



Policy Number	7.2.1
Approval Body	PEC
Policy Officer	VP Finance + Admin
Approval Date	October 2000

---

## 7.2.1 CONTRACTING PROCEDURES

---

### ENABLING POLICY

7.2 Contracting Policy

### PROCEDURES

#### A. TENDERS AND PROPOSALS DEFINED

The difference between a **Tender** and a **Proposal** is the consideration of the specifications used to describe the University's needs.

##### 1. TENDERS

If detailed specifications describing the Goods, Services or Construction required are available, Tenders are to be solicited.

If the requirement is adequately defined to permit the evaluation of Tenders against clearly defined criteria and the market conditions are such that Tenders can be submitted on a common pricing basis, and it is intended to accept the lowest-priced Responsive Tender without negotiations, then Tenders are to be invited.

##### 2. PROPOSALS

If owing to the nature of the requirement, a supplier is invited to propose a solution to a problem, requirement or objective, and the selection of the contractor is based on the effectiveness of the proposed solution rather than on price alone, then Proposals are to be solicited.

Proposals are to be used in particular when internal expertise required to determine specifications is not available, or it is more efficient to bring to bear the expertise of the marketplace to determine what Goods or Services should be contracted for. Any subsequent negotiations must be entered into in compliance with established procedures and the possibility of doing so must be indicated in the Request for Proposals.

Tenders received are to be comparatively evaluated only on the basis of price while Proposals must be evaluated using criteria (which may or may not include price) which are pre-determined and included in the Request for Proposal (RFP).

Contracts should be for and as a result of an Invitation to Tender, when possible, as the tendering process assures the greater degree of objectivity in comparative analysis of offers.

Proper specifications describing the University's needs should be developed, however if they can not be described, the Proposals should be solicited.

**B. GENERAL PROCEDURES FOR TENDERS AND PROPOSALS**

The degree of competitiveness sought shall reasonably reflect the given market. Records shall be kept of all invitations made and Tenders and Proposals received.

	Formal Tender (Lowest Bid) Competitive Sealed Bids	Formal Proposal (Best Value) Competitive Sealed Bids	Invitation to Tender (Lowest Bid)	Request for Proposal (Best Value)	Proposal or Tender not required
Goods, Services or Construction are urgently required and delay would be injurious to the public or to the University interest					7
Only one party is available and capable of performing the Contract					7
The Contract will not exceed \$10,000 in value					7
Specific authority or direction to do so has been given by the Board or the President					7
If the above does not apply, all contracts will be awarded as follows:					
The Contract is expected to fall between \$10,001 and \$74,999			7	7	
The Contract will exceed \$75,000 in value	7	7			

Contracts entered into as a result of an Invitation to Tender shall be awarded to the Responsible person who submits the lowest Responsive Tender.

Contracts entered into as a result of a Request for Proposals shall be awarded to the Responsible person submitting the Proposal which potentially will provide the best value to the University.

**C. PROPOSALS**

To outline the use of "Request for Proposals" and the evaluation of Proposals received.

**1. EVALUATION**

- 
- Evaluation criteria shall be determined and recorded before Proposals are requested.
  - The relationship between criteria and weight given each shall also be determined at that time.
  - The Request for Proposal must clearly identify the evaluation criteria to be used and may indicate their relative importance. Attachment "A" provides an EXAMPLE of competitive Proposal analysis using a point assignment system.
  - The number of criteria should be adequate for comparative judgment

Criteria should measure both:

- (a) the competence of the proponent, which would include such factors as those relating to managerial structure, key personnel, prior industrial experience, facilities and financial strength; and
- (b) the worth of the proponent's particular technical approach, which would include the proposed work breakdown structure, identification of key technical problems and outlines of solutions, proposed schedule of milestones, quality and time control systems to be employed.

## 2. NEGOTIATION

Proposals shall be evaluated in accordance with the criteria set out in the "Request for Proposal" and the relative importance of such criteria as determined before comparative evaluation. Negotiation will be allowed:

- PRIOR TO COMPLETION OF PROPOSAL EVALUATION, provided that they are held with all firms that submitted responsive Proposals. Care must be taken to ensure that all firms are treated equally and impartially and negotiation proceedings must be such that the confidentiality of each firm's negotiating position is assured. Responsive is used in this context and that immediately following to mean that the Proposal meets all mandatory requirements stipulated in the Request for Proposal.
- AFTER THE PROPOSAL EVALUATION WITH ONE FIRM, provided that the firm submitted the only Responsive Proposal, or the firm was selected after evaluation more than one Responsive Proposal and it can be demonstrated that if the negotiations had been held with all of the firms which submitted Responsive Proposals, there would have been no change in the firm selected.

If negotiations are to be entered into, the right to do so must have been explicitly indicated in the Request for Proposal.

## 3. TWO TIER PROCESS

The preparation of proposals is often costly to the University. To keep the total cost down while ensuring freedom of access to potential suppliers, consideration should be given to soliciting Proposals in two steps.

**Step One:** Potential contractors are requested to provide letters of interest and qualifications. From the responses received, a short list is determined.

**Step Two:** Those on the short list are requested to submit detailed Proposals.

Such a process might be appropriate where a large number of firms have been identified. The requirements for comparative evaluation as delineated above are to be applied in each step.

---

## D. FREEDOM OF INFORMATION / PROTECTION OF PRIVACY

All parties who submit proposals for consideration must be advised that the University is required to provide access to as much of the requested information as possible, and may only withhold information covered by the specific exceptions provided in the "Freedom of Information and Protection of Privacy Act."

Until the tender / proposal is awarded and announced publicly, all submissions will be kept and considered confidential. No access to documents will be available except to those who are part of the decision making process.

In the event that other parties request information relating to submissions after the tender/proposal has been awarded, the request is to be directed to the University's Freedom of Information / Protection of Privacy Coordinator for review.

## APPENDIX A

### PROPOSALS

#### *Example of Rating Schedule*

**NOTE THAT THIS IS AN EXAMPLE ONLY**

Item	Evaluation, Remarks, Criteria	Assigned Weight	Unit Points Awarded	Total Points
		"A"	"B"	"A" x "B"
1	Project Team – personnel to be assigned or made available to the project	20		
2	Methodology or approach proposed by proposer	15		
3	Past relevant experience	15		
4	Project schedule	10		
5	Fee for expenses as compared to estimate	25		
6	Past performance appraisals	15		
<b>Total Points</b>				

The Evaluation Criteria must be those developed to meet the requirements of a particular contract and will obviously vary from contract to contract in both number and substance. Additionally the assigned weight must be custom developed for each RFP.

It is intended that a contract would be awarded to that proposer whose proposal receives the greatest total number of points for all criteria assuming such proposal meets the minimum requirements of the University.