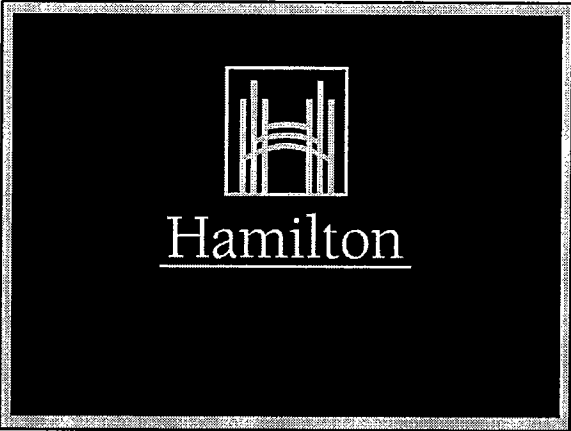


# Hamilton

## 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 sessions that took place in June, 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.



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**Bidder's Information Session**

Presented by:

**Purchasing & Risk Management**

**Corporate Services**



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**Bidder's Information Session**

**Agenda**

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



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**Introduction**

**Presenters:**

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



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**Purchasing Home Page**  
[www.hamilton.ca/Purchasing](http://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**  
[www.hamilton.ca/Purchasing/BiddersApplicationForm.htm](http://www.hamilton.ca/Purchasing/BiddersApplicationForm.htm)

- Complete online form, including:
  - Contact Information
  - Commodities
- Information update requests:  
[purchasing@hamilton.ca](mailto: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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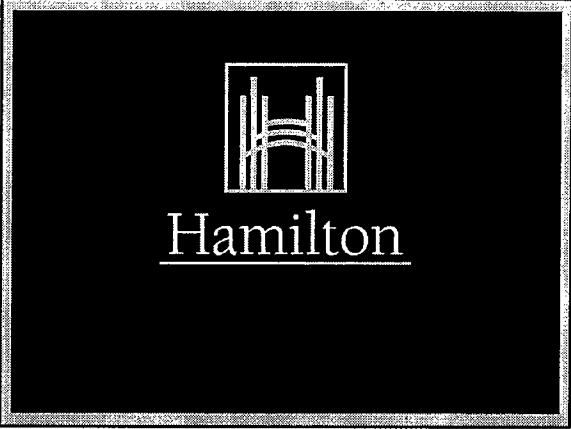
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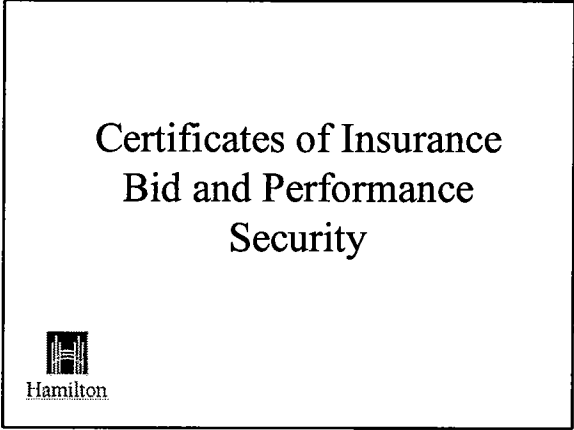
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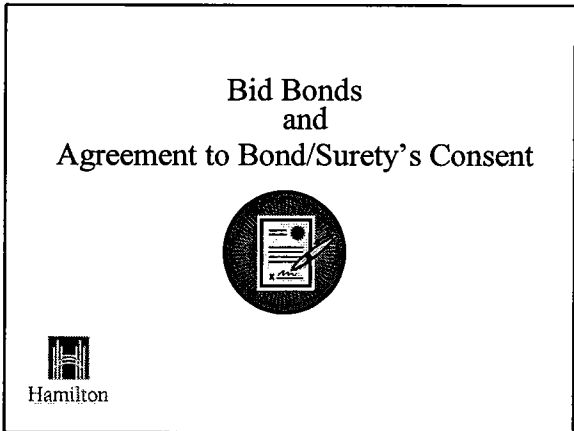
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**If your Submission is accepted  
you are obligated to**

- enter into a formal contract or purchase order with the City
  1. within the time required
  2. at the tendered priceand
- 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 Oblige, (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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### Agreement to Bond Checklist

- Agreement to Bond should clearly identify:
  - the Principal, (same name as appears on the Submission)
  - the Surety
  - the Obligee, (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)
- Performance & Labour and Material Payment 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 - ABZC25874  
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) \$XXXXX per Occurrence and in the Aggregate  
B) \$XXXXX 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 xxxxxxxxxxxxxxxxxxxxxxxxx
- 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



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

Insurance is the financial  
backstop that supports the  
indemnity.



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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




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The Certificate of Insurance provides standard information including:

- The name of the insurance agent or broker
- The identity of the "Named Insured" that purchased the policy
- The insurer(s) providing the coverage(s)
- The amount(s) of coverage
- The effective and expiry dates of the policy




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**Please Note**  
 The face (front) page of your insurance policy is not adequate proof of insurance.  
 We don't want to know your annual premium.  
 \*\*We do want to know that the City is endorsed as an additional insured where required.  
 \*\*We do want to see the period of notice provided for cancellation.  
 \*\*We do want to see a reference to the city contract by name and contract number.  
 The face page of your policy doesn't include this (\*\*) information, the certificate of insurance does.




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**Actions to be taken by the Proponent**

- Provide a copy of the insurance requirements and scope of work to your insurance broker at the ***earliest possible date***
- **If requested by the City**, include a certificate of insurance with your submission documents


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**Successful Proponent**

If you are the Successful Proponent you must provide to the City an Original Certificate of Insurance

- at the time of execution of the Contract for Work or Purchase Order, or
- **in any event prior to commencing the Project, Work or Supply; and**
- and thereafter during the term of the Contract, no later than 20 Business Days prior to the renewal date of each applicable policy,




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**Certificate Checklist:**

- Named Insured is the same as or includes the Contractor's Name as shown on the Contract/PO.
- Show Contract Name and Number on the certificate
- Contract commencement date falls within the policy period.
- Policy limits shown are adequate (i.e. CGL \$2MM)
- All special endorsements or coverages (i.e. coverage for XCU, asbestos, contractor's pollution liability) are noted.




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Certificate Checklist cont'd

- Additional Insured is "City Of Hamilton"
  - not "The City of Hamilton"
  - not "The "New" City of Hamilton"
  - not "The Regional Municipality of Hamilton Wentworth"
  - not "The Corporation of the City of Hamilton"
- Certificate shows 30 days notice of cancellation
- Certificate signed by an authorized representative of the insurance company, not the contractor or consultant



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**Remember**



Certificates of Insurance and Performance Securities are requisite documents and must be provided:

- As required under the terms of the Submission
- Prior to commencing work on a Project or Purchase Order.



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**To avoid costly delays:**



Risk Management Services strongly recommends that you copy the following sections of the RFT as soon as you obtain the Submission and fax them to your insurance broker.

- Scope of work
- Insurance requirements
- Security requirements

**Time is of the essence**



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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



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Addenda

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



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Addenda

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



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**• 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: Carpentry, Acoustic and Drywall, Resilient Flooring, Caulking, and Pile Driving
- 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



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**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.



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**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



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**Intermission**

Questions & Answers



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**SAMPLE**

**CONTRACT DOCUMENTS**

<b><u>Description</u></b>	<b><u>Page Colour</u></b>	<b><u>Pages</u></b>
Communications	White	3
Checklist	Neon Green	4
Tender Notice	White	5 to 7
Instructions to Bidders	Pink	8 to 52
Special Provisions	Blue	120 to 125
Form of Tender	Yellow	130 to 149
Specifications	White	150 to end
Drawings		Attached

**SAMPLE**

**SAMPLE**

**Contract Number: C11-XX-06**

**TITLE OF PROJECT**

**COMMUNICATIONS**

All questions related to this Tender or for clarification on completing the Form of Tender are to be directed in writing to:

Tina Iacoe  
Buyer, Purchasing  
Corporate Services Department  
City of Hamilton  
120 King Street West, 9<sup>th</sup> Floor  
Hamilton, ON L8P 4V2

Telephone: (905) 546-2424, extension 5971  
Fax: (905) 546-2324  
Email: [tiacoe@hamilton.ca](mailto:tiacoe@hamilton.ca)

All questions related to this Request for Tenders (RFT) or any clarification with respect to this RFT must be made no later than **3 Business Days prior** to the closing date of this RFT in order that City staff may have sufficient time to respond. The City reserves the right to extend the deadline for questions if required regarding this RFT.

Written answers or clarifications to issues of substance shall be shared with all Bidders and issued as part of the RFT in the form of an Addendum. **All Bidders are advised that any Addenda issued will be faxed and posted on the City of Hamilton's website at:**

**[www.hamilton.ca/Purchasing/CurrentBidOpportunities.htm](http://www.hamilton.ca/Purchasing/CurrentBidOpportunities.htm)**

