

FESBC CONTRACT TENDERING GUIDELINES

Updated: June 2022

[1] - Contract Tendering Guidelines:

[1.1] - 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:

Contract Type	Contract Value	Requirement
Subcontract	<\$50,000	Tendered where reasonable and cost effective.
Subcontract	≥\$50,000	Competitive bidding process
Tendered contract ¹	<\$100,000	Select invitation or open invitation
Contract ²	≥\$100,000	Open invitation

[1.2] - Subcontracts having a value of <\$50,000 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 which are unique (i.e., require specialized knowledge or use of specialized equipment or testing facilities 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 and/or service (i.e. through recently open advertised contracts).
- If a recipient is uncertain as to whether a proposed project qualifies for direct award of sub contracts they should contact the Administrator. The Recipient's subcontract file must contain clear evidence, and/or documentation, that undertaking a competitive process was not reasonable or cost effective and will be subject to auditing by the Administrator as required.

[1.3] - 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. Recipients 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).

¹ 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 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

[1.4] - Proposed amendments to an “exempted” direct award subcontract shall not increase the value of an existing works or services subcontract by >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.

[2] - Acceptable Tender Solicitation Methods:

[2.1] - 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 by the recipient or administrator.

[2.2] - Select Invitation Tendering:

Select invitation tendering allows a Recipient to provide a selected list of subcontractors the opportunity to submit bids³. In order to qualify as a select invitation tender, all selected subcontractors must be qualified and eligible to complete the proposed subcontract.

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.

[2.3] - Local Advertising:

Advertising of contracted work for subcontracts >\$100,000 should be advertised on the FESIMS Tender Advertisements website. For subcontracts less than \$100,000 it is strongly suggested that this website also be used.

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 subscribers⁴.

³ 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.

⁴ 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 ⁵	2-3 weeks	3-4 weeks
Operational Services ⁶	3-4 weeks	4-5 weeks

[3] - Information on Contract Methods

[3.1] - 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 which price they would provide the required work and/or 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 ITT process if established methodologies and standards exist, allowing the work/service to be clearly specified.

[3.2] - 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;

⁵ General Services: Examples of activities for which this type of contract is used are data entry, basic mapping or drafting services, consulting fees, professional services etc.

⁶ Operational Services: Examples of activities for which this type of contract is used are tree planting, fertilization, pruning, spacing, silviculture surveys, harvesting etc.

- 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 the contract award is made to the contractor offering the lowest price point or the lowest qualified price.

[4] - Exemption from Tendering Requirements

Exemption from the above may be considered by the FESBC Board as part of the approval process or during project implementation if acceptable rationale is provided. Rationale may include, but is not limited to the following:

- Existence of a comparable contract,
- Capacity of skilled contractors or professionals,
- Operating areas where local expertise is sought, and
- Use of local First Nations contractors