local newspapers. Advertising costs can be reduced by limiting the size of the advertisement to a single column and to standard print size. It is generally agreed the size of the advertisement in a trade journal is not a factor in how many people read the advertisement.

The advertisement should contain the following from the Notice to Contractor.

- The name of the project.
- The type of contract such as stipulated sum.
- A brief description of the work, sufficient to allow contractors to assess whether or not they wish to bid it.
- The date and place from which documents can be obtained, the amount of the deposit required, and to whom the deposit is payable.
- The number of sets of documents that will be issued to general contractors. If it is intended to issue documents to some subtrades, the names of those trades to whom they will be made available should be stated.
- The Construction Association plan viewing rooms at which plans will be available (two or more sets should be deposited at each location).
- The date of opening tenders.
- The name and address of the consultant.

6. THE TENDER PERIOD

The Construction Industry

The industry should seek approvals of equal products, etc. and request all clarification at an early date. This allows the owner and prime consultant to evaluate and issue the appropriate addenda in good time.

The Owner and Consultant

The owner and prime consultant should evaluate all requests for approvals and clarification and issue addenda at an early date. Extensive addenda should be avoided, as experience has shown they complicate the bidding process.

As all deposits received for tender documents are held in trust they should be either deposited in a separate account or the individual cheques stored in a secure place.

Upon return of the documents in satisfactory condition the deposit is to be returned to the bidder.

7. COMPLETION OF TENDERS

- Tender Form - must be on form supplied. All blank spaces in the Tender Form must be completed.
 - Changes - any changes or qualifications made to the Tender Form shall be the cause of disqualification.
 - Errors or omissions may be grounds for rejection if considered to give a bidder an unfair advantage. Therefore, bidders are advised to carefully check their completed Tender Form.
 - Corrections - if information included by the bidder in the Tender Form is corrected (eg. an incorrect figure), it must be initialed by the person signing the tender.
 - Signing the Tender Form must be signed by the contractor's authorized signing officer or officers.
 - If a partnership, it must be signed by at least two partners.
 - If a corporation, it must be signed by the legally required number of signatures.
 - A seal is not required (See Section 123 of the Companies Act, 1979 or as required by the revision to the Act).
- A revision to a tender must be submitted in writing prior to the time of receipt of tenders. A change in price must state only the difference to be added or deducted. The revised price must not be stated. A telex, facsimile or telegram may be acceptable.
 - Telephoned revisions to a tender price, including those that may originate from telegrams, are not acceptable. The written confirmation must be received by the tendering authority at the place designated for the receipt of tenders prior to the designated time.

8. RECEIVING OF TENDERS

- All tender envelopes shall be stamped or handwritten showing the time of receipt and signed by the tendering authority.
- A list of tenders received shall be kept.
- Tenders received are to be kept in a secure place such as a vault or safe.
- All staff who may be involved with receipt of tenders are to be notified of the required procedures to ensure tenders are not inadvertently opened or delivered to incorrect locations.
- Revisions to the tenders are to be attached to the relevant submission. All revisions to the tender sum must show an increase or reduction only.
- If there is a telephone facsimile machine available to the bidders every effort should be made to keep the line or lines open. However, the onus is on the bidders to make revisions to the tender on time.
- The tendering authority should attempt to notify bidders of any obvious irregularities in the receipt of the tender prior to tender opening to avoid post opening disputes.

9. OPENING OF TENDERS

Tender opening shall at all times be formal, correct and well documented. Three tendering authority representatives should be the minimum number in attendance, one of whom should be the consultant.

(I) Prior to opening time:

- A tender opening record form shall be prepared suitable to include the following information:

- (1) Space for the names and signatures of the tendering authority personnel in attendance.
 - (2) Space for the names of all people in attendance together with their company or other affiliations.
 - (3) Space for the official closing time of the “receipt of tenders”.
 - (4) Space for the names of each bidder, the amount of the bid, the revised price (if any) and the total of each bid.
- The tendering authority should check their watches or clocks prior to the opening time to ensure their accuracy and to ensure the tenders are not opened prematurely.
 - Prior to the opening, ensure the room is suitably laid out and there is a table or desk and other equipment for the tendering authority to open tenders.
 - The tender opening form should be ready on which to record the information.
 - Tenders already received are brought into the room and care taken to ensure they are not removed or misplaced.

(II) The Opening

No reasonable request for attendance at the tender opening shall be refused.

At the correct time the tendering authority shall make the following announcements:

- (1) “It is now _____ (give time and date) the closing time for tendering of _____ (give name of project).”
- (2) No further tenders will be received.”
- (3) State the number of tenders received.

No further tenders are to be received after the close has been announced and no corrections or revisions to any of the bids is to be permitted.

(III) The opening of each tender is to commence and:

- (1) Each tender correctly received in the form prescribed is to be opened and signed by each of the tendering authority personnel present.
 - (2) The presence of the bond is to be checked before the price is read out. If the bond is not present the tender is to be put aside and not considered. The price is not to be read out and the tender is to be declared invalid.
 - (3) The tender is to be checked to ensure that the bidder is named, that the written amount and the amount in numbers are the same and the signatures are present. If these items are not correct the tender is to be declared invalid.
 - (4) If these items are correct then the price is to be announced together with any revision made prior to closing and the revised price announced as “we calculate that to be \$_____”.
 - (5) The tender is to be recorded on the tender opening record form.
 - (6) After each tender is opened and the initial checks have been made, it is to be carefully replaced in its envelope.
- Once all the tenders have been opened and replaced in their envelopes an announcement will be made that the tenders will be reviewed in detail and all bidders will be notified of the results and that the opening procedures are now closed.
 - The tenders are to be carefully secured to ensure they remain intact. The tenders are not to be made available to the public.
 - All tenders submitted late shall be returned to the sender unopened by the tendering authority with the tender envelope stamped or written “Late Tender Unopened” together with a covering letter giving details.

- (4) For other tenders that are disqualified, letters of notification are to be sent to the senders giving details.

10. REVIEW OF TENDERS

(I) Evaluations

Tenders that were opened are to be carefully analyzed for compliance with the contract documents.

(II) Disqualifications

Tenders should be rejected for any of the following reasons:

- (1) Any changes or qualifications made to the tender form.
- (2) Any errors, omissions or other non-compliance considered to give a bidder an unfair advantage or that do not meet the requirements of the tender documents.

11. POST TENDER NEGOTIATIONS

The tendering authority may negotiate changes to the document with the lowest qualified bidder in compliance with the following:

- (1) Negotiations shall be with the low bidder only and between him and his named subtrade bidders.
- (2) If the negotiations do not produce a price acceptable to the tendering authority, or if the difference between the low tender and the budget makes negotiations impracticable, all tenders are to be rejected and the bidders so notified. The documents are to be revised and new tenders called.
- (3) The tendering authority shall retain the right to reject all tenders. It shall not, however, reject tenders for the purpose of appointing either a bidder who did not submit a tender in accordance with the approved tendering procedures or a bidder selected in advance.
- (4) The tendering authority exercising the right to reject one or more tenders should be prepared to give the reason for doing so.

12. AWARD OF CONTRACT

If the tender is not irrevocable it may be withdrawn prior to its acceptance in writing by the owner and the bid bond cannot be invoked. If it is withdrawn after acceptance in writing by the owner and the bidder refuses to sign it, the owner may then invoke the bid bond.

If the owner has not accepted the tender within the stipulated period the price is no longer firm. If the owner wishes to award the contract after stipulated period has expired, he must obtain confirmation from the bidder in writing that the price in the tender is still valid and submit proof that the bonding requirement can still be fulfilled.

The tender may be accepted in the first instance by a letter of award stating that the owner accepted the offer to do the work for the agreed amount and is prepared to sign an agreement. The letter shall then be followed by the signed agreement.

13. CONTRACT STAGE

Public funds may be spent directly by the public agency on their own contracts or the funds may be given in the form of grants or cost sharing to other agencies. It is important for all parties to be aware that wherever and however public funds are spent, the expenditures and contract procedures are open to scrutiny.

It is therefore important to all parties of a construction contract to administer the contract properly with particular attention to the following points:

- (1) The contract must be administered according to the terms of the contract.
- (2) Payments by the owner to the contractor are to be in accordance with the contract.
- (3) Time schedules must be adhered to and the parties to the contract should respond expeditiously to queries and requests for information.
- (4) Changes to the contract should be kept to a minimum as changes disrupt the time schedules and the quotations are usually not competitively priced.

- (5) It should be kept in mind that the unsuccessful bidders are interested that no unfair advantage is given to the successful bidder during the contract stage. This is particularly so if any price was substantially low.
- (6) Every effort should be made to resolve disputes fairly and promptly. There is often a tendency by parties to contracts to avoid contentious issues in case relationships are damaged early in a contract. Problems faced up to and resolved as they occur will reduce the likelihood of serious confrontation later.

Parties should confirm in writing when an issue is in dispute and resolution of the problem should be similarly recorded.

14. ACCEPTANCE OF THE PROJECT

The first step for accepting a construction project is for the contractor to request Substantial Performance.

The owner's prime consultant then determines whether in fact this stage has been reached.

Substantial Performance is an important stage under the Builders Lien Act. Once this stage has been reached, the placement of liens on the project is limited to not later than 31 days after the date of declaring Substantial Performance. The holdback fund is not to be released until 41 days after Substantial Performance.

The liability of the owner meeting the requirements of the Builders Lien Act is limited to claims by the amount of the 10% holdback fund.

It is, therefore, important to all parties to the contract that Substantial Performance be properly approved.

The Builders Lien Act is not precise on the actual meaning of Substantial Performance and in event of a dispute, the courts would decide. It is generally understood that substantial performance is achieved when the building is ready for occupancy for the purpose for which it was intended.

It is recommended, however, a definition of substantial performance should be included in the contract documents.

STANDARD DOCUMENTS

Pub. No.	Description
CCA	
	STIPULATED PRICE CONTRACT
CCA L-1	Canadian Standard Construction Sub-Contract (1984) Long Version
CCA S-1	Canadian Standard Construction Sub-Contract (1984) Short Version
	Guide to CCA S-1 1984
CCA 14	Design-Build (1975)
OTHER STANDARD FORMS	
CCA 5	Standard Construction Management Contract
CCA 7	Equipment Rental Agreement (1981)
CCA 8A	Waiver of Lien (pad of 100) (Mortgage Fund Use) (1967)
CCA 8B	Waiver of Lien (Pad of 100) (General Purpose Use) (1967)
CCA 11	CONTRACTOR'S QUALIFICATION (1972)
CCA GUIDES	
CCA-A	GUIDE TO CONSTRUCTION MANAGEMENT CONTRACTS (1974)
CCA-B	DESIGN-BUILD METHOD OF CONSTRUCTION (1975) Proposed Guidelines
CCA-C	PROJECT MANAGEMENT (Performance Standards and Scale of Fees) (1973)
CCA-G	RENTAL RATES ON CONSTRUCTION EQUIPMENT (1981)

BCCA

	STIPULATED PRICE CONTRACT
BCCA 200	CONSTRUCTION SUB-CONTRACT
BCCA 201	CERTIFICATE OF SUBSTANTIAL PERFORMANCE (Pad of 50)
BCCA 202	BID DEPOSITORY TENDER FORMS
BCCA 203	CONSTRUCTION SUB-SUB-CONTRACT

BCCA PROCEDURES FOR BID DEPOSITORY TENDERING

June, 1994

Additional Documents

For the convenience of readers the Public Construction Council has included the above list of Standard Construction Documents which will also be of interest.

Copies of these documents may be obtained at the following locations:

Amalgamated Construction Association:

3636 East 4th Avenue
Vancouver, B.C. V5M 1M3
Tel: 294-3766, Fax: 298-9472

Northern B.C. Construction Association:

3851 18th Avenue
Prince George, B.C. V2N 1B1
Tel: 563-1744, Fax: 563-1107

Southern Interior Construction Association:

710 Laval Crescent
Kamloops, B.C. V2C 5P3
Tel: 372-3364, Fax: 828-6634

Vancouver Island Construction Association:

1075 Alston Street
Victoria, B.C. V9A 3S6

Tel: 388-6471, Fax: 388-5183

CCDC

CCDC 2	STIPULATED PRICE CONTRACT ENGINEERS & ARCHITECTS (1994) Common Law Version Civil Code Version
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CCDC 4	UNIT PRICE CONTRACT ENGINEERS (1982) Common Law Version Civil Code Version
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CCDC 3	COST PLUS CONTRACT ENGINEERS & ARCHITECTS (1988)
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CCDC GUIDES

CCDC 20	A GUIDE TO SUPPLEMENTARY CONDITIONS (1980)
CCDC 21	A GUIDE TO CONSTRUCTION INSURANCE (1982)
CCDC 22	A GUIDE TO CONSTRUCTION SURETY BONDS (1979)
CCDC 23	A GUIDE TO CALLING BIDS & AWARDING CONTRACTS (1982)
CCDC 24	A GUIDE TO ADMINISTRATIVE SUPPORT DOCUMENTS (1988)

OTHER STANDARD FORMS

CCDC 9A	STATUTORY DECLARATION (Pad of 100) (1982) To be made by the Prime Contractor to accompany the Architect's final certificate, to effect release of contractor's holdback and security deposit.
CCDC 9B	STATUTORY DECLARATION (Pad of 100) (1982) To be made by the Contractor/Sub-Contractor to accompany his second and all subsequent progress claims.
CCDC 9C	STATUTORY DECLARATION (Pad of 100) (1982) This Statutory Declaration must be executed by the Sub-Contractor and accompany the Prime Contractor's Statutory Declaration for release of holdback and/or security deposit.
CCDC 10	STIPULATED PRICE BID (1982)

INSURANCE POLICIES

(1979)	Set of Three Includes:
CCDC 101	Contractor's General Liability Policy
CCDC 201	All Risks Property Policy
CCDC 301	Boiler & Machinery Policy

BOND FORMS

(1979)	Set of Three Includes:
CCDC 220	Bid Bonds
CCDC 221	Performance Bond
CCDC 222	Labour & Material Payment Bond

PUBLIC CONSTRUCTION COUNCIL OF BRITISH COLUMBIA

Suite 210, 174 Wilson Street, Victoria, B.C., V9A 7N6 • Telephone (250) 475-1077 • Fax 475-1078

1998 UPDATE BULLETIN

These PCC of BC Guidelines are intended to augment but not replace additional relevant documents, such as:

- Guidelines For The Province of British Columbia's Stipulated Price Construction Contract Documents
- The Province of British Columbia's Stipulated Price Construction Contract
- CCA 29: A Guide on Standard Contracting and Bidding Procedures
- Applicable Lien Act
- Other related documents as noted on the attached Appendix A

For a current PCC of BC Membership List, contact:

PUBLIC CONSTRUCTION COUNCIL OF BRITISH COLUMBIA

c/o British Columbia Construction Association

Suite 210

174 Wilson Street

Victoria, BC

V9A 7N6

Telephone: (250) 475-1077

Facsimile: (250) 475-1078

APPENDIX A STANDARD DOCUMENTS

BCCA Documents

BCCA 200	Construction Sub-Contract (1998)
BCCA 201	Certificate of Substantial Performance (1998)
BCCA 202	Bid Depository Bid Form (1997)
BCCA 203	Construction Sub-Sub-Contract (1998)
BCCA	Documents on Disk (200, 202, 203)
BCCA	Current Bid Depository Rules of Procedure amended July 1998

CCDC Contracts & Forms

CCDC 2	Stipulated Price Contract (1994)
CCDC 3	Cost Plus Contract (1998)
CCDC 4	Unit Price Contract (1982)
CCDC 9A	Statutory Declaration. To be made by the Prime Contractor to accompany the Architect's final certificate, to effect release of contractor's holdback and security deposit. (1982)
CCDC 9B	Statutory Declaration. To be made by the Contractor/Sub-Contractor to accompany second and all subsequent progress claims. (1982)
CCDC 9C	Statutory Declaration. To be executed by the Sub-Contractor and accompany the Prime Contractor's Statutory Declaration for release of holdback and/or security deposit. (1982)
CCDC 10	Stipulated Price Bid (1994)
CCDC 11	Contractor's Qualification Statement (1996)

CCDC Guides

CCDC 12	Project Financial Information (1994)
CCDC 20	A Guide to the Use of CCDC 2 - 1994 Stipulated Price Contract. (1994)
CCDC 21	A Guide to Construction Insurance (Under Review)
CCDC 22	A Guide to Construction Surety Bonds (1979)
CCDC 23	A Guide to Calling Bids & Awarding Contracts (1982)
CCDC 24	A Guide to Model Forms and Support Documents (1996)
CCDC 40	Rules for Mediation & Arbitration of Construction Disputes
CCDC 43	A Guide to the Use of CCDC 3 - 1998

CCDC Bond Forms

CCDC 220	Bid Bond (1979)
CCDC 221	Performance Bond (1979)
CCDC 222	Labour & Material Performance Bond (1979)

CCA/CCDC Documents on Disk

Diskette 1	CCDC 2-94 & CCDC 20-94
Diskette 2	CCA L-1 95 & CCA 29-95
Diskette 3	CCA S-1 94 & CCA 29-95

CCA DOCUMENTS

CCA-L1	Canadian Standard Construction Sub-Contract (1995) Long Form
CCA-S1	Canadian Standard Construction Sub-Contract (1994) Short Form
CCA 5	Canadian Standard Construction Management Contract (1988)
CCA 7	Equipment Rental Agreement Form (1981)
CCA 17	Stipulated Price Contract for Trade Contractors on Construction Management Projects (1996)
Document 14	Design-Build Stipulated Price Contract (1997) CCA-CSC-RAIC Document

CCA Guides

CCA 16	Guidelines for Determining Costs Associated with Performing Changes in the Work (1992)
CCA 27	A Guide on Construction Environmental Management Planning (1997)
CCA 28	A Guide to Improving Cash Flow in the Construction Industry (1996)
CCA 29	A Guide on Standard Contracting and Bidding Procedures (1995)
CCA "A"	A Guide to Construction Management Contracts (1974)
CCA "B"	Guidelines for the Design Build Method of Construction (1975)
CCA "C"	Performance Standards for Project Management & Scale of Fees (1973)
CCA - 1991	Trade Contractors Guide & Checklist
CCA - 1986	Design Responsibility and the Trade Contractor
CCA - 1996	Guide to the Canadian Environment Assessment Act

Miscellaneous Documents

The Province of BC	– Stipulated Price Construction Contract Documents (May 1997)
The Province of BC	– Guidelines for the Stipulated Price Construction Contract Documents (May 1997)
The Province of BC	– Skills Development and Fair Wage Act
The Province of BC	– Bill 38 (1997) Builders Lien Act

