

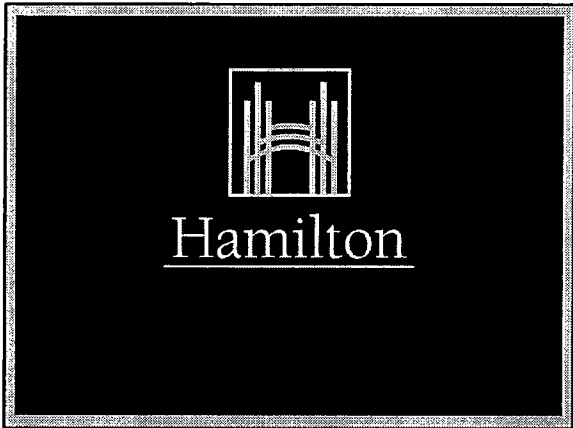
Hamilton

PURCHASING

PRESENTATION TO

BIDDERS

DISCLAIMER: The City shall not be bound by reason of the publication of this Purchasing Presentation. This is the presentation as presented, for the sessions that took place in January and February, 2006. There may be updates to City Policies, Procedures and Insurance Requirements which will affect the information provided. Bidders must review each Tender, Proposal or Quotation document (and associated documents) on its own merits.




Bidder's Information Session

Presented by:


Purchasing & Risk Management

Corporate Services



Bidder's Information Session
Agenda


- Introduction
- Purchasing Homepage
- Bidder's Application Form
- Contract Documents
- Construction Tenders
- Bid Irregularities
- Break
- Q&A



Introduction

Presenters:


- Rick Male
- Angela Boakes
- Jody Boyd
- Tina Iacoe



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Purchasing Home Page
www.hamilton.ca/purchasing/


- Purchasing Policy
- Current Bid Opportunities
- Bid Awards
- Purchasing Contacts
- Bidder's Application Form



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Bidder's Application Form
hamilton.ca/CityDepartments/CorporateServices/Purchasing/BiddersApplicationForm.htm


- Complete online form, including:
 - Contact Information
 - Commodities
- Information update requests:
purchasing@hamilton.ca



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Elements of a Contract Document


- Communication Page
- Index
- Notification
- Bidder's Checklist
- Instruction to Bidders
- Special Provisions
- Form of Tender/Proposal/Quotation
- Specifications
- Addendums



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Communications Page


- Identifies Buyer with contact information
- Questions to be directed in writing
- Time limit



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Index

- List of the various sections included in the contract document



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Notification Page

- Identifies Contract Number
- Closing date, time & place
- Scope of Work
- Document fees (if any)
- How to secure a document
- Meeting information (if any)



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Bidder's Checklist

- Checklist of **MANDATORY** submission requirements
- These requirements must be satisfied in order for the Bid to be considered.
- Bidder's responsibility to satisfy all contract submission requirements.



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Instructions to Bidders

- These instructions define the Bidder's obligations and rights.
- Read carefully and clarify any element via the instructions on the Communications page.



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**Certificates of Insurance
Bid and Performance Security**



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Special Provisions


- Supplements Instructions to Bidders and is particular to the Contract
 - Electronic Funds Transfer
 - Term of Contract
 - Evaluation Criteria & Weighting for RFPs



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Form of Tender/Proposal/Quotation

- Returned with Bid submission
- Complete ALL BLANK SPACES as provided
- Complete Company Information
- Key Personnel
- Experience
- References



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Specifications

- Background
- Terms and conditions that detail the good/service
- Work/delivery schedule
- Deliverables



Addenda

- Purpose:
 - Clarification
 - Answer questions posed by Bidders
 - Amend Terms and References
 - Provide additional contract information



Addenda

- Currently issued via facsimile and posted on the Purchasing website
- Moving toward to posting Addenda on the Purchasing website




Fairness is a Two Way Street Act

- Provincial Act
- Applies to all construction contracts
- No contract can be awarded to a contractor or resident of Quebec

• **Fair Wage Policy**


- City of Hamilton Policy
- Applies to all construction contracts over \$100,000
- Ensures contractors and subcontractors pay wages at least equal or greater than the wages set out in policy



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• **Carpenter's Union**


- September 2005: Union recently obtained bargaining rights with the City
- Five trades
- Any requirements regarding the use of union trades will be outlined in the Tender Special Provisions



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Construction Tenders

- Construction contracts include additional sections of the Tender:
 - General Conditions
 - Supplementary General Conditions
 - Contract for Works (sample in Tender)



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Bid Irregularities

- Late Bids will not be accepted
- Unsigned Bids will be rejected
- Bids without original signatures will be rejected
- Qualified or Conditional Bid
- Incomplete or partial Bids



Bid Irregularities

- Erasures, changes, over-writing, white-out, cross-outs or strike outs must be initialled.
- Failure to provide a proper Bid Security with a Bid where one is required.
- Failure to provide a proper Agreement to Bond where a Performance and/or a Labour & Material Bond is required.



Bid Irregularities

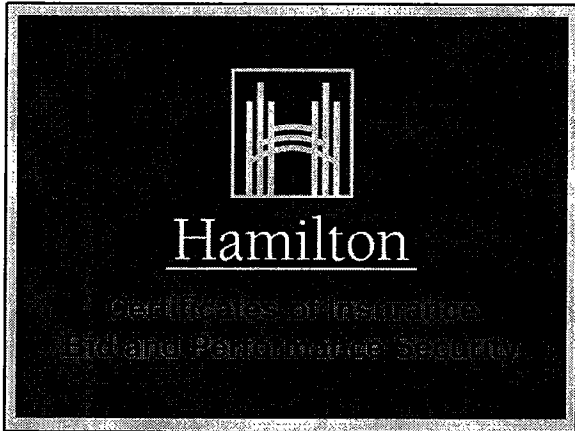
- Addenda must be acknowledged in the designated spaces on the Form of Tender
- Non-compliance with the Instructions to Bidders, Addenda, Special Provisions or Specifications





Intermission

Questions & Answers





**Bid Bonds
and
Agreement to Bond/Surety's Consent**



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**If your Submission is accepted
you are obligated to**

- enter into a formal contract or purchase order with the City
 1. within the time required
 2. at the tendered price

and
- provide the security as specified in the RFT to secure the performance of the contract

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Penalty



If you fail to do so ...

You are obliged to pay to the City monetary difference between the amount of your submission and the amount of next lowest compliant submission selected by the City due to your default

i.e.

- City selects your submission of \$100,000
- Submission selected due to your default totals \$125,000
- You will compensate the City \$25,000



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The Bid Bond

If the you fail to meet this obligation the Surety who provided the Bid Bond is obliged to do so.



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Bid Bond Checklist

Bid Bond should clearly identify:

- the Principal, (same name as appears on the Submission)
- the name of the Surety
- the Obligee, (City of Hamilton)
- Submission closing date
- the project (include the contract number, a brief description of the work and location);



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Bid Bond Checklist

- the amount of the Bid Bond
 - should not be less than the amount specified in the RFT for bid security
 - will usually be shown as a fixed \$\$\$ amount.
- Bid Bond must be signed and sealed by both the Principal and the Surety



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Agreement to Bond

Every Bidder entering into a contract with the City must furnish *prior to the execution of the Contract Documents* security for,

- (a) the performance of the contract
 - usually in the amount of 100% of the Total Contract Price and
- (b) the payment of all necessary services and materials required to complete the Contract in a satisfactory manner
 - usually in the amount of 50% of the Total Contract Price



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and the Bidder shall submit with its Bid such evidence as the City may reasonably require of the Bidder's ability to furnish such security

The Agreement to Bond



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Agreement to Bond

Guarantees that,
should you be the Successful Proponent,
your Surety company will provide the
Performance and/or Labour and Material
securities as specified in the contract.



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ATB Checklist

- Agreement to Bond should clearly identify:
 - the Principal, (same name as appears on the Submission)
 - the Surety
 - the Oblige, (City of Hamilton)
 - Submission closing date
 - the project (include a brief description of the work and location);
- Agreement to Bond is signed and sealed only by the Surety.



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Performance Bonds

Labour & Material Payment Bonds



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Performance Bond

The performance bond is a financial tool used to guarantee that in the event of a contractor's default, funds are available to finish the contract work.



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Labour & Material Payment Bond

Guarantees that all claimants will be paid for labour and materials furnished to the Principal for use on the project described in the Bond.



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Performance, L&M Checklist

Each bond should clearly identify:

- the Principal, (same name as appears on the Submission)
- the name of the Surety
- the Obligee, (City of Hamilton)
- the Bond Amount
- Contract date
- Project Details (include the contract number, a brief description of the work and location)
- Bid Bond must be signed and sealed by both the Principal and the Surety.



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Certificates of Insurance

- ABC Insurance Brokers
- CERTIFICATE OF INSURANCE
- This certificate of insurance will serve as written confirmation that the insurance policy as hereinafter described is in full force and effect at this date.
- ISSUED TO City of Hamilton
- WITH RESPECT TO Contract Number C11-XX-XX
Road Construction Main Street West.
- TYPE OF POLICIES A) CGL Insurance - ABZZ23874
B) Owned Auto Liability - AXBS 15789
- POLICY TERM January 1 2006-January 1 2007
- INSURERS A) XYZ Insurance Co. of Canada
B) Automobile Insurance Co. of Canada
- LIMITS A) \$XXXX per Occurrence and in the Aggregate
B) \$XXXX per Occurrence and in the Aggregate
- Additional Insured: City of Hamilton is added as additional insured with respect to the Commercial General Liability Policy but only with respect to the operations of the named insured.
- Cancellation Clause: xxxxxxxxxxxxxxxxxxxx30 days xxxxxxxxxxxxxxxxxxxxxxxx
- Signed by authorized representative of the Insurer.



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Why Does The City Ask For Proof Of Insurance???

Obligations of the Contractor

If you are an
Independent Contractor
or Consultant
who is:

- performing work under contract
- providing other services to the City



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You are required to
Defend
Indemnify
and
Hold the City Harmless
for any loss suffered as a
result of the your
negligence



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“You” includes....

You, the

- Contractor,
 - Consultant,
 - Service provider
- and also includes your
- Employees,
 - Agents,
 - Sub-contractors





This contractual transfer of risk is supported by the insurance provided by the contracting party.

Insurance is the financial backstop that supports the indemnity.



A Certificate of Insurance is proof that adequate insurance coverage is in force to protect both your interests and those of the City of Hamilton.

**City of Hamilton
Minimum Standards**
CGL Insurance,
\$2MM per occurrence
Automobile Liability
\$1MM per occurrence;
Non-Owned Auto
\$1MM per occurrence