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**CONFERENCE**  
**2018**

**BUILDING ON OUR TRADITIONS**

**FIRST NATIONS  
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# BUILDING ON OUR TRADITIONS

## Tendering Housing and Other

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# Presentation Outline

- Introduction
- Project Management Processes
  - Overview
  - Initiating, Planning
  - **Executing - includes tendering**
  - Monitoring and Controlling, Closing processes
- Documents
- Tendering Principles



# Presentation Outline

- **Tendering Process**
  - Preparing Tender Package
  - Calling for Tender Bids
  - Tender Period
  - Receiving Tenders
  - Evaluating Tenders
  - Accepting a Tender
  - Rejecting a Tender
  - Awarding a Contract



# Presentation Outline

- **Summary**
  - Reference material
  - Requesting Assistance



# Introduction

- **Jim Taylor background**
  - Worked with First Nations since 1983
  - Previously in heavy industrial, mining and municipal projects
  - Most of First Nation experience involved project management related work.
  - Always encouraged First Nations to undertake their construction projects using own forces. Often less expensive and better quality.



# Project Management

- Tendering is a part of project management.
- Managing a project can be broken into various processes, namely:
  - Initiating- define project and authorization to proceed
  - **Planning - establish scope, objectives and course of action**
  - Executing - complete the work to satisfy specifications
  - Monitoring and Controlling - track, review, regulate the progress and performance
  - Closing - finalize all activities



# Introduction

- **Why tender?**
  - It is good practice
  - Will get competitive prices
  - INAC does not require tendering on housing
  - Review your First Nation policies about tendering





# Introduction

- **What are you tendering?**
  - **You must know your scope of work!**
    - If you do not know, you cannot realistically expect the bidder or contractor to know.
    - Complete house, 1200 sf, 1 story with basement,
    - Electrical work; heating system etc.
    - Snow removal
  - **You must know your expected quality of materials!**
    - 25 year shingles; triple glazed windows; fire rated drywall
  - **Generally the contractor will decide the method of doing the construction.**



# Introduction

- What are you not tendering?
  - Landscaping, deck, painting, basement finishing
  - Items that you want to perform using your own forces



# Introduction

- To tender is to invite bids for a project - owner
- Tendering is the process of making an offer, bid or proposal in response to a request for tender - contractor
- The tender request documents are referred to as:
  - RFT - Request for Tender
  - RFP - Requests for Proposal



# Tendering Documents

## ➤ CCDC

➤ Canadian Construction Documents Committee

➤ <http://www.ccdc.org/documents/set/complete-list/>

## ➤ CDA

➤ Canadian Construction Association

➤ <http://www.cca-acc.com/documents/cca-documents/>



# Eng. & Arch. Contracts

## ➤ ACEC

- Association of Consulting Engineering Companies
- [https://www.acec.ca/publications\\_media/shop/index.html/shopping/index/view-category/id/5](https://www.acec.ca/publications_media/shop/index.html/shopping/index/view-category/id/5)

## ➤ RAIC

- Royal Architectural Institute of Canada
- <https://www.raic.org/raic/how-choose-architect>



# CCA Documents

- These are commonly used documents or guides
  - **CCA 1 - 2008: Stipulated Price Subcontract**
  - **CCA 16 - 1992: Guidelines for Determining the Costs Associated with Performing Changes in the Work**
  - **CCA 19 - 2011: Stipulated Price Sub-subcontract**
  - **CCA 25 - 2001: Guide to Project Management Services**
  - **CCA 26 - 2016: A Guide to the Construction Management Project Delivery Method**



# CCA Documents

- **CCA 51 – 2008: Guide to Calling Bids and Awarding Subcontracts**
- **CCA 53 – 2016: A Trade Contractor's Guide and Checklist to Construction Contracts**
- **CCA 61 – 2008: Risks of Pre-purchasing Equipment and Materials for Construction Projects**
- **CCA 82 – 2004: Mould Guidelines for the Canadian Construction Industry**



# Documents

- Tender and contract documents have strong legal implications.
- If you have such documents and made modifications, you may want to discuss with a legal expert.
  - OFNTSC could provide some guidance





# Tendering Principles

## Three very basic principles:

1. Two contract formed to bind the bidder and owner
  1. Between bidder and owner based on compliant bid in a tender call
  2. A goods and services contract on acceptance, by the owner
2. Bids must be compliant to take effect
3. Duty of fairness

Can quickly become a legal issue. Check with your legal expertise if necessary.



# Tendering Policy - INAC

- INAC does have a tendering policy that First Nations are required to follow.
- First Nations can develop their own tendering policy that follows the principles of the INAC policy.
- Does not apply to housing



# Tendering Process

- **Preparing Tender Package**
  - Will define the type of goods and services contract
    - **Lump sum, Unit price**
    - Cost plus fixed fee, Cost plus percentage of cost
  - Recall from previous slide – know the scope of work!
    - Drawings (plans) and specifications, Schedule
    - General and supplementary general conditions
      - Include First Nation labour and equipment conditions
  - Bid form and bidders instructions
  - Architect and Engineer can be of great assistance
  - Refer to previous contract documents



# Tendering Process

- **Calling and advertising for Tender Bids**
  - Depending on the estimated value of the project, may require advertising as recommended:
    - \$500,000 or less are advertised locally or in the closest major city, depending on the number of qualified contractors in the area; projects
    - \$500,000 but less than \$2,000,000 are advertised more widely, on a regional (e.g. Northern Ontario) or provincial basis;
    - more than \$2,000,000 are advertised on a provincial or interprovincial basis.
    - Very large projects should be widely advertised, interprovincially or nationally



# Tendering Process

- Calling and advertising for Tender Bids
  - Local building associations
  - MERX (on line) - <https://www.merx.com/English/NonMember.asp?WCE=Show&TAB=1&PORTAL=MERX&State=1&hcode=tAF08b5PaGBuUkl43CRDCg%3D%3D>
  - Construction publications - <https://canada.constructconnect.com/dcn/tenders>
  - Newspapers



# Tendering Process

## ➤ Tender Period

### ➤ Dependent on:

- Complexity of project
- Remoteness of project
- Requirement for pre tender site visit / meeting

➤ Can range from 1 week to multiple weeks or months

➤ Bid documents have closing time stipulated. Bids must be in to owner or representative by closing time.

➤ Closing time could be 3:00 pm (15:00 hrs), Eastern Daylight Savings time.

- Watch time zone



# Tendering Process

## ➤ Receiving Tenders

- Be careful with this aspect.
- Bids must be received before closing day and time.
  - February 6, 2018 @ 15:00 EST
- Prepare and use tender receipt form.
  - Identify bidder and time received.
  - Stamp receipt time
- Make sure bids are sealed.
- Do not open until after closing time
- Keep in a safe place
- Consider receiving tenders electronically



# Tendering Process

## ➤ Evaluating Tenders

- Public tenders may be opened in a public location accessible to all bidders
- Private tenders are typically not opened in public
- Ensure that bidding instructions are followed
- May required bid bond, performance bond, insurance.
  - Verify these documents
  - Bidder may have time to submit insurance certificate, if allowed in tender package
- Verify completeness on bid
- Verify that there are no exceptions in bid
- Verify the arithmetic in bid





# Tendering Process

- **Evaluating Tenders (cont'd)**
  - Verify local content requirements
  - Verify schedule



# Tendering Process

## ➤ Accepting / Rejecting Tenders

- If the conditions have been met, make recommendation to First Nation Chief and Council
- If accepted,
  - prepare letter to successful bidder
  - Request additional documentation such as detailed schedule
- If not accepted,
  - Prepare letters to unsuccessful bidders thanking them for their interest
  - Return bonds



# Tendering Process

- **Awarding a Contract**
  - Prior to starting a tender process, you should estimate the cost of the works or services.
  - Your tender documents will give you time to evaluate and do the necessary checks. This could be 30, 60 or 90 days.
  - If the cost is significantly above budget, you may choose to not award to any bidder.
    - May consider consulting a lawyer on this situation
  - If all is fine, get contract signed by all the necessary parties and begin the work



# Consider Tendering

- Supply of wood
- Supply of windows and doors
- Electrical and mechanical works
- You do need to do a quantity takeoff and estimate your needs and costs



# Summary

- **Tendering provides an opportunity to get the best price for the performance of work**
  - **Construction**
    - Contractor makes significant effort and cost to prepare a bid
  - **Provision of services**
    - Snow removal, road maintenance, electrical, HVAC, etc.
  - **Studies – RFP for consulting services**
    - New housing subdivision



# Summary

- **Tendering is quite a formal process.**
  - Honesty and ethical treatment are paramount
  - Lawsuits can arise
- **Know what you are tendering – scope of work**
  - Additions will cost
  - Deletions will not save as much as you expect!



# References

- In addition to the website links on previous slides, there is tendering material here:
  - Tendering Guidelines
    - file:///L:/Guide%20for%20Tendering%20Policy.pdf
  - **CN3 Non Professional Services**
    - file:///L:/CN3%20-%20Contracting%20for%20Non%20Professional%20Services.pdf
  - **CN2 Professional Services**
    - file:///L:/CN2%20-%20Contracting%20for%20Professional%20Services.pdf



# References

- For the legal minded
  - Eight rules of Tender Law
    - <http://www.constructionlawcanada.com/building-contracts/eight-rules-of-tender-law-pronounced-by-the-ontario-court-of-appeal/>
  - Essentials of Procurement Law
    - [https://www.acc.com/chapters/ontario/upload/Ontario-Procurement\\_Presentation.pdf](https://www.acc.com/chapters/ontario/upload/Ontario-Procurement_Presentation.pdf)





# Can you get assistance?

- **Yes!**
  - Tribal Council
  - OFNTSC
  - INAC



**Thank You for you attention and  
participation!**

**Questions?**