

CONSTRUCTION CONTRACT GUIDELINES

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INDEX

CCG01	STATEMENT OF PURPOSE	1
CCG02	DEFINITIONS	1
CCG03	REQUIREMENT TO SOLICIT COMPETITIVE BIDS	5
CCG04	CONTENT OF TENDER NOTICE.....	6
CCG05	REGISTRATION REQUIREMENTS.....	7
CCG06	PREQUALIFICATION OF BIDDERS	7
CCG07	PREQUALIFICATION PROCESS.....	7
CCG08	CONSTRUCTION MANAGEMENT PROCESS	8
CCG09	DESIGN BUILD PROCESS	8
CCG10	UNIT PRICE CONTRACTS	9
CCG11	ESTIMATION OF CONTRACT VALUE	10
CCG12	NON-DISCLOSURE OF ESTIMATED CONTRACT VALUE.....	10
CCG13	QUERIES OF TENDER DOCUMENTS	10
CCG14	INCLUSIVE NATURE OF THE TENDER DOCUMENTS.....	10
CCG15	INFORMATION IN THE TENDER DOCUMENTS	10
CCG16	BID SECURITY/CONTRACT SECURITY	11
CCG17	CERTIFICATE OF RECOGNITION PROGRAM - LETTER OF GOOD STANDING	12
CCG18	RETURN OF CONTRACT SECURITY	12
CCG19	REPLACEMENT OF CONTRACT SECURITY	12
CCG20	CONTRACT INSURANCE.....	12
CCG21	WORKERS' COMPENSATION ACT.....	13
CCG22	AMENDMENTS TO TENDER DOCUMENTS.....	13
CCG23	ADJUSTMENTS TO CLOSING TIME.....	13
CCG24	CANCELLATION OF INVITATION TO BID.....	13
CCG25	BID MAY BE AMENDED.....	13
CCG26	WITHDRAWAL OF BID PRIOR TO TENDER CLOSING	13
CCG27	PERMISSION TO WITHDRAW BID AFTER TENDER CLOSING.....	13
CCG28	CLOSING TIME FOR BIDS.....	14
CCG29	RECEIPT OF BIDS TO BE RECORDED ON DOCUMENTS.....	14
CCG30	INFORMATION INCLUDED IN BIDS.....	14
CCG31	LATE BIDS	14
CCG32	NO BIDS	14
CCG33	EXECUTION OF BIDS	14
CCG34	ERRORS IN CONTRACT VALUE.....	15
CCG35	WORDS AND NUMBERS DIFFER.....	15
CCG36	EQUIPMENT, PRODUCT AND MATERIAL SPECIFICATION AND STANDARD.....	15
CCG37	BID EVALUATION	15

CCG38	IDENTICAL BIDS.....	16
CCG39	NOTICE AWARD/REJECTION.....	16
CCG40	NOTICE OF AWARD.....	16
CCG41	EFFECT OF BIDS HIGHER THAN THE ESTIMATED CONTRACT VALUE	16
CCG42	BID DEPOSITORY	17
CCG43	RULES OF BID DEPOSITORY	17
CCG44	FORM OF CONTRACT	17
CCG45	PAYMENTS UNDER CONTRACT	17
CCG46	HOLDBACKS.....	18
CCG47	PAYMENT ON COMPLETION OF THE WORK	18
CCG48	TAXES TO BE PAID	18
CCG49	TAXES NOT TO BE PAID.....	18
CCG50	BUILDING PERMITS	18
CCG51	CHANGES PERMITTED.....	18
CCG52	RELATIONS OF CONTRACTOR AND SUBCONTRACTOR	19
CCG53	RELATIONS OF CONTRACTING AUTHORITY AND SUBCONTRACTOR	19
CCG54	REFERENCE TO VENDOR COMPLAINT PROCESS	19
CCG55	REFERENCE TO ARCHITECTS & PROFESSIONAL ENGINEERING SERVICES	19
CCG56	E-PROCUREMENT.....	19

CCG01 STATEMENT OF PURPOSE

- 1.1 These guidelines provide the process for the administration of the Province of Nova Scotia construction contracts. The objective of these guidelines is to maintain a high level of confidence in the procurement and contract administration process by ensuring that bidding is fair, equitable, consistent, efficient, and undertaken in an open and competitive manner.
- 1.2 The Province of Nova Scotia Procurement Policy of January 26, 2001, the Atlantic Procurement Agreement, the Agreement on Internal Trade and Procurement Services instructions provide the framework within which these guidelines have been formulated.
- 1.3 These guidelines are not a substitute for the specifications of a particular project, but highlight certain fundamental principles of the procurement and contracting process.
- 1.4 The guidelines have been developed in consultation with the Construction Association of Nova Scotia.
- 1.5 It is intended that these Construction Contract Guidelines will apply to all construction procurement for government departments, agencies, commissions, school boards and health authorities and are recommended for use (where deemed appropriate, at the discretion of the Contracting Authority) by crown corporations, municipalities and academic institutions.

CCG02 DEFINITIONS

The following definitions may be found in this document or related contract documents.

- 2.1 **Bid:**
An offer submitted in response to an invitation to tender.
- 2.2 **Bid closing time:**
The time up to which bids will be accepted and beyond which bids will be rejected.
- 2.3 **Bidder:**
A person, firm or corporation who submits a bid.
- 2.4 **Bidding period:**
A time provided to prospective bidders to assemble and submit their bid. Further defined as the time period between the Invitation to bid and the bid closing time.
- 2.5 **Bid security:**
A promise to pay to the contracting authority its costs of accepting another bid, up to a limit, specified in the bid document, if it is the contracting authority's intent to award a contract and the bidder fails to enter into the required contract.

- 2.6 **Completion of the contract:**
Completion of the contract shall have been reached when the work has been certified as being complete and any deficiencies documented during the specified warranty period have been corrected and so certified by the consultant and/or the contracting authority on behalf of the public sector.
- 2.7 **Completion of the work:**
Completion of the work shall have been reached when all construction and all deficiencies documented at the time of Substantial Performance have been corrected, and so certified by the consultant and by the contracting authority on behalf of the public sector.
- 2.8 **Construction:**
Construction means a construction, reconstruction, demolition, repair or renovation of a building, structure, road, bridge or other engineering or architectural work. It does not include professional consulting services related to the construction contract, unless they are included in the procurement.
- 2.9 **Construction management contracts:**
A contracting strategy wherein the construction manager is responsible to provide the contracting authority with complete executive and administrative functions relative to the construction of the project, including the administration of all contracts entered into as:
- 2.9.1 Direct agreements between the construction manager and the trade contractors for various portions of the construction.
- 2.9.2 Direct agreements between the contracting authority and the trade contractors.
- 2.10 **Contract price:**
The set amount of money considered and agreed to by both parties for the execution of the work as described in the contract documents.
- 2.11 **Contracting authority:**
The public sector body-having authority to enter into a contract on behalf of the Province of Nova Scotia.
- 2.12 **Contractor:**
The contractor is the person, firm or corporation identified as such in the contract. The team contractor means the contractor or his authorized representative as designated to the contracting authority.

- 2.13 **Design build contracts:**
A contracting strategy wherein the contracting authority enters into a contract with a contractor, who will provide complete design, procurement and construction services for a specified price.
- 2.14 **Estimated contract value:**
The estimated contract value is the total value of the work being tendered as determined by the contracting authority from a Class A estimate. A Class A estimate is an estimate that has been prepared, based on a complete set of tender documents prior to tender call.
- 2.15 **Evaluation criteria:**
Evaluation criteria are the methods, standards and measures used to assess the degree to which a bid has addressed the requirements identified in the invitation to bid documents.
- 2.16 **Invitation to bid:**
An invitation to bid solicits competitive bids. An invitation to bid is used when the requirement is adequately defined to permit the evaluation of bids against clearly stated criteria and specifications. The bid document describes the specifications to be met and the terms and conditions that will apply.
- 2.17 **Irrevocable standby letter of credit:**
A form of Bid, Performance, Payment and Warranty Security issued by a certified financial institution subject to the Uniform Customs and Practices for Documentary Credits (1993 Revision) International Chamber of Commerce (Publication No. 500), for a sum as specified in the Invitation to Bid. The Irrevocable Standby Letter of Credit will remain in effect until the Certificate of Completion of the Contract is issued.
- 2.18 **Lowest competent bid:**
The lowest priced, compliant bid submitted by a responsible contractor or supplier is deemed the lowest competent bid.
- 2.18.1 **Responsible:**
A responsible person, association of persons or body corporate is one who is capable in all respects to perform the contract.
- 2.18.2 **Compliant:**
To be considered compliant, a proposal, bid or offer must meet all requirements stipulated in the invitation. Bids are deemed to be non-compliant if they fail to meet any mandatory requirement set out in the bid solicitation.
- 2.19 **Major change of scope:**
Changes in scope of work of 10% or greater, of estimated contract value.

- 2.20 **Minor change of scope:**
Changes in scope of work of less than 10% of estimated contract value.
- 2.21 **Pre-qualification of bidders:**
The process where an open invitation is advertised and conducted for the purpose of soliciting bidders to submit their qualifications to the contracting authority to be evaluated and selected to be invited to bid on a tender. The submitted qualifications are measured against predetermined evaluation criteria and those bidders receiving a passing grade are invited to bid on the work.
- 2.22 **Public advertisement:**
A public advertisement means advertising in the public media with provincial circulation. In addition, public advertisement includes a notice posted on the Nova Scotia Procurement Website.
- 2.23 **Public Tenders Office:**
Procurement Services administers the bidding process on behalf of Departments, Agencies, Boards and Commissions, of the Government of Nova Scotia.
- 2.24 **Rejected bid:**
A bid that is not considered on the basis that it does not meet the requirements specified in the Invitation to bid documents.
- 2.25 **Subcontractor:**
A subcontractor is a person, firm or corporation having a direct contract with the contractor to perform a part or parts of the work, or to supply products worked to a special design according to the contract documents, but does not include one who merely supplies products not so worked.
- 2.26 **Substantial performance of the work:**
Substantial Performance shall have been reached when the work is ready for use or is being used for the purpose intended and when the work to be done under this contract is capable of completion or correction at a cost of not more than two and one half percent of the contract price as so certified by the consultant and the contracting authority.
- 2.27 **Supplier:**
One who furnishes material not worked to a special design.
- 2.28 **Unit price contract:**
A contract whereby both parties agree to carry out the work as described in the tender documents, based on individual work item unit bid prices.

CCG03 REQUIREMENT TO SOLICIT COMPETITIVE BIDS

- 3.1 The contracting authority shall invite bids prior to entry into any contract, subject to the following:
 - 3.1.1 Construction requirements with an estimated value of up to and including \$10,000 will be acquired by departments at competitive prices, in accordance with procedures established by Procurement Services.
 - 3.1.2 Construction requirements with an estimated value above \$10,000 will be posted on the Nova Scotia Procurement Website. In addition, bids or proposals may also be invited to ensure an adequate degree of competition.
 - 3.1.3 Construction requirements with an estimated value greater than \$100,000 will be publicly advertised. In addition, bids or proposals may be invited.
- 3.2 Conditions where alternative procurement practices may be used are identified in the Province of Nova Scotia Procurement Policy, such as:
 - 3.2.1 An unforeseeable situation of urgency or emergency where the good, service, or construction requirement cannot be obtained by means of open procurement procedures.
 - 3.2.2 A situation where tendering could reasonably be expected to compromise government confidentiality, cause economic disruption, or otherwise be contrary to the public interest.
 - 3.2.3 To ensure compatibility with existing products; to recognize exclusive rights, such as exclusive licenses, copyright, and patent rights; or to maintain specialized products that must be maintained by the manufacturer or its representative.
 - 3.2.4 Where, for technical reasons, there is an absence of competition, and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
 - 3.2.5 The procurement of goods or services for which there is a statutory monopoly that is controlled by a supplier.
 - 3.2.6 The purchase of goods on a commodity market.
 - 3.2.7 Work to be performed on or about a leased building, or portions thereof, that may be performed only by the lessor.

- 3.2.8 Work to be performed according to the provisions of a warranty or guarantee.
- 3.2.9 The procurement of a good or service to be developed in the course of and for a particular contract for research, experiment, study, or original development, but not for any subsequent purchases.
- 3.2.10 The purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
- 3.2.11 The procurement of original works of art.
- 3.2.12 The procurement of subscriptions to newspapers, magazines, or other periodicals.
- 3.2.13 Processes that foster the development of minority businesses.
- 3.2.14 Processes that foster the development of sheltered workshop programs.
- 3.2.15 Goods intended for resale to the public.
- 3.2.16 Goods and services from persons with disabilities, philanthropic institutions, or through employment equity programs
- 3.2.17 Services of expert witnesses, specifically in anticipation of litigation or for the purpose of conducting litigation.
- 3.2.18 Medical services for persons in the care and custody of the province.
- 3.2.19 Procurement of goods or services from another level of government.

CCG04 CONTENT OF TENDER NOTICE

- 4.1 It shall contain at least the following information:
 - 4.1.1 A brief description of the procurement contemplated.
 - 4.1.2 The place where a person may obtain information and tender documents.
 - 4.1.3 The conditions of obtaining the tender documents.
 - 4.1.4 The place where the bids are to be sent.
 - 4.1.5 The date and time limit for submitting bids.
 - 4.1.6 The time and place of the opening of the bids in the event of a public opening.
 - 4.1.7 A statement that the procurement is subject to the Atlantic Procurement Agreement and Agreement on Internal Trade.

CCG05 REGISTRATION REQUIREMENTS

- 5.1 The successful contractor and subcontractors must comply with the Nova Scotia Corporations Registration Act or Partnerships and Business Names Registration Act before a contract is awarded to them by the Minister.

CCG06 PREQUALIFICATION OF BIDDERS

- 6.1 Where a contracting authority wishes to pre-qualify bidders before issuing an invitation to bid for a contract in excess of \$10,000, it shall publicly advertise for bidders to submit their qualification for work of a specified nature for a specific contract.
- 6.2 Only those bidders who are deemed as qualified shall be issued tender documents.
- 6.3 The contracting authority shall not add the name of a bidder to the qualified bidder list except through the evaluation and acceptance of the bidder's qualification as submitted in response to the pre-qualification process.

CCG07 PREQUALIFICATION PROCESS

- 7.1 The contracting authority may invite interested contractors to submit their qualifications for evaluation.
- 7.2 The submissions received are measured against a predetermined set of evaluation criteria, usually consisting of three areas of interest:
- 7.2.1 Background information detailing the companies' project history, years in business, principals of the company and surety information.
 - 7.2.2 Safety qualifications of the firm.
 - 7.2.3 Project specific information, including but not limited to, the contractor's past experience with similar projects, personnel to be assigned to the project and their curriculum vitae, approach to conducting the work, and references.
- 7.3 Each submission will be independently evaluated by a team of three or more individuals representing the contracting authority. Scores are determined by applying a predetermined set of evaluation criteria to each qualification submission. Upon completion of the independent evaluations, the scores are reviewed and an average score for each section of the submission is determined. The section scores are totalled and a final score is determined.

- 7.4 If the final score for a qualification submission meets or exceeds a minimum acceptable score, often 80 out of a possible 100 points, the contractor submitting the qualification is invited to bid on the construction project.
- 7.5 A debriefing session is available upon written request to the contracting authority.

CCG08 CONSTRUCTION MANAGEMENT PROCESS

- 8.1 The contracting authority will engage where appropriate, the services of a design consultant to prepare the design of the project and to prepare discrete trade package tender documents.
- 8.2 The contracting authority will engage the services of a construction manager, typically through pre-qualification and competitive bidding, or through a 2 envelope system where the construction manager is evaluated on qualifications and price, to administer the trade packages and to have overall responsibility for all aspects of the construction project.
- 8.3 The contracting authority will tender the trade packages, for competitive bids. The tender documents will disclose the contract terms between the trade contractor and the construction manager such as labour relations obligations. The contracting authority will either:
- 8.3.1 Assign the successful bidders to the construction manager's contract via change order. The construction manager then assumes responsibility for administering the trade contractors.
 - 8.3.2 Enter into direct agreement with the trade contractors and have the construction manager administer the contract.

CCG09 DESIGN BUILD PROCESS

- 9.1 The contracting authority may pre-qualify interested design build contractors and sub-contractors as outlined in CCG7 (prequalification process).
- 9.2 The selected design build contractors are invited to submit a competitive bid based on a performance criteria document prepared by the contracting authority.
- 9.3 The performance criteria document will include, but not be limited to, the following information:
- The program description for the project.
 - 9.3.1 Specific design requirements to be met.
 - 9.3.2 Specific building system performance requirements to be met.

- 9.3.3 Geotechnical information for the site.
 - 9.3.4 Schedule for the delivery of the completed project.
 - 9.3.5 Adhere to the design review process.
 - 9.3.6 Warranties to be provided for specific building systems.
 - 9.3.7 Specific construction administration requirements, such as processes to be followed.
- 9.4 The contracting authority will enter into a contract with the contractor who submits the most competitive bid that meets all the tender requirements.
- 9.5 The design builder will be responsible to oversee and co-ordinate the activities of the prime consultant, sub consultants and all subcontractors that were named in the pre-qualification submission.
- 9.6 The contracting authority may consider the option for short listing and providing an honorarium to the unsuccessful bidders on the short list.

CCG10 UNIT PRICE CONTRACTS

- 10.1 Each item for which a bid amount is required shall be described in the tender documents.
- 10.2 The estimate of quantities of work to be carried out and materials to be furnished will be as shown on the tender form. These quantities are approximate and the contracting authority reserves the right to increase, decrease or omit quantities as required.
- 10.3 The Tender Bid Form must be completed in full. A unit bid price must be entered, in both written words and numerals, for each item where a quantity is shown.
- 10.4 Items may be subject to minimum or maximum unit prices, as described in the contract documents. Unit bid prices, which are greater than the maximum permitted for a particular item, will be reduced to the maximum allowable. Unit bid prices, which are less than the minimum permitted for a particular item, will be increased to the minimum allowable. The aggregate amount of the tender will be adjusted accordingly.
- 10.5 Tenders containing unit bid prices that are considered inconsistent with the actual level of effort or cost of carrying out the work for a particular item are considered unbalanced. Unbalanced bidding may be reason for rejection.
- 10.6 Unforeseen work that is not known at the time of tender call must be authorized and payment provided by one of the following two methods:

- 10.6.1 The contracting authority shall obtain a letter of quotation from the contractor, containing a unit price or prices for the additional work. Said prices must be approved by the contracting authority before the work commences.
- 10.6.2 An extra work order shall be issued by the contracting authority, describing the work to be carried out. Compensation for the work shall be on a cost plus basis.
- 10.7 If the additional work described in 10.6 is valued at more than 10% of the original tender value, the additional items of work may be tendered in accordance with the contracting authorities tendering policy.

CCG11 ESTIMATION OF CONTRACT VALUE

- 11.1 The contracting authority shall use its best reasonable efforts in the circumstances to establish the value of the work and have funds approved prior to invitation to bid. Class A construction cost estimates shall be in accordance with the Canadian Handbook of Practice for Architects by the Royal Architectural Institute of Canada.

CCG12 NON-DISCLOSURE OF ESTIMATED CONTRACT VALUE

- 12.1 The contracting authority will not normally disclose the estimated contract value.

CCG13 QUERIES OF TENDER DOCUMENTS

- 13.1 Questions relating to the bid document must be directed to the contact person indicated in the tender documents. Requests for changes or clarifications must be in writing, and the contracting authority will only be bound by its written response, which shall be by way of addendum provided to known bidders.

CCG14 INCLUSIVE NATURE OF THE TENDER DOCUMENTS

- 14.1 Terms and conditions of the contract are as stated in the tender documents.

CCG15 INFORMATION IN THE TENDER DOCUMENTS

- 15.1 The tender documents shall include the following information:

- 15.1.1 Terms and conditions for submission of bids including:
 - I. Form on which bids are to be submitted.
 - II. Bid/Performance/Payment Security Requirements.
 - III. Information requested to be provided in the bid.
 - IV. Time and place of bid opening.
 - V. Acceptability of a bid submitted by facsimile.
- 15.1.2 Requirement to list the major subcontractors as part of tender submission and a statement advising bidders that this requirement will be part of tender evaluation.

15.2 The tender documents will generally include the following information:

- 15.2.1 Full description of goods or services required.
- 15.2.2 The bid form, amount, terms and conditions of bid/performance/payment security.
- 15.2.3 Requirement that bids are to be submitted on mandatory forms supplied by the contracting authority.
- 15.2.4 Requirement that bids are to be without conditions that would modify the terms of the tender documents.
- 15.2.5 Completion date or other timing considerations.
- 15.2.6 Method of calculation of liquidated damages/early completion premium.
- 15.2.7 Payment terms.
- 15.2.8 Evaluation criteria.
- 15.2.9 Name and title of the designated contracting authority contact.
- 15.2.10 Other relevant information.

CCG16 BID SECURITY/CONTRACT SECURITY

16.1 When the value of a contract is estimated to be:

- 16.1.1 Equal to, or greater than \$100,000, the bid/performance/payment security shall be bonds on the contracting authorities prescribed forms, irrevocable standby letters of credit, money order, certified cheques or bank drafts in amounts specified in the tender documents.
- 16.1.2 Less than \$100,000:
 - I. Bid security may be required.
 - II. The performance/payment security shall be provided only by the successful bidder, after selection but prior to signing the contract. Contract security shall be either bonds on the contracting authorities prescribed forms, irrevocable standby letters of credit, money order or certified cheques in amount specified in the tender documents.

16.2 When a bidder enters into a contract(s) with a subcontractor in an amount of \$50,000 or more, the subcontractor will be required to provide contract security to the bidder.

- 16.3 If a bidder is notified of the contracting authorities intent to award a contract and fails to enter into the contract, the contracting authority may retain the bid security to an amount required to compensate for the extra costs incurred as a result of the bidder's failure to enter into the contract up to the limit specified in tender documents.

CCG17 CERTIFICATE OF RECOGNITION PROGRAM - LETTER OF GOOD STANDING

- 17.1 The Occupational Health and Safety Requirements of all contracts dictate that any prospective contractors and sub-contractors must meet the minimum standards of the Province of Nova Scotia. Prior to contract award, at the request of the contracting authority, the successful bidder must provide:
- 17.1.1 A certificate of recognition issued jointly by the Workers' Compensation Board and an occupational health and safety organization approved by the Workers' Compensation Board. Or
 - 17.1.2 Valid letter of good standing from an occupational health and safety organization approved by the contracting authority indicating the contractor is in the process of qualifying for the certificate of recognition. Similarly, subcontractors must provide certification within the period of time as stipulated in the tender documents.

CCG18 RETURN OF CONTRACT SECURITY

- 18.1 Where a deposit held as contract security is no longer required by the terms of the contract, the contracting authority shall return any unused portion of the deposit to the contractor.

CCG19 REPLACEMENT OF CONTRACT SECURITY

- 19.1 Within 10 days of award of contract, the contractor may replace the contract security, provided the replacement security is in the form of a bond, irrevocable standby letter of credit, money order, certified cheque or bank draft in the amount specified.

CCG20 CONTRACT INSURANCE

- 20.1 The contracting authority may require the contractor to provide insurance. The form and amount of any insurance required shall be defined in the tender documents.
- 20.2 Where insurance is required, the contractor shall not start work under the contract until proof of the required insurance has been received by the contracting authority.

CCG21 WORKERS' COMPENSATION ACT

- 21.1 The contracting authority shall require upon request the contractor to furnish evidence of coverage under the Worker's Compensation Act, R.S.N.S. and a clearance certificate indicating the contractor, sub contractor(s) and other contractor(s) are in good standing.

CCG22 AMENDMENTS TO TENDER DOCUMENTS

- 22.1 Tender documents may be amended by the contracting authority by the issuance of a written addendum not less than five business days for major changes and three business days for minor changes before bid closing time.

CCG23 ADJUSTMENTS TO CLOSING TIME

- 23.1 When an addendum is issued, the closing time shall, where necessary, be adjusted to reasonably allow bidders to receive the addendum and adequately consider, prepare and submit their bids, taking into account the impact of the addendum.

CCG24 CANCELLATION OF INVITATION TO BID

- 24.1 An invitation to bid may be cancelled at any time prior to award of a contract.

CCG25 BID MAY BE AMENDED

- 25.1 A bidder may amend a bid prior to the closing time.

CCG26 WITHDRAWAL OF BID PRIOR TO TENDER CLOSING

- 26.1 A vendor who has submitted a bid on a contract may request that the bid be withdrawn. The withdrawal of a bid will be allowed if the request is submitted in writing to the place prescribed for the receipt of bids and is received before the bid closing time. The withdrawal request must be in an appropriate written form on the bidder's letterhead including the signature of an authorized official. The withdrawal of a bid does not disqualify a bidder from submitting another bid on that tender call, as long as the revised bid is received on time. Bid withdrawal requests may be communicated by post, hand delivery, or by facsimile.

CCG27 PERMISSION TO WITHDRAW BID AFTER TENDER CLOSING

- 27.1 The contracting authority may, upon receipt of bona fide evidence, permit the withdrawal of a bid without penalty prior to award if such evidence, in the sole opinion of the contracting authority, clearly indicates a serious demonstrable error has been made in the preparation of the bid.

CCG28 CLOSING TIME FOR BIDS

- 28.1 Bid closing time shall be selected to reasonably allow for distribution of the invitations and the preparation of bids.
- 28.2 The tendering period for publicly advertised invitations shall be a minimum of 15 calendar days, except where urgency may require a shorter period.

CCG29 RECEIPT OF BIDS TO BE RECORDED ON DOCUMENTS

- 29.1 The date, time and place of receipt of a bid shall be recorded on the bid envelope or the facsimile cover sheet as the case may be.

CCG30 INFORMATION INCLUDED IN BIDS

- 30.1 Bids shall contain the following information:
 - 30.1.1 The bid amount.
 - 30.1.2 An offer to enter into a contract, which may be made by reference to the tender documents.
 - 30.1.3 The name of the person, firm, or corporation submitting the bid and authorized signature(s).
 - 30.1.4 A telephone number, facsimile number and address to which notifications may be sent to the bidder.
 - 30.1.5 Other information or documents requested in the tender documents.

CCG31 LATE BIDS

- 31.1 The contracting authority shall reject bids received after the closing time.
- 31.2 Late bids shall be returned to the bidder. In the case of sealed bids, they shall be returned unopened unless there is no return address on the outside of the envelope, whereby the envelope will be opened to obtain a return address.

CCG32 NO BIDS

- 32.1 As a result of a no bid situation the contracting authority reserves the right to negotiate a construction contract with whomever they deem appropriate.

CCG33 EXECUTION OF BIDS

- 33.1 A bid shall be signed by the person or persons authorized to make the bid on behalf of the person, firm or corporation that is submitting the bid.

- 33.2 When specified in the tender documents, amendments to a bid may be submitted by facsimile transmission.
- 33.3 Facsimile transmissions indicating amendment to a price, (either an increase or decrease amount to the price only) a change or withdrawal will be accepted up to bid closing in accordance with the requirements of the Public Tenders Office.
- 33.4 Amendments must be signed on behalf of the bidder, by a person with signing authority.
- 33.5 A written bid shall be submitted in an envelope which clearly identifies it as a bid submitted in response to the invitation to bid.
- 33.6 Bids and security must bear original signatures.
- 33.7 Public Tenders Office time calculation will govern.

CCG34 ERRORS IN CONTRACT VALUE

- 34.1 Where unit prices are requested and the bid contains an error in calculating the bid amount, the aggregate of the products of estimated quantities and respective unit prices shall prevail.

CCG35 WORDS AND NUMBERS DIFFER

- 35.1 Where the bid is requested in both words and numbers, and the two do not represent the identical amount, words shall prevail.

CCG36 EQUIPMENT, PRODUCT AND MATERIAL SPECIFICATION AND STANDARD

- 36.1 Specification and standards shall not be used for the sole purpose of limiting competition.

CCG37 BID EVALUATION

- 37.1 The contracting authority will evaluate the bid based on the criteria outlined in the bid documents and shall be conducted in accordance with the contracting authorities' procurement policy and process.

CCG38 IDENTICAL BIDS

- 38.1 Where two or more bids are identical, the successful bidder shall be selected by a coin toss by the contracting authority in the presence of the identical bidders.

CCG39 NOTICE AWARD/REJECTION

- 39.1 After the contracting authority has accepted a bid, the successful bidder will be notified in writing and the bid security of the unsuccessful bidders will be returned. The departmental contact person on the tender document is responsible for the return of bid security.
- 39.2 Notices of award and rejection will be in writing.

CCG40 NOTICE OF AWARD

- 40.1 The notice of award constitutes a binding letter of acceptance and obligates the contractor to begin the work and sign the formal contract documents. Prior to beginning on-site work, all post tender documentation must be received to the satisfaction of the contracting authority.

CCG41 EFFECT OF BIDS HIGHER THAN THE ESTIMATED CONTRACT VALUE

- 41.1 Where all bids submitted in response to an invitation to bid are higher than the estimated contract value, bids shall not necessarily be invalidated for this reason.
- 41.2 If the lowest competent bidder is within 15% of the estimated contract value, the contracting authority may choose to:
- 41.2.1 Award the contract for the bid amount.
 - 41.2.2 Negotiate changes in the scope of work with the lowest competent bidder (Within the framework of the original tender call, including all sub contractors listed) to achieve an acceptable contract price. If negotiations fail, the contracting authority can make changes to the scope of work and re-tender the work or invite the three lowest competent bidders to re-bid the work.
- 41.3 If the lowest competent bidder is greater than 15% over the estimated contract value, the contracting authority may choose to:
- 41.3.1 Award the contract for the bid amount.
 - 41.3.2 Make major changes to the scope of work (10% of estimated contract value or greater) and re-tender the work.

- 41.3.3 Make major changes to the scope of work (10% of estimated contract value or greater) and invite the three lowest competent bidders to re-bid. If invited bids fail to bring a bid to within 15% of the estimated contract value and subject to confirmation of the contracting authorities' budget, the contracting authority may take whatever action, which in its opinion will result in an acceptable contract price.
- 41.3.4 Make minor changes to the scope of work (less than 10% of the estimated contract value) and negotiate changes with the lowest competent bidder to achieve an acceptable contract price.

CCG42 BID DEPOSITORY

- 42.1 The bid depository of Nova Scotia system of bid collection administered by the Construction Association of Nova Scotia, or another system approved by the contracting authority may be used for subcontract classifications as applicable to the project provided that in the opinion of the contracting authority:
 - 42.1.1 The process does not unduly limit the number of prime or trade bidders.
 - 42.1.2 The potential for interference with free market forces is minimal compared to benefits to be achieved.
- 42.2 When the bid depository is used, it will apply to the following:
 - 42.2.1 Conventional general contract bids for projects with an estimated value of \$1,000,000 or greater.
 - 42.2.2 Trade sections where the estimated value of the work of the trade section is equal to or greater than 10% of the estimated value of the project based on the contracting authority's estimates.
 - 42.2.3 Any other trade section, which in the opinion of the contracting authority constitutes a critical element of work and merits inclusion.

CCG43 RULES OF BID DEPOSITORY

- 43.1 The rules of the bid depository shall apply subject to any amendments provided by the contracting authority as permitted by the bid depository rules.

CCG44 FORM OF CONTRACT

- 44.1 The contract form shall be the standard form used by the contracting authority, or a form acceptable to both parties under the contract.

CCG45 PAYMENTS UNDER CONTRACT

- 45.1 The contract shall provide the basis on which payments under the contract will be made.

45.2 Proof of payment to subcontractors and suppliers is required and will be in the form of a Province of Nova Scotia approved statutory declaration provided by the general contractor.

45.3 Progress payments may include compensation for the value of Products delivered and stored on the Place of the Work provided as outlined in the bid documents.

CCG46 HOLDBACKS

46.1 The contracting authority will maintain holdback funds in accordance with the Builders' Lien Act. The Builders' Lien Act provides that where the Province of Nova Scotia is the owner of a property, the claim for lien may only be served upon the Minister of Justice.

CCG47 PAYMENT ON COMPLETION OF THE WORK

47.1 Upon completion of the work according to its requirements, and following receipt of any statutory declarations, the contracting authority shall release all funds due and payable to the contractor, with the exception of any holdbacks properly retained.

CCG48 TAXES TO BE PAID

48.1 Taxes, which are the responsibility of the contractor, will be defined in the tender documents.

CCG49 TAXES NOT TO BE PAID

49.1 The contracting authority will indicate in the tender documents whether or not taxes are applicable to all or part of the work and the method of calculation and recording.

CCG50 BUILDING PERMITS

50.1 Municipal building permits are not required on projects unless stipulated by the contracting authority.

CCG51 CHANGES PERMITTED

51.1 Nothing in these guidelines shall prohibit the contracting authority from issuing change orders to accommodate changes in scope, schedule or price of the contract. The value of such changes will be in accordance with the terms and conditions of the contract.

CCG52 RELATIONS OF CONTRACTOR AND SUBCONTRACTOR

- 52.1 The contractor must bind every subcontractor to the terms and conditions of the standard form of contract between the Minister and contractor, as far as applicable to the subcontractor's work.

CCG53 RELATIONS OF CONTRACTING AUTHORITY AND SUBCONTRACTOR

- 53.1 Nothing in these guidelines or terms and conditions of the contract shall create contractual relations between the subcontractor and the contracting authority.

CCG54 REFERENCE TO VENDOR COMPLAINT PROCESS

- 54.1 Vendor complaints must follow the format in the Vendor Complaint Process Guide located on the Procurement website: www.gov.ns.ca/tenders

CCG55 REFERENCE TO ARCHITECTS & PROFESSIONAL ENGINEERING SERVICES

- 55.1 Proposals for Architects & Professional Engineering Services will be based on the guidelines located on the Procurement website: www.gov.ns.ca/tenders.

CCG56 E-PROCUREMENT

- 56.1 Bidders who obtain the RFC and/or associated documents by electronic means or who convert the printed document to electronic media must not alter any portion of the document, with the exception of adding the information requested.
- 56.2 Bidders must follow and adhere to the General Instructions to Bidders as it relates to electronic procurement located at the Procurement website: www.gov.ns.ca/tenders.