

FESBC CONTRACT TENDERING AND COST GUIDELINES

Contract Tendering Guidelines:

- 1) Where Forest Enhancement Society of BC (FESBC) funding has been allocated to a Recipient for a Project or in an Investment Schedule in any given Fiscal Year, the Recipient must adhere to the following contract tendering rules:
 - All subcontracts greater than \$50,000 for a given Project will be tendered through a competitive bidding process; and,
 - Any contract with a value of \$100,000 or more (other than Delivery Allowance contracting) must be tendered through open invitation and such tendering must conform to the guidelines as provided in this document;
 - A tendered contract less than \$100,000 for a given Project (other than Delivery Allowance contracting) must be either select invitation, with bids invited from at least three potential bidders, or open invitation. Such tendering must conform to the guidelines as provided in this document.

- 2) Subcontracts having a value of \$50,000 or less should be tendered where reasonable and cost effective. This would include projects where there is a sufficient pool of interested contractors and the work is of a routine nature such as harvesting and silviculture projects. However, subcontracts \$50,000 or less which are unique (i.e., require specialized knowledge such as a research study or use of a specialized equipment/ laboratory / testing facility and it can be proven that only one contractor is qualified or available) may be directly awarded where prices obtained through direct award correspond with current market value for similar work / service (i.e. through recent openly advertised contracts). If a recipient is uncertain as to whether a proposed project qualifies, they should contact the Administrator. The Recipient's subcontract file must contain clear evidence, or documentation, that undertaking a competitive process was not reasonable or cost effective and will be subject to auditing by the Administrator as required.

- 3) Direct awards must be avoided in situations where projects are expected to span more than one fiscal year and the total cost is anticipated to exceed \$100,000 upon completion. Recipient should also avoid direct awards resulting in "repetitive" direct awards to the same contractor or group of contractors (such contracts should be open invitation advertised so as to avoid potential allegations of perceived conflict of interest or the creation of a monopoly).

- 4) Proposed amendments to an "exempted" direct award subcontract shall not increase the value of an existing works or services subcontract by more than 25%. Recipients are not permitted to direct award a similar contract to the same contractor and any similar subcontracts shall be regarded as an amendment to the original subcontract where the:
 - contract is for a continuation of the same or similar work;
 - re-direct awarding is done within 3 months of the completion or expiry of the previous contract for the same or similar work; and
 - re-direct awarding is done without competitive process.

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Acceptable Tender Solicitation Methods:

1) Open Invitation

Open invitation tendering is used for subcontracts over \$100,000, to advertise invitations to tender, requests for proposals, and subcontractor eligibility list notices. Open invitation ensures that all qualified subcontractors have an equal opportunity to bid on subcontracts. These tender notices are strongly encouraged to be posted on the FESIMS Tender Advertisements website and should be locally or provincially advertised, if deemed beneficial.

2) Select Invitation Tendering

Select invitation tendering allows a Recipient to provide a selected list of subcontractors the opportunity to submit bids. In order to qualify as a select invitation tender, all selected subcontractors must be qualified and eligible to complete the proposed subcontract. It is suggested that a subcontractor pre-qualification competition is used to establish the select list. The Recipient may allow new subcontractors to be added to a select list at any time, provided they are evaluated in the same manner as subcontractors already on the list.

Recipients must make every effort to obtain three qualified subcontractor bids when using the select invitation process. The Recipient's tendering file must contain clear documentation of the select invitation process that shows subcontractor qualifications, the selection criteria and documented proof that invitations to bid were sent to sufficient qualified subcontractors to meet the intent of the selection invitation process.

3) Local Advertising

Advertising of contracted work for subcontracts exceeding \$100,000 should be advertised on the FESIMS Tender Advertisements website. For subcontracts less than \$100,000 it is suggested that this website be utilized. If the Recipient feels local notice would be beneficial, additional local advertising of contracted work should be completed, including local community newspapers (usually only printed once a week) or regionally based (printed daily) newspapers with paid subscribers. Use local papers when advertising any value of a subcontract where there is a sufficient local subcontractor base. Use regional papers when advertising any value of subcontract where the local subcontractor base is small. Ensure bidders are allowed sufficient time to prepare sound, competitive offers. The following table shows the suggested minimum time between the date the advertisement appears and the date the tendering closes.

Contract Type	No Viewing Requirement	Viewing Requirement
General / Consultation Services	2-3 weeks	3-4 weeks
Operational Services	3-4 weeks	4-5 weeks

General Services: Examples of activities for which this type of contract is used are data entry, basic mapping or drafting serves, consulting fees, professional services etc.

Operational Services: Examples of activities for which this type of contract is used are tree planting, fertilization, pruning, spacing, silviculture surveys, harvesting etc.

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Information on Contract Methods

1) Invitation to Tender

An invitation to tender (ITT) is a formal contract competition process in which the recipient invites contractors to submit written offers in a sealed envelope, stating at what price they would provide the required work/service. The recipient provides prospective bidders with a detailed package of tender conditions, work/service specifications, and project information to allow bidders to formulate their tendered price.

Contract award is normally made to the qualified contractor having submitted the lowest tendered price. The ITT process is used to obtain most of the works/services, such as construction and maintenance, fieldwork, general, and operational (e.g. silviculture) services. Use the invitation to tender process if established methodologies and standards exist, allowing the work/service to be clearly specified.

2) Request for Proposals

A request for proposals (RFP) is a formal contract competition process in which the recipient invites contractors to submit written action plans in sealed envelopes outlining how and at what price they would provide a service or complete a project. In an RFP, only the contract goals/objectives can be defined but the specific details of how they will be achieved cannot. Therefore, use the RFP process if the nature of the work/service cannot be clearly defined or quantified, a standard methodology for doing the work does not exist, or the work performance standards cannot be specified.

Examples:

- consulting services contracts to supply technical, professional, research, or management expertise for projects of a non-routine nature;
- the requirement involves a problem for which the recipient is seeking solutions;
- projects having a component involving consulting services, followed by a component involving the delivery of the item for which the consulting services were required, and for which it is not practical to separate the two components into individual contracts (e.g., to design, construct, and test a new piece of equipment);
- construction projects under minor or major works contracts of a design/build nature where alternative designs or materials are to be considered;
- an operational services contract where the recipient is looking for proposals regarding the development or introduction of new forestry techniques;
- desired results can be specified but the recipient wishes to consider alternative methodologies.

The RFP process allows contractors to consider alternative approaches and encourages creativity. The recipient provides prospective bidders with a detailed RFP package describing proposal submission conditions, the service / project expectations, results to be achieved, proposal evaluation criteria and weightings, and the price evaluation method that will be used (either "lowest price point" or "lowest qualified price"). Bidder who achieve a predetermined minimum score are short-listed and contract award is made to the contractor offering the lowest price point or the lowest qualified price.

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FEBC Cost Guidelines:

Recipients are expected to provide a detailed budget with their project plan indicating rates for personnel and equipment and associated time estimates. Where appropriate, Recipients are encouraged to use an all-found unit rate for activities such as surveys, prescriptions, fuel reduction treatments, ecosystem restoration treatments (slashing, mastication) etc. Where a Recipient plans to conduct work on a cost recovery basis (i.e., hourly), the following Cost Guidelines will apply.

Direct Project Costs

Listed below are the definitions of each cost element related to performing FESBC related work.

Cost Element	Cost Basis	Type of Costs Included	Expense Category	
Recipient's Employee Compensation and Benefits	Professional Hourly Rates* \$55-65-75/hr	<ul style="list-style-type: none"> On-ground/project work (including pre-work meetings, on-site crew training and travel time). Preparation and delivery of prescriptions that are signed off by a professional for the specific project treatment. Developing, tendering and negotiating contracts for approved Activities. Quality control work performed for approved Activities. 	Labour	
	Technical Rates* \$45-50-55/hr		<ul style="list-style-type: none"> Direct supervision of on-ground/project work (and travel to and from the work site). 	Project Supervision
	will be accepted. *rates include benefits as defined above Rates will be applied as follows: Junior 0 - 5 yrs Intermediate 6-15 yrs Senior 15+ yrs "Yrs" is defined as years as professional or years in a technical role. To claim professional rates, individuals must have a relevant professional designation (e.g., RPF, RFT, RPBio, PEng, PAg).		<ul style="list-style-type: none"> Planning work – researching, developing, prioritizing, scheduling and preparing Activities that are approved by FESBC, including standards, workplans and carrying out First Nations information sharing. Planning and preparation of FESBC Project Plans (including submissions to PwC). Program management and administration costs, such as management involvement in prioritizing projects. Matters relating to the Recipient Agreement with PwC. Planning and preparation of Progress / Exception / Amendment reporting and Completion documents required by FESBC. Costs incurred to attend meetings or conferences with the Ministry associated with FESBC work, but not related to a specific Activity and/or Location. 	Administration/Delivery Allowance*
Audits	Actual Cost	<ul style="list-style-type: none"> Costs incurred to arrange, attend and participate in financial and performance audits, unless otherwise previously approved by PwC. 	Administration/Delivery Allowance*	
Travel – Meals, Accommodation,	Actual costs to a maximum of the Recipient's internal	<ul style="list-style-type: none"> All travel costs (non-labour) to and from specific Activity sites including meals 	Material	

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and Transportation	travel policies and Appendix A (Expenses Payable to Service Contractors).	and accommodation. <ul style="list-style-type: none"> • Costs related to vehicle usage (should be consistent with equipment usage below). 	Equipment Charges
Recipient's Equipment Usage	A reasonable cost basis would be the equipment usage divided by the estimated useful life of the equipment multiplied by the Recipient's capital cost.	<ul style="list-style-type: none"> • Capital equipment charges for the Recipient's equipment that is used for approved Activities. 	Equipment Charges
Materials/Supplies	Actual Cost	<ul style="list-style-type: none"> • Cost of all consumable (project specific) operating materials and supplies used to prepare, schedule, and perform approved FESBC Activities. 	Material
		<ul style="list-style-type: none"> • Allocation of Recipient's total office administrative costs (space, utilities, office supplies) and finance and accounting costs that can reasonably be attributed to the recipient's FESBC work. 	Administration/ Delivery Allowance*
Contractors / Consulting Services	A reasonable cost basis would be the charge that is applicable to the period that the personnel / equipment were used on the project.	<ul style="list-style-type: none"> • Contracted or purchased services for use in: <ul style="list-style-type: none"> ➢ On-ground work (project specific) • Quality control work performed for approved Activities 	Contracted Material / Labour
		<ul style="list-style-type: none"> • Contracted or purchased services for use in: <ul style="list-style-type: none"> ➢ Activities that are related to administrative activities if the Recipient were to take the work themselves. 	Administration/ Delivery Allowance*
Licenses, Permits, and Approvals	Actual Cost	<ul style="list-style-type: none"> • Cost of licenses, permits, and approvals required to perform on-ground work of approved Activities. 	Material
Insurance	Actual Cost	<ul style="list-style-type: none"> • Cost of incremental premiums associated with on-ground work of approved Activities. 	Material

* In cases where an allocation of funding is awarded to a Recipient through an Investment Schedule to carry out activities on behalf of FESBC or the Ministry, a Delivery Allowance may be applied. Otherwise, Recipients are expected to identify administration expenses as a cost element in their project budget.

Note: All expenditures will be subject to audit by FESBC except for the Delivery Allowance. However, items related to Delivery Allowance will be audited if the types of costs that should be Delivery Allowance costs are being claimed as a Direct Cost.

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Appendix A EXPENSES PAYABLE TO SERVICE CONTRACTORS (Recipients)

(While on travel status within British Columbia)
(as payable to B.C. Public Service Employees - Group II)

All expense claims submitted by the Contractor shall be **Goods and Services Tax (GST) EXCLUDED**.

Meals:

Breakfast Only	Lunch Only	Dinner Only	Full Day	B & L Only	L & D Only	B & D Only	Incidental Only
\$22.00	\$22.00	\$28.50	\$49.00	\$30.00	\$36.50	\$36.50	\$14.00

Private Vehicle Use: Private vehicle usage will be reimbursed using an all-found rate, or at a maximum, based on the government's "Blue Book" rates (see the summary below). This vehicle allowance does not apply when using leased or rental vehicles.

- | | |
|--|--|
| <input type="checkbox"/> 4 x 2 less than 2800 kg = \$0.50/km | <input type="checkbox"/> 4 x 4 less than 2800 kg = \$0.54/km |
| <input type="checkbox"/> 4 x 2 2801 - 3600 kg = \$0.59/km | <input type="checkbox"/> 4 x 4 2801 - 3600 kg = \$0.67/km |
| <input type="checkbox"/> 4 x 2 3601 - 4500 kg = \$0.67/km | <input type="checkbox"/> 4 x 4 3601 - 4500 kg = \$0.80/km |
| <input type="checkbox"/> Trucks > 4500 kg = \$0.98/km | |

Rented Vehicle Use*: Cost of rented vehicles may be claimed, if required in order to perform the Services and if approved by the Administrator. Collision Damage Waivers (CDW) and Personal Accident Liability (PAL) will not be reimbursed.

Accommodation*: Actual amount payable for overnight hotel / motel accommodation. Where private accommodation is used, a maximum of \$30.00 per day is payable - no receipts required.

Parking*: When a vehicle is utilized by a Recipient while engaged in the fulfillment of his/her obligations under the Contract, receipted parking charges will be reimbursed at cost.

Ferry Travel*: Full cost of passenger and / or vehicle ferry travel will be reimbursed. Receipts or legible copies are required. Costs of using private boats are not reimbursable.

Air Travel*: Cost of economy class fare is payable when the passenger copy of the air ticket (or a legible copy) is submitted - a requirement even when fare is paid through a travel agency.

Bus / Taxi Costs:** Travel by bus or taxi costs when traveling point-to-point will be reimbursed. Receipts are not required, unless daily charges are in excess of \$20.00.

Business Long Distance Telephone, Postage, FAXCOM, Courier and other legitimate communication expenses incurred as part of the Contract are reimbursable when detailed by invoice or statement. For expenses where receipts have been issued (eg. courier expenses, telephone), receipts or legible copies must be submitted to substantiate these claims.

* Expense receipts or legible copies must be submitted.

** Receipts or legible copies must be submitted if expense in excess of \$20.00 per day.