

CONTRACT TENDERING

1.0 Introduction

Tendering is the process of transitioning a project from design to construction. It begins after the Executive Review milestone has been completed and approval of the Contract Package has been obtained. It is finished when the Contract has been awarded.

The primary office involved in the tendering of highway capital construction projects is:

- Contract Management Office (CMO) - Contract Award
 - Contract Tendering Section (CTS)
 - Estimating Section (ES)

2.0 Requirements for Tendering

For tendering to occur, the Contract Package must be completed and all required clearances (i.e. property, utilities, environmental, etc.) must have been obtained.

During the tendering phase the designer shall:

- Submit supporting design documentation.
- Submit the Contract Package for tendering in accordance with the Contract Package Submission Guidelines using the Contract Package Submission Form.
- Respond to enquiries from Contract Tendering Section prior to advertising.
- Respond to contractor bid enquiries.
- Provide information requested by the bidders during tendering in accordance with Highway Design Bulletin 2010-01 Providing Digital Information to Contractors.
- Prepare Contract Addenda during bidding, if required.

3.0 Highway Costing System (HiCo)

Highway Costing System (HiCo) is an application used to estimate the costs of building and maintaining roads and highways. In 2010, the ministry introduced HiCo.Net, a new web based version of HiCo that is accessible from any browser or operating system.

HiCo.Net is the key application that is used in the tendering and award process to create estimates for evaluating bid data. Its primary function is to assess the values of work projects based on historical bidder data. These values are used in the evaluation of tender bids to award contracts.

As contracts are awarded, the average bid data from the three lowest bidders of the tender is saved to the HiCo historical bidder database to be used for future cost analysis. Due to the sensitivity and confidentiality of this data, security levels control the privileges of internal and external users accessing the HiCo.Net system.

Further information about the use of HiCo can be found in the [HiCo.Net Training Guide](#) available from the PMBP Website under Reference Materials > Training.

4.0 Award / Non-Award Process

Table A details the typical steps and activities involved in the award / non-award of a capital construction project. The timeline reflects the number of days elapsed from the date of tender close.

Table A
Typical Award Process

Day	Milestone	Details
Day 1	Tender Estimate is Submitted to ADM	- Estimating Section (ES) faxes the Ministry's Official Tender Estimate directly to the Assistant Deputy Minister (ADM) before the tender closes.
Day 1	Tender Closes	- Tenders close Tue/Wed/Thu, at 11am, 1:30pm and 3pm. - Two CTS staff members unlock the bids electronically in EBS. A third staff member publishes the bids on RAQS, usually within 30 minutes.
Day 2	Unit Prices Due	- Unit prices are submitted electronically through EBS by the 3 low bidders within 24 hours of the tender opening. CTS uploads the unit prices to HiCo where they remain confidential and accessible only to EO staff. - Within 24 hours the 3 low bidders are also required to fill-in and submit the following declarations to CTS via fax: <ul style="list-style-type: none"> • Part 1(a) & 1(b) Certification-Conflict of Interest • Part 2 Disclosure-Conflict of Interest
Day 6	Bid Review Completed	- ES reviews bids, looking for value and ensuring unit bids are balanced and there are no signs of collusion on the part of the industry. - Where the bid price is within 10% of the Ministry's official estimate, a report is not required and the Recommendation for Acceptance of Tender form is forwarded for signing. - Where the bid price deviates from the Ministry's Official Estimate by $\pm 10\%$, EO prepares a Contract Tender Report indicating their recommendation for either acceptance or non-acceptance of the tender. <ul style="list-style-type: none"> • If acceptance is recommended, a copy of the report and a Recommendation for Acceptance of Tender form is forwarded to Manager of Contracts, Manager CMO, Director CMOB, and ADM PHM for review and sign-off. • If non-acceptance is recommended, a copy of the report and a Recommendation for Non-Acceptance of Tender form is forwarded for

Day	Milestone	Details
		signing. - During this period Regional Head of Program Planning provides information directly to Manager Programs and Transportation at (MNDM) for all northern contracts funded by them. During this period MNDM has the opportunity to address concerns before the final recommendation is signed.
Day 7	Recommendation for Acceptance or Non-Acceptance of Tender is Received from ES	- Fully signed Recommendation for Acceptance/Non-Acceptance of Tender form is received by EO and a copy is forwarded to CTS.
Day 7	Notification of Acceptance of Tender Letter is Issued	- If the contract is being awarded the Notification of Acceptance of Tender letter is issued and a complete contract package consisting of the following documents is forwarded to the successful Contractor: <ul style="list-style-type: none"> • Drawings, Quantity Sheets, Reports, Miscellaneous Attachments, etc. • Addenda • Filled-in version of Part 1(a) or 1(b) Certification-Conflict of Interest • Filled-in version of Part 2 Disclosure-Conflict of Interest - The following are also included in the package and where necessary must be filled-in and returned to CTS within 7 days: <ul style="list-style-type: none"> • Instructions Regarding Execution of the Contract Documents • Material Delivery Schedule (Applicable only if there are materials being supplied by MTO.) • Appointment of Agent (Applicable only if there are multiple company names listed on the submission.) • Agreement • Unit prices, (3) letters, contract title page, and scanned signatures from Contractor are forwarded to the Region. • A copy of the Recommendation and title page is forward to Investment Strategies Branch. - In order to comply with insurance requirements the Contractor requires the name of the Contract Administrator which is not always available nor easily obtainable from the region. This sometimes necessitates the submission of an amended certificate at a later date.
Day 7	Notification of Non-Acceptance of Tender Letter is Issued	- Manager CMO or Director CMOB provides verbal notification to the Contractor before issuing the Notification of Non-Acceptance of Tender letter. - Manager CMO or Director CMOB signs letter. Once fully signed form is received, CTS proceeds with issuing the Notification of Non-Acceptance of Tender letter to the Contractor. - In the case of a non-award the process ends here.
Day 7	OH&S Letter Is Issued to the Contractor	- Occupational Health and Safety letter is issued to the Contractor requiring them to provide a Notice of Project.
Day 7	GST Letter Is Issued to the Contractor	- Statement of Use - Goods and Services Tax letter is issued to the contractor
Day 14	Contractor Submits Executed Documents to CTS	- Contractor returns the following documents to CTS: <ul style="list-style-type: none"> • OH&S Notice of Project • WSIB Clearance Certificate • Proof of Insurance/Certificate (can sometimes cause minor delays) • Critical Path Schedule • Material Delivery Schedule (when applicable) • Appointment of Agent (must contain seals) • Agreement (must contain seals) - The Contractor also forwards copies of the Critical Path Schedule directly to the Regional Contracts Office.

Day	Milestone	Details
Day 14	Executed Documents are Reviewed	- If all the documentation is in order, a fax is sent to the Contractor and the Region advising them that the Contractor may begin surveying and erecting temporary signs, but work is not to be started until the Critical Path Schedule has been reviewed and accepted by the Region.
Day 14	Notification of Acceptance of Contract Documentation Letter Is Issued	- Notification of Acceptance of Contract Documentation letter is issued to the Contractor. The Material Delivery Schedule is initialled by CTS and a copy is sent back to the Contractor for their records.
Day 14	Documents Forwarded to the Region	- CTS sends the Regional Contracts Office a copy of the Notification of Acceptance of Contract Documentation letter, any spare Critical Path Schedules, the Material Delivery Schedule, and the Appointment of Agent Form. - From this point on the Region assumes responsibility. CTS does not receive notification of review and approval of the "Critical Path Schedule".
Day 14	Documents Forwarded to Queen's Park	- The following documents are forwarded to Queen's Park for review and signature of the Minister: <ul style="list-style-type: none"> • Agreement • Recommendation for Acceptance of Tender • Briefing Note • Key Plan • Ministers Approval Form - Return of documentation usually takes 1 - 4 weeks.
Day 21	Contractor Receives Permission to Start Work	- The Region normally issues permission to start work within 2 - 5 days of receiving the Critical Path Schedule.
Day 28+	Documents Returned from Queen's Park	- Signed documents are received from Queen's Park, one copy is kept on file and one copy is sent to the Contractor for their records.
Day 28+	Executed Copy of Contract is Sent to Contractor	- A third untitled letter is issued to the Contractor indicating that an executed copy of the Contract is attached for their records.

5.0 Contract Award

Contract award is completed with the execution of the construction contract.

This takes place at the conclusion of the award process when the Agreement (the signed document between the Minister or delegated representative and the Contractor for the performance of the Work included in the Contract Documents) has been signed/executed by both parties.