

Applied Arts & Library Building
Thebacha Campus, Arctic College
Fort Smith

TENDER REPORT

Electrical # 1602

The results of the December 23 retender call were as follows:

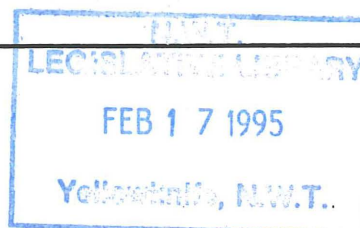
<u>Contractor</u>	<u>Base Bid</u>	<u>Local Content</u>	<u>Adjusted Tender Price (BIP)</u>
Standard Electric	\$468,980	\$ 32,000	\$397,033.00
F/S One Call	\$497,179	\$497,179	\$397,743.20
Adco North	\$522,842	\$157,900	\$438,440.70
Amrity Electric	\$555,000	\$555,000	\$445,000.00

Based on the decision outlined in the Tender Report of January 11, F/S One Call was requested to meet with the construction manager and consultants on January 11 to review the conditions of a proposed contract. During that meeting, F/S One Call discovered that they had misinterpreted the documents regarding a separate price for the UPS system. Their separate price included all conduit distribution and receptacles to be connected to the system in addition to the equipment. The other bidders provided a separate price for the equipment only; consistent with the intent of the documents. On January 12, F/S One Call was given the option of holding their price or withdrawing their bid. F/S One Call submitted a letter that day advising that they would withdraw their tender submission.

On January 13, the Steering Committee (Don Webb, Barry Roste, Ed Andrews) met to review the options resulting from the tender withdraw of F/S One Call. As Standard Electric's bid was considered non-responsive, only two bids remained for consideration. Don Webb and Barry Roste favoured the tender from Amrity Electric because of the high level of local involvement. Ed Andrews supported Adco North's tender in view of budget restrictions. On January 16, Bob Doherty, Randy Cleveland and Ed Andrews reviewed the options and agreed to instruct Clark Builders to negotiate directly with Adco North with the view of improving the local content and / or price. This decision was conveyed by telephone to Don Webb on January 16.

On January 20, Clark Builders forwarded a response from Adco North. They substantiated the breakdown of local involvement (\$157,900) identified in their tender form. Their labour component was based on the assumption that Adco North would provide a site superintendent with the balance of labour to be hired from Fort Smith. Material would be purchased from Yellowknife. They are prepared however, if awarded the contract, to discuss a labour contract and the purchase of materials with local companies. If successful, this would increase substantially the level of local involvement. In event that these initiatives materialize, their impact on reducing the contract value would be discussed further with Adco North.

Don Webb was informed, on January 20, of the developments and that the time to award a contract was about to expire (January 21). Furthermore, a delay would adversely impact on the construction schedule. In view of these factors and our goal to complete the project within the existing funds available, he was advised that a contract would be awarded to Adco North on the understanding that they would pursue discussions with local companies regarding a labour contract and material purchase. Clark Builders was advised of this decision on January 20.



REPORT

Electrical # 1602

On November 30, the following electrical tenders were received in Fort Smith:

<u>Contractor</u>	<u>Base Bid</u>	<u>Local Content</u>	<u>Adjusted Tender Price (BIP)</u>
F/S One Call	\$681,000	\$681,000	\$544,800
Adco North	\$643,773	\$157,900	\$551,713
Amity Electric	\$692,205	\$642,205	\$556,264
Standard Electric	\$584,900	not identified	\$584,900

The information submitted by Standard Electric was incomplete and the tender disqualified.

As the lowest acceptable bid was 25% above the budget for this scope of work, the documents were revised and retendered to all four original bidders, despite the fact that Standard Electric could have been disqualified.

In the Instructions to Tenderers, it was stated that the contract award would be based on three criteria: price, local involvement and demonstrated ability (work force, material availability and experience). In addition, it was stated that the Agent for the Owner (Clark Builders) would not necessarily accept the lowest or any of the offers but reserves the right to accept any tender.

The results of the December 23 retender call are as follows:

<u>Contractor</u>	<u>Base Bid</u>	<u>Local Content</u>	<u>Adjusted Tender Price (BIP)</u>
Standard Electric	\$468,980	\$ 32,000	\$397,033.00
F/S One Call	\$497,179	\$497,179	\$397,743.20
Adco North	\$522,842	\$157,900	\$438,440.70
Amity Electric	\$555,000	\$535,000	\$445,000.00

The Steering Committee (Don Webb, Barry Roste and Ed Andrews) evaluated all the submissions based on the criteria identified. While the base bid and adjusted tender price received from Standard Electric is the lowest, the identified local content does not represent the balance of price to local involvement sought from these tenders. For that reason, their tender is considered non-responsive in this criteria.

Reviewing the next bid, received from F/S One Call, against the stated award criteria, the following observations are noted:

Price: Consistent with the budget identified by the Construction Manager for this scope of work.

Local Involvement: 100% identified for material and payroll.

Demonstrated Ability: As F/S One Call has recently been awarded the mechanical contract for \$1,104,000, our concern has been with their ability to provide the administration, workforce and schedule requirements associated with this contract. F/S One Call advised us on January 6 that the mechanical and electrical contracts would be administered by different individuals. In a letter of January 11, F/S One Call identified the names and addresses of 5 local journeymen, 4 apprentices and 11 labourers whom they will employ, as required, to undertake this work. The stated intent of F/S One Call is to employ local residents only.

By consensus, the Committee recommends that the electrical contract be awarded to F/S One Call for the amount of \$497,179. Education, Culture and Employment (Jim Kaulbach) was advised, on January 10, of the issues relating to this tender call and will support the decision of our Department.

Our Legal Council, Reg Tolton, is of the opinion that our criteria for awarding this contract was disclosed and that the privilege clause allowing the Owner to accept any bid, as stated in the Instructions to Bidders is valid. This opinion is based on the recent Court of Appeal decision between Martselos Services Limited and Arctic College. There remains however an element of risk that Standard Electric would challenge our decision and seek damages for loss of profit.

The Deputy Minister (Public Works and Services) has been advised of this report and concurs with the recommendation of the Committee.

F/S One Call will be notified today, by Clark Builders, of the acceptance of their tender offer. The letter of award will emphasize the fundamental requirement to meet the local labour and material commitments, as identified in their tender.

