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Directive Title: Government Contracts - Tenders and Proposals			Directive No: 808-1



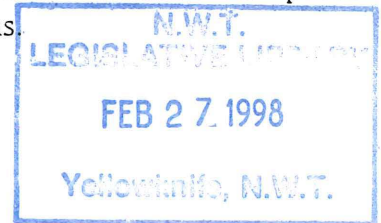
## 1. INTRODUCTION

This directive provides criteria, requirements and guidelines for inviting tenders, requesting proposals and awarding Government contracts. Refer also to Directive 808 and to the *Government Contract Regulations*, Directive 9904 in this manual.

The choice between an Invitation to Tender and a Request for Proposal depends on how much detail can be included in the specifications for the work of the contract. Subsection 4.1 provides guidelines for the choice.

## 2. DIRECTIVE

Subject to the Provisions below, a contract authority shall formally issue in writing an Invitation to Tender or a Request for Proposal before entering into a contract. Exceptions under particular circumstances are permitted within the Provisions.



## 3. PROVISIONS

### 3.1 Competitive Tenders

Refer to PART II, TENDERS in the *Government Contract Regulations*, Directive 9904 in this manual. Except as permitted in the *Regulations*, a contract must be awarded as a result of formally invited competitive tender.

### 3.2 Requirement for Formal Invitation to Tender related to Estimated Contract Value

Formal (written) Invitations to Tender must be issued if the resultant contract value is estimated to be greater than \$5,000. Tenders for contracts estimated to not exceed \$5000 in value may be invited and submitted orally. Formal invitations are defined in the *Government Contract Regulations*. See Directive 9904 in this manual.

### 3.3 Tender Records

3.3.1 Records must be kept for all invitations made and for all tenders and proposals received, whether invited orally or formally (in writing) and whether received orally or formally.

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3.3.2 Unless a contract is for architectural or engineering services that will not exceed \$25,000 in value or is any other type of contract that will not exceed \$1,000 in value, a contract authority shall record the reasons for:

- a) awarding a contract without promoting the submission of competitive tenders or without issuing a formal Invitation to Tender; or,
- b) awarding a contract to other than the tenderer with the lowest tendered contract price, for example, when the lowest priced tender is not responsive or the lowest priced tenderer is not responsive.

### 3.4 Restriction on Authority to Request Proposals

A public officer employed in a position below the level of a director shall not request proposals unless specifically authorized to request proposals in an instrument that delegates contract authority to the officer. Section 14 of the *Government Contract Regulations* defines director for purposes of this restriction. See Directive 9904 in this manual.

### 3.5 Evaluating Tenders and Awarding Contracts

3.5.1 Tenders must be comparatively evaluated on the basis of price only, provided the tenders compared are responsible and responsive. Except as permitted in the *Government Contract Regulations*, a contract must be awarded to the responsible tenderer submitting the lowest priced responsive tender. Responsible and responsive are defined in Section 1 of the *Regulations*. See Directive 9904 in this manual.

3.5.2 Permission or direction to award a contract to other than the responsible tenderer submitting the lowest responsive tender must be given by the Executive Council.

### 3.6 Evaluating Proposals and Awarding Contracts

3.6.1 Proposals must be evaluated in a predetermined manner according to a predetermined formula including price and at least one other criterion specified in a written Request for Proposal. Except as permitted in the *Government Contract Regulations*, a contract must be awarded to the responsible proposer submitting the proposal which potentially will provide the best value to the Government. See Appendices A and B to this Directive and Directive 9904 in this manual.



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3.6.2 Permission or direction to award a contract to other than the responsible proposer submitting the proposal which potentially will provide the best value to the Government must be given by the Executive Council.

### 3.7 Paramount Authority of the Executive Council

In accordance with the *Government Contract Regulations*, the Executive Council may award or direct the award of any contract to whomever it desires. See Directive 9904 in this manual.

## 4. GUIDELINES

### 4.1 Determining whether to Invite Tenders or Request Proposals

Where possible, detailed specifications for the work of the contract should be provided with Invitations to Tender. Where possible, contracts should be formed as a result of tenders. Otherwise, if detailed specifications cannot be available or if marketplace proposals for goods or services are desirable, proposals should be requested.

### 4.2 Advice on Preparing a Request for Proposal

A department may obtain advice on preparing a Request for Proposal from the Department of Public Works & Services. Appendix A also contains proposal request information.

### 4.3 Importance of Confidentiality

A department should establish rules to maintain confidentiality whether using the proposal request or tender invitation method to enter into contracts.

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## APPENDIX A

### CONTENT OF REQUESTS FOR PROPOSALS

The following minimum items should be included as they apply.

1. **A Project Description (Terms of Reference) including:**
  - a. the purpose of the work, i.e., a very brief general description of the end product;
  - b. the scope of work, i.e., a very brief general statement of the extent of the work;
  - c. the project circumstances, e.g., location, constraints, unusual conditions, etc.;
  - d. investigations and examinations to be conducted by the successful Proponent;
  - e. relevant policies, standards and requirements, e.g., protocol and confidentiality requirements;
  - f. Government resources to be made available to the successful Proponent, e.g., personnel, support services and information;
  - g. a time schedule for completion of each stage of the work;
  - h. the requirements for progress reporting, interim approval and final acceptance of the work and the financial controls to be applied by the Government; and,
  - i. instructions.
  
2. **A description of Information to be Provided in the Proposal:**
  - a. names, qualifications and locations of proposed personnel and their responsibilities in the work of the contract;
  - b. resources to be assigned or made available to the project;
  - c. list of subcontractors and their qualifications and locations;
  - d. proposed methodology or approach to the work of the contract;
  - e. descriptions of relevant work on similar projects and a client list;
  - f. proposed project schedule with comments if varied from the schedule called for;
  - g. hourly personnel rates, estimated total fees and expenses with an explanation; and,
  - h. head and branch office locations and proposed work performance locations.
  
3. **Required Proposal Content and Manner of Evaluation, including:**
  - a. a full description of content and format expectations;
  - b. criteria and formulae to be used in evaluating proposals;
  - c. submission acceptance closing time and location; and,
  - d. statements of critical project requirements and specifications, e.g., "If the Proponent cannot meet stipulated schedule deadlines, it would not be appropriate to submit a proposal."



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## APPENDIX B

### EXAMPLE OF RATING SCHEDULE FOR A PROPOSAL

No.	Rating Criteria	Assigned Weight (A)	Unit Points Awarded (B)	Total Points A x B (C)	Remarks
1	Personnel to be assigned or made available to the project	20			
2	Methodology or approach	15			
3	Past relevant experience	15			
4	Project schedule	10			
5*	Fees and expenses as compared to estimate	25			
6	Past performance appraisals	15			
	<b>TOTALS</b>	100		maximum 1000	

\* For proponents qualifying for northern preference, the fees and estimates should be adjusted in accordance with the Government's Business Incentive Policy.

#### INSTRUCTIONS FOR PREPARING AND USING THE RATING SCHEDULE

Note: A copy of the Rating Schedule form should be issued and explained within the Request for Proposal documents.

1. Assign a weight to each criterion based on its relative importance. (For convenience, use a total weight of 100 so each weight is a percentage.) The weights and the criteria may vary from contract to contract depending on the nature of the work, except that price

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**APPENDIX B, CONTINUED**

information is always required. Include the assigned weights in the Rating Schedule form issued within the Request for Proposals. Every proposal must be evaluated using the same weights.

- Using a separate form for each proposal received, enter a rating score for each criterion in Column B, according to the following code.

- Poor        1 - 3    points
- Fair        4 - 6    points
- Good       7 - 8    points
- Excellent 9 - 10   points

Multiply the individual weights in Column A by the individual scores in Column B and enter the products in Column C. Add these products in Column C and enter the total at the bottom.

- Compare the total scores on each form. The highest total score should indicate the proposal which potentially will provide the best value to the government.