



Procurement Guidelines for Non-Profit Housing

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Acknowledgement

BC Non-Profit Housing Association (BCNPHA) is pleased to have been a part of developing these *Procurement Guidelines for Non-Profit Housing* for new construction, redevelopment and renovation projects. We acknowledge BC Housing for the work that it has contributed in making this document useful and relevant, while maintaining brevity.

Best practice tools and resources that encourage principles of fairness and transparency are essential elements for a successful non-profit. BCNPHA supports such guidelines, as we believe that if they are implemented, they will strengthen the non-profit sector.

BCNPHA endorses the adoption and practice of the concepts presented within this document.

PART 1

Introduction

- 1.1** Overview
- 1.2** Objectives
- 1.3** How to Use



1.1 Overview

This document has been developed to help guide non-profit organizations receiving funding or financing from BC Housing on key attributes to ensure building or renovating housing projects embrace fair and transparent procurement principles and deliver value for money.

For the purposes of this document, procurement is defined as the process of obtaining goods and/or services, including construction-related services from the preparation and processing of a solicitation document through to performance of the work. It commonly involves planning, standards determination, specifications development, supplier research and solicitation, value analysis, financing, price negotiation, contracting for products or services, supplier performance management and other related functions. Successful procurement processes that incorporate best practice standards will help ensure that goods, services and construction are obtained at the best overall value.

The use of public funds requires fairness and transparency in the way funds are expended. Organizations using public funds have an obligation to obtain value for money, allocate and manage associated risks. The primary method for ensuring that these values are met through the procurement process is to create opportunities for competition between potential service providers and suppliers in the planning, design and construction of a housing development or renovation.

1.2 Objectives

- To help organizations better understand and plan for procurement procedures as part of the overall building development and renovation process.
- To provide a competitive, fair, and transparent bidding process that encourages participation by qualified suppliers thereby achieving the overall best value for a building development or renovation for both the organization and BC Housing.
- To identify typical procurement issues and provide recommendations on how to mitigate their risks.
- To instill public confidence in procurements that utilize public funding by delivering best value for money.

1.3 How to Use

Before contemplating the development or renovation of a building, and prior to securing consultants and contractors, nonprofit organizations should consult this document, and be familiar with the following sections:

- **Working with BC Housing** – provides an overview of the range of partners that can be involved and how projects are typically initiated, provincial policy, the value of products, services and construction.
- **Procurement Process** – provides an overview about the end to end procurement process required for construction projects.
- **Construction Delivery Methods** – provides description of the construction models available for use under BC Housing funded projects.
- **Supplier Performance Management** – provides an overview on how to measure supplier performance in line with agreed contract objectives.

There may be issues or questions that arise that are not addressed in this document. Organizations or their consultants should seek advice from the BC Housing staff assigned to their project.

PART 2

Working with BC Housing

- 2.1** Key Stakeholders
- 2.2** Project Initiation



BC Housing is the provincial agency that develops, manages, and administers a wide range of housing options across the province of British Columbia. BC Housing was established as an agency of the Province of British Columbia in 1967 to administer the Province's social housing programs. BC Housing is accountable to the provincial ministry responsible for housing and provides funding for the development of housing for individuals, families, seniors, indigenous, women and children at risk of violence, homeless and disabled persons in need of affordable housing and support.

BC Housing partners with private and non-profit housing providers, other levels of government, health authorities, indigenous groups, community groups, ministries, housing developers and other institutions to increase affordable housing options for British Columbians in greatest need.

BC Housing works closely with the Provincial Rental Housing Corporation, which is the land holding corporation for provincially owned housing that buys, holds, and disposes of properties and leases residential properties to non-profit housing societies and co-operatives. BC Housing helps more than 110,000 households in British Columbia benefit from government subsidized housing.

These homes are primarily managed by non-profit housing providers – there are over 800 providers in the province. BC Housing also directly owns and manages some housing buildings. In addition, BC Housing supports tens of thousands of households each year with financial assistance to make their rent more affordable in the private market. Where there are gaps in the housing continuum or as new housing needs arise, they are addressed through the creation of new housing options or by adapting existing housing option.

Through the [Homeowner Protection Act](#), BC Housing also plays an important role at the homeownership end of the housing continuum by licensing residential builders, administering owner-builder authorizations, overseeing the third-party home warranty insurance system and carrying out research and education to improve the quality of construction of new homes.

BC Housing recognizes that its actions impact local communities and ecosystems across the province. BC Housing's sustainability plan provides a roadmap to help fight climate change by reducing greenhouse gas emissions and their environmental footprint. It's mandated to provide safe and secure housing that responds to the needs of the residents and design projects that are cost-effective, spatially efficient, and easy to maintain.

BC Housing has created the [BC Housing Design Guidelines and Construction Standards](#) to provide standards and technical requirements for the design and construction of new buildings, conversions, and renovation projects funded and/or financed by BC Housing.

2.1 Key Stakeholders

A construction project typically includes the following key stakeholders in the procurement process:

- **Owner** - Organization receiving funds from BC Housing who currently or will own a housing development; this includes ownership by a long-term lease or fee-simple ownership.
- **Local Municipality and Authority** - Most procurement projects involving non-profit housing providers are obligated to work with local and municipal authorities having jurisdiction over the project site. This will involve adhering to specified building codes, permit requirements, and other building standards.
- **Operator** - A non-profit housing provider contracted to operate/manage the building (may also be the owner or an operator working on behalf of the owner).
- **Development Consultant** - Used mainly by societies that have no project management expertise available internally. The development consultant acts as the “owner’s representative” and is responsible for overall coordination and management of the project. Responsibilities will vary depending upon the procurement method selected. Development consultants may not be required on renovation projects where BC Housing provides an alternative resource.
- **Prime Consultant/Architect** - Is usually the lead in the design phase of construction projects and administers the construction contract. The prime consultant is usually an architect; however, on renovation projects, an engineer may act as the prime consultant or coordinating professional. Consultants are responsible for preparing design plans, construction drawings and specifications, and certifying them for code compliance and safety. Prime Consultants may also act as payment certifiers depending on delivery methods.
- **Construction Manager (CM)** - On projects utilizing the Construction Management methodology (CCDC5B), the CM is engaged during the design phase and provides input regarding design specifications, coordinates the procurement process, and may ultimately perform the construction.

- **Design Builder (DB)** - On projects utilizing the Design-Build methodology (CCDC14), the DB is engaged to supply the design (in accordance with the Owner's requirements) and construct the building.
- **General Contractor (GC)** - On projects utilizing a traditional design, bid, build methodology (CCDC2), the GC is engaged after the design is complete and will construct the project in accordance with the contract documents.
- **Developer** - Refers to a firm or an individual that creates value in the land through entitlements and/or (re)construction efforts. This includes successfully complying with local land use policy and obtaining appropriate permits along with the reconfiguration for utilities and essential services; subdivision or land assembly with the intent to build housing for rent and/or sale.
- **BC Housing** - Monitors compliance requirements and provides support and advice throughout the procurement process. For renovation projects, BC Housing may assign an internal representative who will work with the non-profit housing provider throughout the project.

2.2 Project Initiation

Before the construction of a housing project, BC Housing typically establishes funding programs that non-profit housing providers may seek funds from through an application process or by responding to a BC Housing solicitation. This initial phase is intended to ensure projects meet community needs and provide the best value in consideration of the funds BC Housing provides. Below outlines BC Housing's typical approach.

2.2.1 BC Housing Issues a Request for Proposal (RFP)

Request for Proposals are typically issued as part of a funded program, where BC Housing arranges for one or more of: construction financing; long-term financing; operating subsidies; or grant funding. The RFP may or may not be handled by a third party, for example a municipality.

Below are two types of RFPs BC Housing uses to solicit proposals:

A. RFP to Obtain a Non-Profit Housing Provider to Design, Build and Operate

The RFP focuses on selecting a non-profit housing provider (that has the capacity and experience to project manage a development and operationally manage a new housing development and does not include a full consultant team and/or contractor). Once a non-profit housing provider is selected to undertake the project, they must undertake a competitive process to procure building design and construction services such as a prime consultant, engineers, development consultant and CM/general contractor. The delivery method and form of contract may vary. Some options include Design-Bid-Build, Design Build, and Construction Management.

B. RFP to Obtain a Non-Profit Housing Provider with a Development Team

The RFP will seek a non-profit housing provider and a consultant team and may or may not include a request for a construction manager or a contractor. If a construction manager or contractor is not included in the RFP, a subsequent competition would be done before contracting one. Non-profit housing providers will be required to demonstrate value for money, funding allocation and appropriate management of risk as part of their RFP submission. Non-profit housing providers are also required to provide an outline of how the architect/design consultant team was procured. Non-profit housing providers should undertake a competitive process to select their consultant team based on clearly defined statements of work, including industry standard forms of contracts outlined in this document.

2.2.2 Non-Profit Housing Provider Applies for Assistance in Renovating an Existing Building

Non-profit housing providers seeking funding for major capital repairs or renovations to an existing building should contact their Non-Profit Portfolio Manager (NPPM) to submit a service request to capital planning to get their project on the provincial priority list to access funding.

Once funding has been allocated to a non-profit housing provider's repair project, BC Housing representatives will be available to provide services, including advice and support concerning the required competitive processes.

PART 3

The Procurement Process

- 3.1** Underlying Principles for Procurement
- 3.2** Procurement Cycle
- 3.3** Select the Right Contracting Documents
- 3.4** Go to Market - Drafting and Issuing Solicitation
- 3.5** Evaluating Submissions
- 3.6** Award Contract
- 3.7** Procurement Considerations



As a public organization, BC Housing has a duty of ensuring it receives the best value for funds spent. Best value is defined as receiving the right product or service at the right price and meeting all expected requirements and deliverables for the project. It is important to provide a level playing field for all competitive opportunities in the procurement process, and not create unfairness through preferential treatment.

It is also important to recognize that threats to the process exist in the forms of conflict of interest and collusion.

A conflict of interest arises when one of the parties involved in what should be a fair and transparent competitive process receives personal gain from the transaction. The personal gain can be in the form of monetary value, gain in stature or position, or further influence and allowances on another project.

Collusion occurs when a non-competitive agreement is made between one or more parties, thus limiting the ability of the market to act on the opportunity. It can involve kickbacks, Price-fixing, or misrepresentation of the relationship between two parties.

It is not in the public's interest to fund projects where conflict of interest or collusion, or the perception of these instances is suspected. A potential or perceived conflict should be promptly declared, and potential notices or signs of conflict or collusion activities will be reviewed by BC Housing and the non-profit housing provider.

Not-for-profit organizations are subject to the [Personal Information Protection Act \(PIPA\)](#). This is important to know when collecting, using, or disclosing personal information. BC Housing is subject to the British Columbia [Freedom of Information and Protection of Privacy Act](#). Among other things, this statute limits BC Housing with respect to the storage, access, and disclosure of personal information, which must be in Canada except in very limited circumstances. Therefore, any documents supporting funds granted by BC Housing are subject to disclosure under this Act.

Construction initiatives by non-profit housing providers that involve grants, lending, or subsidies through BC Housing need to comply with provincial guidelines when securing consultant services, products (such as heating systems, mechanical systems, elevators, etc.), and construction. The Province has legislated requirements as well as framework guidelines including the [Capital Asset Management Framework \(CAMF\)](#) to assist with this process.

CAMF sets out the government's objectives and policies for planning and managing publicly funded capital assets. BC Housing's procurement standards are in alignment with the principles of CAMF and incorporate best practices for procurement.

3.1 Underlying Principles for Procurement

3.1.1 Fairness and Transparency

Procurement processes must be fair and transparent to assure the public and potential partners of the integrity of the process and the desired outcome.

The public should be given every opportunity to participate in the fulfillment of procurement requirements and all suppliers should be treated equitably, without discrimination, and without imposing unnecessary constraints in a competitive market.

Required qualifications for suppliers, such as financial capacity and technical capacity should be proportionate to the project's size and complexity.

3.1.2 Competition

Competition is defined as “the effort of two or more parties acting independently to secure the business of a third party by offering the most favorable terms.”

To ensure the best overall total value for products, services and construction is obtained, BC Housing encourages diligence in abiding by all applicable laws and regulations and to carry out a competitive procurement process for all development and renovation projects. In addition to ensuring competition, non-profit housing providers should solicit a minimum of three or more companies that can submit responses to a procurement opportunity. The solicitation of proposals can be done through the various advertising mediums stated in Section 3.4.2.1.

3.1.3 Value for Money and Protecting the Public Interest

Procurement decisions must be evaluated to ensure the best value for money is achieved in addition to protecting public interest. Value for money means that the procurement decisions will be based on the maximum efficiency, maximum effectiveness and maximum benefits that would be associated with the purchase throughout its lifecycle.

The level of procurement effort should be appropriate to the value of the products and/or services being acquired including any risks that may be associated with the procurement.

3.2 Procurement Cycle

The Procurement Cycle highlights the key steps in the solicitation process. Each step is elaborated in detail below:

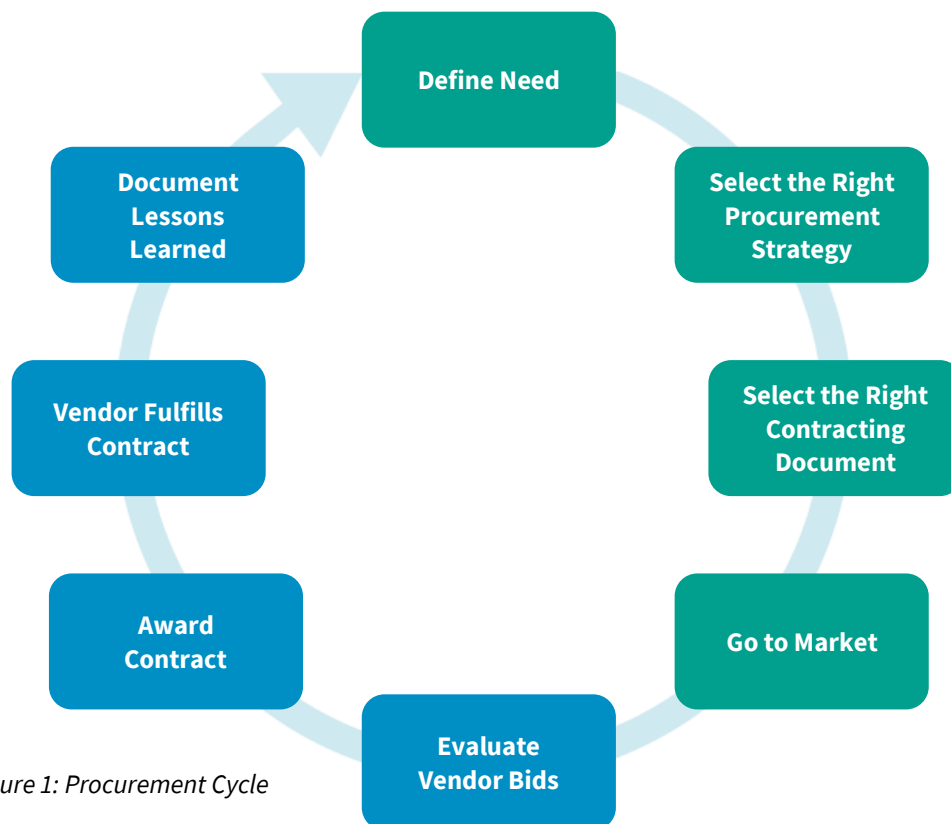


Figure 1: Procurement Cycle

3.2.1 Define Need

The first step in the procurement process is to define the procurement need. This can be done using a statement of work (see section 3.4.1.1) to highlight the project background, requirements, deliverables, budgets, schedules, resources, delivery details, and partners. In defining the need, it is necessary to discuss with the various stakeholders that will be involved in the project to understand their expectations.

Documents defining the work and work requirements should be identified as contract documents within the respective CCDC contract.

3.2.2 Select the Right Procurement Strategy

When securing the services of a consultant or contractor through a competitive Process, there are several procurement strategies that can be utilized, the decision on which option selected should be made at the planning phase of the procurement process.

Several methods exist to solicit responses from potential suppliers, consultants, or contractors. Selecting the right strategy is vital to having a successful project. The common solicitation strategies are:

3.2.2.1 Request for Proposals (RFP)

This solicitation strategy is used when you are looking to obtain and evaluate solicitation responses based on more than pricing and includes a range of critical factors and/or where you are looking for the marketplace to provide answers or solutions for your project. RFPs are generally issued for service providers such as consultants or construction management and design-build firms.

The critical factors used in evaluating could include experience, skills and expertise, methodology, project schedule, price, and sustainability considerations. Each project differs and the weighting of each criterion should be considered in line with its impact on the success of the project. As an example, skill and experience might be worth 25% while pricing is 50%. It is not recommended to have price-weighted any lower than 40%.

NOTE:

When procuring a contractor, construction manager or design-builder using an RFP, a two-stage procurement is required in accordance with subsection 3.2.2.3

3.2.2.2 Invitation to Tender (ITT)

Generally used in the construction industry when looking for general contractors or sub-contractors to perform a well-defined scope of work. The tenders are evaluated based on their compliance to the terms of the ITT and bid price, therefore the lowest compliant bidder is typically awarded the contract. ITT can be conducted using a single-stage or a two-stage procurement process.

3.2.2.3 Request for Pre-Qualification (RFPQ)

Also known as a “two-stage solicitation process”, an RFPQ is typically used to establish a shortlist of firms that will respond on a second stage procurement. RFPQs are generally used to select suppliers prior to the finalization of specifications or standards. RFPQ is a two-stage process where stage one (RFPQ) is advertised with limited technical information available. Experience, qualifications, and references are the basic criteria to be evaluated. Stage two generally consists of an RFP or ITT and is issued when the project design or statement of owner's requirements is complete, and specifications are available. Only prequalified suppliers acquired in stage one are permitted to bid on the stage two project.

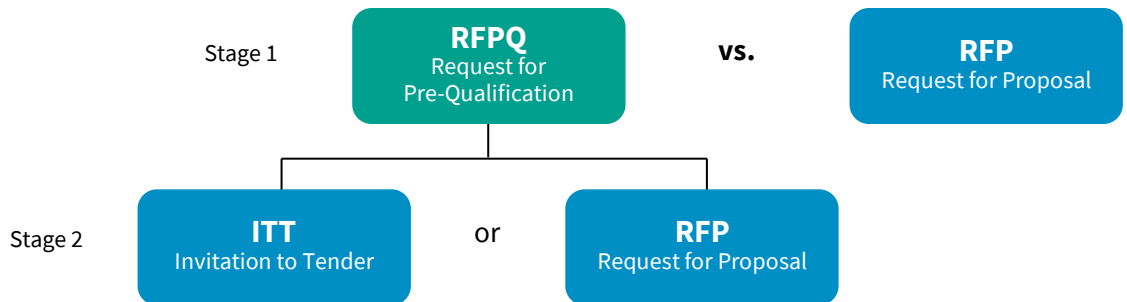


Figure 2: Illustration showing the RFPQ and the RFP procurement processes

All organizations receiving funds from BC Housing are expected to be transparent in their project team selection process. Each project is viewed individually, and as the funding is granted through the public purse, non-profit housing providers are expected to solicit the marketplace/industry and source their service providers (including development consultants, architects, engineers, construction managers or any other type of consulting services) using a fair and transparent competitive process as outlined in this document.

3.3 Select the Right Contracting Documents

When planning a procurement project, it is important to select the right contract document that clearly states all contracting responsibilities, incorporate all the expected project deliverables and help mitigate project risks. Organizations receiving funding or financing from BC Housing are required to use the current version of BC Housing's standard form of construction contracts and corresponding Supplementary General Conditions (SGC) available on the [Contract Essentials Page of BC Housing's website](#).

These documents are updated regularly, so it is important to access these documents directly from BC Housing's website at the time of each use. As of the published date of this document, the following are the forms of contracts and corresponding SGCs that are available on BC Housing website.

Vendor Business	Contract Type	Supplementary General Conditions
Construction	CCDC5B Construction Management Contract for Services and Construction	Construction contractors awarded a CCDC5B contract are subject to supplementary general conditions (CCDC5B) set out by BC Housing.
Construction	CCDC2 Stipulated Price Contract	Construction contractors awarded a CCDC2 contract are subject to supplementary general conditions (CCDC2) set out by BC Housing.
Construction	CCDC14 Design-Build Stipulated Price Contract	Construction contractors awarded a CCDC14 contract are subject to owner and developer supplementary general conditions set out by BC Housing.
Civil Works Construction	MMCD	BC Housing's Civil Works Template (includes Supplementary General Conditions in Part D)
Consulting	Master Service Agreement - Good, Services & Light Construction	Supplementary General Conditions – Consulting (Supplier Owned Intellectual Property) Supplementary General Conditions – Consulting (BC Housing Owned Intellectual Property)
Architectural Services	RAIC	Supplementary general conditions set out by BC Housing
Construction	Master Service Agreement: Goods, Services & Light Construction	Warranties - Course of Construction Warranties Clause for Wood Frame Construction helps make bidders and proponents aware of their obligations under our insurance policy.
Development Consultant Service	Development Consultant Services Contract	Not applicable

In addition to the above, BC Housing developed the Design Guidelines and Construction Standards document to provide standards and technical guidelines for the design and construction of new buildings, conversions and renovation projects funded and financed by BC Housing.

The BC Housing Design Guidelines and Construction Standards provide design and performance requirements which will influence the form, layout and specifications of buildings delivered under the various BC Housing programs. The Guidelines are intended to assist the project team in designing and developing safe, affordable, stable, and sustainable housing, and is available on BC Housing's website:

[BC Housing Design Guidelines and Construction Standards.](#)



3.4 Go to Market – Drafting and Issuing Solicitation

To ensure all potential consultants, contractors and suppliers receive the same information, it is important to follow a consistent process and ensure adequate documentation throughout the solicitation process.

The goal of the solicitation process is to ensure that the marketplace is provided with an accurate understanding of the requirement(s) and can provide appropriate response(s) in line with the specified project requirement(s). This helps in maximizing the number and quality of the responses that is received.

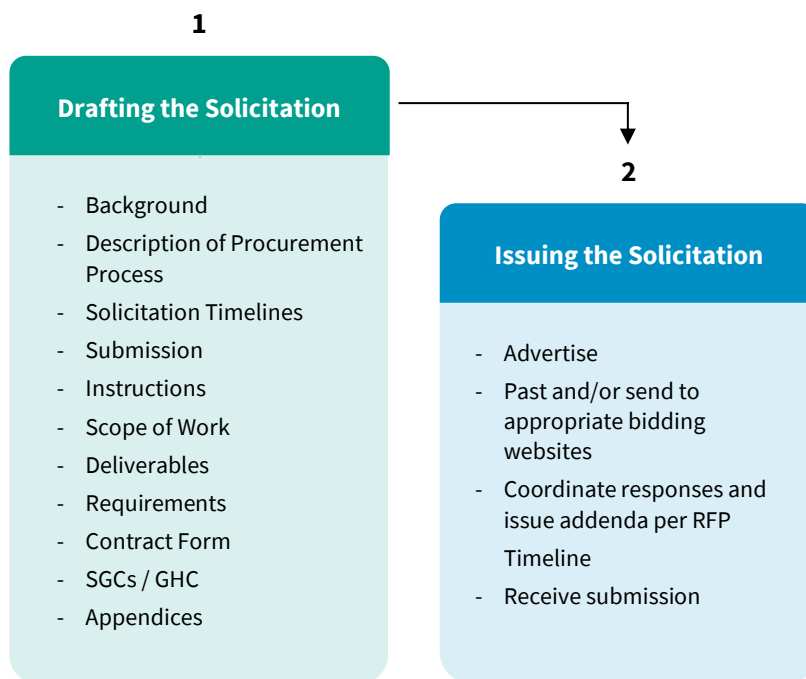


Figure 3: The Standard Solicitation Go to Market Process

3.4.1 Drafting the Solicitation:

In drafting the solicitation, there are certain key sections within the solicitation templates that must be considered.

3.4.1.1 Statement of Work

The project statement of work will help provide a narrated description of the work required and specifies the deliverables and services needed to successfully complete the contract. It acts as the road map for completing the project.

The statement of work sets out the expectations for each party with enough detail that all parties clearly understand what will be done, when it will be done, how much it will cost and how the work will be paid for. The level of information obtained before issuing a solicitation will determine the procurement strategy to be deployed. It is important to clearly articulate expectations and deliverables within the solicitation document as this will be included in the overall contract.

Generally, a statement of work should contain or address at least the following:

- A description of the project and its objectives or desired outcomes. Such description could be performance, functionality or design based.
- Owner's project requirements outlining concepts, and criteria that are very important to the owner, and which are desired to be tracked throughout the project.
- A list of all assumptions that may impact the business terms and project including any specific requirements from funding partners.
- A description of any other projects in process or planned for the same site or timeframe, which may affect the statement of work and/or the obligations of the non-profit housing provider, such as access to a facility, administrative assistance, documentation review, etc.
- Descriptions of completed studies, surveys and/or preliminary feasibility work relevant to the project and available to the firms that respond to the solicitation.
- A description of performance metrics to be measured upon project completion.

- A description of the deliverables expected when tendering for a consultant, such as project assessment and budgeting, final design or construction plans and specifications including delivery method preferred.
- Additional or unique requirements or considerations such as anticipated public meetings, funding requirements, commissioning/re-commissioning requirements, deficiency reports and operational training. May also include building condition or site assessment, soil conditions or details on hazardous materials or other unknown conditions.

3.4.1.2 Solicitation Information

This involves listing the important information, such as the due dates, of the procurement process. Typically, the date, time, delivery, scheduling, location as well as the main contact person for any questions should be included. If a site meeting, information meeting or walk-through is part of the solicitation, then the location, time and date should be identified in this section and if the site meeting is mandatory this should be clearly stated.

A mandatory site meeting means that an attendance list will be recorded and if a respondent does not attend, then their submission will not be opened for further evaluations.

3.4.1.3 Timeframe

It is important to allow sufficient time for suppliers to prepare bid/proposal submissions. Typically, three weeks, or 15 business days, is the preferred amount of time to respond to an ITT/RFP. Depending on how detailed and specific the proposal's requests are, additional time may be required. It is recommended not to advertise for less than 15 business days.

For projects of smaller scope, the timeframe can be reduced to 10 business days provided a qualified pool of suppliers exists that can readily submit responses to the solicitation call. It is best practice to allocate enough time for all steps in the procurement cycle. This timeframe varies from project to project and could vary from 60-120 days.

3.4.1.4 Requirements

In this section, requests for all information relating to the project's statement of work and deliverables as well as information necessary in evaluating the proposals are clearly outlined. In addition, identified risks should be addressed and requests for appropriate guarantees and insurance should be made. Requests can also be made that respondents provide three or more reference examples of projects of similar scope and size to the project. It is important to note that all requests for specific information must be of value, in scope and should be of consideration in overall evaluation of submissions.

Qualifications should also be checked to ensure various consultants and contractors are qualified to perform the services required. This can be assessed by checking applicable industry associations to see what requirements members must have in order to perform services or status for their profession (i.e. in good standing; disciplinary reports). For example, contractors should be registered under the Homeowner Protection Office. Architects need to be licensed under Architectural Institute of British Columbia. In addition, it is important to verify their workmanship.

3.4.1.5 Form of Agreements and Supplementary General Conditions (SGCs)

A sample of the contract with it accompanying terms and conditions must be included as a part of the solicitation document. This is to ensure respondents review the intending contracts and have adequate understanding of the terms therein.

3.4.1.6 Other Requirements to Consider

- **Insurance Requirements** - The Insurance requirements should be considered in line with the specific project risk such that the coverage helps mitigate the risks. It is important to clearly understand the associated risks of selecting consultant, construction manager, or trades people that don't have the right insurance coverage.

- **WorkSafeBC** - To ensure compliance with applicable occupational health and safety laws, consultants, contractors, service providers should be covered under current WorkSafeBC provisions, and should be in good standing. WorkSafeBC was established by provincial legislation as an agency with the mandate to oversee a no-fault insurance system for the workplace. They work with employers and workers in B.C. to do the following:
 - Promote the prevention of workplace injury, illness, and disease.
 - Rehabilitate those who are injured and provide timely return to work.
 - Provide fair compensation to replace workers' loss of wages while recovering from injuries.
 - Ensure sound financial management for a viable workers' compensation system.
- **Evaluation Criteria** - It is very important to detail how submissions received will be evaluated. This will ensure that everyone has the same opportunity and that all submissions are considered fairly. Evaluation criteria must be part of the tender instructions (See section 4.4 below). An evaluation team should be established before the solicitation phase and it is considered best practice to have an uneven number of team members, for example three or five.
- **Criminal Record** - Due to the sensitive nature of BC Housing's projects and in accordance with the BC Criminal Records Review Act, the consultant, contractor, their current and new employees and subcontractors/trades hired by the supplier during the term of the contract who will be providing any portion of the project deliverables, may be required to clear a Criminal Records Review Act (CRRRA) check through the Ministry of Public Safety and Solicitor General Criminal Records Review Program (CRRP) and provide proof of such to the project owner.
- **Conflict of Interest Declaration** - Non-Profit Housing Providers should require a conflict of interest declaration with all project submissions. Conflict of Interest means the consultant/contractor has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage over others.

3.4.2 Go to Market - Issuing the Solicitation:

Once the drafting of the RFP is concluded, there are some other areas to consider during the soliciting phase.

3.4.2.1 Advertising

To achieve fair and transparent competition, it is necessary to inform the marketplace of an opportunity. There are several options available to non-profit providers and the most common tool is public advertisements. These can be via the local, regional, or province-wide newspapers. In addition, there are several online tools available such as:

- BC Construction Association “Bid Central”: <http://www.bccassn.com/>
- Aboriginal Housing Management association: <http://www.ahma-bc.org/>
- BC Non-Profit Housing Association: <http://www.bcnpha.ca/>
- MERX: <http://www.merx.com/>
- Biddingo: <http://www.biddingo.com/>
- eTenderer: <http://www.etenderer.com/>
- Bids and Tenders: <https://www.bidsandtenders.com/>

BC Bid is not a requirement for non-profit housing providers since it is exclusively for government agencies.

Non-Profit Housing Societies can also advertise with the different building and trade associations that exists in their region.

3.4.2.2 Site Meeting or Information Meeting:

A site or information meeting is a visual aid and offers further clarification regarding the scope of work and specifications included in the solicitation document. This allows potential respondents the opportunity to better understand the project and access their capacity and capability to perform the project work and if so, at what price. It is important not to use this meeting as a means of identifying additional work. Some site meetings are mandatory as part of the solicitation process.

If the meeting is to be mandated, then the meeting must be documented, and a list of all attendees recorded. If the solicitation is for a general contractor, a good idea is to have all attending suppliers sign a waiver that permits use of the meeting sign-in sheet in notifying the subcontractor community on who is eligible to submit proposals/bids on the project. This is because only those in attendance are eligible. This also helps in ensuring there is enough competition in the sub- trades.

3.4.2.3 Posting Addenda

Actions that arise during the site or information meeting should be recorded with answers available to all respondents. The preferable process is to request that all questions be submitted in writing to the contact person handling the solicitation no later than six business days before tender close. Then the answers can be released to all participants via an addendum. A best practice is that all answers should be released within four days of the solicitation close.

If an addendum, resulting from questions is to be released, then the submission date should be extended by at least five business days to allow respondents time to respond to the additional information and to ensure their submission reflects changes made. In addition to using addenda to respond to questions emanating from site/information meetings, addenda can also be issued as a means of providing additional information or to make changes to issued solicitation. The rules regarding issuing an addendum should be clearly stated in the solicitation document.

3.4.2.4 Closing Process

The contact person responsible for receiving all submissions must be predetermined and communicated to all stakeholders. Depending on how the closing of the solicitation is specified, this individual should clearly understand their responsibility within the procurement process. If a time and date of solicitation close were specified, then all submissions must be received before that time and date.

The contact person will need to receive the submission, time, and date stamp (or write on the envelope the time and date) and initial the submission. If submissions are tendered/accepted electronically (via email), then a log or acknowledgment of submissions should be tracked. If the indicated closing is stated for business close which is 4:30 p.m. at a specific date, then all submissions need a date stamp. All responses submitted after the stated time and date should not be opened (physical submission) or evaluated.

3.5 Evaluating Submissions

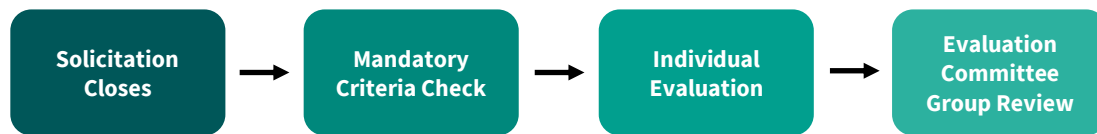


Figure 4: Basic Evaluation Process

To carry out an objective evaluation, the evaluation criteria must first be developed and documented in the evaluation booklet. Each evaluating criterion must directly tie into the scope of the project with scores and weighting assigned to each.

It is important to assign a coordinator to facilitate this process and ensure that everything is documented. A team is formed to evaluate submissions. For consistency, the team should be prepared to evaluate all submissions. The team should include key stakeholders in the project and should be an odd number (three, five, or seven). Each team member must understand their role in the evaluation, the criteria to be used, and the rules surrounding the release of information. Independent evaluation should be carried out by each evaluator first, thereafter the scores from each evaluator are reviewed by the evaluation panel and finalized.

The following areas should be considered in developing an evaluation booklet:

3.5.1 Scoring Type:

- **Binary Score:** Simple Yes or No evaluation. This method is quick and easy to use but omits the importance of specific features or functionality to the project.
- **Scored Elements/Scheme:** A combined weighting and scoring method can be used to indicate to what degree a submission meets the stated solicitation requirements. This method does require more time for evaluation but takes into consideration the importance of different criteria within the solicitation.

Scoring schemes and weightings can be as elaborate as required. They need to provide enough analysis and evaluation without being too complex, confusing, or time-consuming. In all cases, the non-profit housing provider must retain a written justification for the selected scoring and weighting scheme.

Scoring Scheme Examples:

- **0 to 3 range**, where your requirements are: not met (0), partially met (1), fully met (2), exceeded (3). This method is straightforward and easy to use.
- **1 to 10 range**, where your requirements are: not met (1) and exceeded (10) with points in between. Again, this will separate the scores more than with a '0 to 3' range, but because of the wider range, it may be more difficult to reach a consensus in the evaluation.
- **Percentage points** assessed for each requirement, for example: exceptional (100%), exceeds requirements (80%), meets minimum requirements (60%), not meeting minimum requirements (30%), unacceptable (0%), with percentages in between.

3.5.2 Using Scores and Weightings:

- Consensus scores multiplied by weighting in a matrix provide an unbiased evaluation of the proposal. Weighted scores may be summed to arrive at scores for certain criteria.
- Proposals organized by total weighted scores form a basic priority list with the highest scores first. The results provide a shortlist of the top two or three consultants/contractors to include in the final selection process, which could include a presentation or an interview.

When assigning weighting to evaluation criteria, it is important to consider what is most important to the success of the project and to assign weighting accordingly. If a low project cost is required in determining the success of the project, then consider assigning a minimum weighting of 50% to price. If on the other hand, project team experience and qualification are considered vital to the success of the project, then assign a higher weight to this accordingly.

BC Housing requests the weighting on pricing to be a minimum of 40%. This is to ensure we get maximum value for taxpayers' dollars. Examples of criteria and weightings in the table below:

Criteria	Explanation	Weight
Pricing	The prices, fees and/or rates and expenses as they relate to the requirements	40%
Experience	The relevant experience and performance within the environment described in this document for work performed within the past three (3) to five (5) years	25%
Qualifications	Methodology and approach, schedule of milestones, expected deliverables, sample reports, risk assessment, etc.	25%
References	Provide three (3) local references, referring to services of similar application and complexity (Usually a Yes/ No)	10%
		100%

3.6 Award Contract

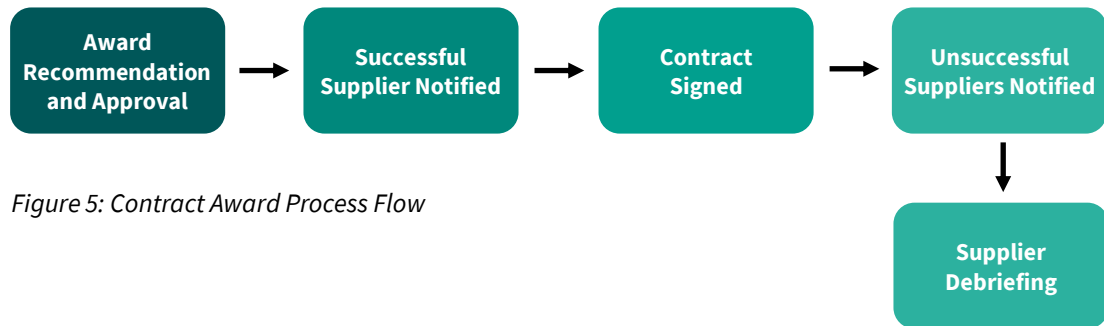


Figure 5: Contract Award Process Flow

3.6.1 Notice of Award, Notice of Regret and Notice to Proceed

Once the evaluation is concluded, an award of Contract is recommended by the evaluation committee. A notice of award should be issued to the successful respondent notifying them of their success and itemizing the next steps in the contract award process. The notice should include all requirements and documentation required before the commencement of the project. The requirements could include criminal record clearance, bonding requirements, WorkSafeBC coverage, insurance, site safety plan, risk management plan, etc. A time frame should also be provided for the successful respondent to submit all requirements.

It is only upon the submission of the requirements that a notice to proceed should be issued with the accompanying form of contract. The form of contract to be issued should be dependent on the project type. This is discussed extensively in Part 4 of this guideline.

The contract should first be signed by the approved signatory of the consultant/contractor and thereafter signed by the approved signatory of the non-profit housing provider.

Once the contract is signed by both parties and fully executed, then a notice of regret should be issued to the unsuccessful respondents letting them know that they were unsuccessful in the solicitation competition and providing them an opportunity for a debrief.

3.6.2 Debriefing Respondents:

An important public expectation of the solicitation process is that it provides a fair arena for potential suppliers to obtain work. However, not all suppliers can be successful, and unsuccessful suppliers must be provided a means of receiving constructive feedback on where they fell short in their proposal. This provides them with the tools to improve in future opportunities. It is important, however, to remember that when discussing results, statements that implicate or compare specific company proposals should not be discussed.

The debriefing process should explain to the unsuccessful respondent why their proposal was not selected during the evaluation process. By providing this information, the fairness of the evaluation process is promoted and validated. In addition, the time and effort the respondent spent in preparing their submission are recognized. Debriefings may be requested as part of the solicitation process.

3.7 Procurement Considerations

It is important to remember that when expending public funds, there is a public trust obligation to obtain the best value for money possible. Below are a few considerations about common traps or pitfalls that can be avoided by ensuring the process followed is fair and transparent through detailed documentation. The perception of being susceptible to outside influences, even if not valid, can cause significant harm to both the projects and the organization's reputation.

3.7.1 Back up Documentation:

It is important to maintain good records of all steps and decisions taken in the acquisition of services or products. Record retention is required in supporting all decisions about the solicitation process, and expectations about the services contracted. These records should also be referenced in contract documents to help provide clarity of roles and expectations, as well as ensuring the project deliverables meet the intended needs.

Non-profit housing providers are expected to fully document and retain evidence of their procurement processes for 7 years including, but not limited to solicitation documents, all submissions received, completed evaluations, and contract documents.

3.7.2 Release of Information:

Information collected as part of the tendering process should not be released or divulged to anyone other than the respondent submitting the response to the solicitation call. It is permissible to release the selected supplier's name and the total cost of the project awarded.

3.7.3 Legal Implications:

The governance framework made up of trade agreements and government legislature contains legal requirements under procurement law that governs the tendering process that forms part of the overall contractual requirements. Generally, a "Contract A" is formed when a compliant response to a solicitation call is received, it is important that the solicitation document includes all the requirements, terms and conditions, and project expectations.

Consequently, when submissions are evaluated, each submission is evaluated against a predetermined set of criteria that represent the requirements to execute a successful project. The acceptance of the proposal or awarding of a contract should reference the solicitation document used and any other negotiated items that sometimes arise from contract discussions, such as milestone dates, payment schedules, and insurance requirements.

PART 4

Three Main Construction Delivery Methods: An Introduction

- 4.1** Design Bid Build (Design Tender - CCDC2)
- 4.2** Design Build (CCDC14)
- 4.3** Construction Management at Risk (Services & Construction - CCDC5B)



There are three main delivery methods non-profit housing providers may use for procuring the actual construction of housing developments under BC Housing-funded projects. Considerations for selecting which method to use include construction market conditions and the complexity and risks associated with the project (See Part 3, Procurement Process).

Non-profit housing providers undertaking the development of housing projects face a variety of risks. At the commencement of a new project, it is useful to identify and plan for risk management. It is recommended that before selecting the delivery method that a risk analysis is conducted to ensure the appropriate allocation of risk for the project. In addition to the allocation of risk, this pre-planning will help ensure the success of the project by building in strategies for “what if” scenarios to allow for proactiveness in leading the development of the project.

For new construction projects, the development consultant’s role will vary according to the procurement technique. As the owner’s representative, their role will generally be required when the construction management at risk and design bid build methodologies are used. For these two project delivery methods, the consultant team, all work for the owner/operator reporting through the development consultant.

For the design-build method, the development consultant will generally be the only consultant working for the Owner/Operator with the design consultants reporting to the design-builder. Development consultants may not be required on renovation projects where BC Housing provides a representative.

In choosing the right construction delivery method, a non-profit housing provider must consider the most appropriate method for the project that is proposed and the conditions that the project is being completed in. The information below outlines the advantages and disadvantages of the three main methods used for BC Housing funded and financed projects. It is recommended that the non-profit housing provider review all the construction delivery methods available along with project-specific details before selecting the appropriate delivery method.

The three main project delivery methods are:

- 1) Design Bid Build (CCDC2)
- 2) Design Build (CCDC14)
- 3) Construction Management at Risk (services and construction) (CCDC5B)

4.1 Design Bid Build (Design Tender – CCDC2)

Design Bid Build involves a general contractor, providing a bid price for all the work identified in the full scope of work including the drawings and specifications, prepared by the consultant team, hired by the Owner. The contractor takes responsibility for securing all trade prices and for contracting to construct the project for a “lump sum” price. This method is appropriate for straightforward projects, and in a construction market that will provide for competitive bidding.

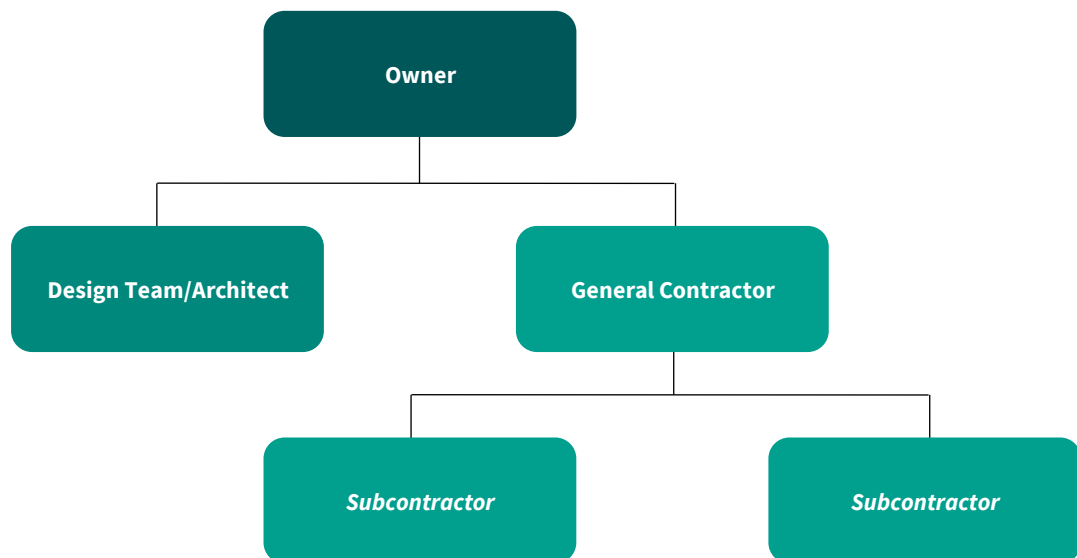


Figure 6: CCDC2 Contractual Relationship

- An RFP would be used for the selection of the Design team/Architect.
- Depending on the project requirements, either a single-stage ITT or a two-stage RFPQ may be used to obtain competitive proposals in the selection of the General Contractor.
- Contractor builds according to contract plans and specs; Architect administers construction contract and approves payments.
- Once chosen, the owner signs a fixed price CCDC2 contract with the General Contractor.

Advantages	Disadvantages
The design team prepares documents on which general contractor place bids.	Owner does not have the benefit of the contractor’s advice during design stage.
Assists the owner in establishing a competitive bid for the project.	Owner’s requested changes to design are expensive once contract is signed.
The project scope is fully defined before project is tendered.	Separation of design and construction restricts useful communication between parties.
Widespread use and familiarity in the industry.	Owner assumes design risks - if drawings and specs are not complete or uncoordinated, leads to extras or change orders to be paid for by Owner.
Clear roles assigned to each party.	
Design requirements are resolved prior to construction.	
Known price at the beginning of construction.	

4.2 Design Build (CCDC14)

Design Build involves a design-builder who has the responsibility for both design and construction of a project for a fixed price, with the design consultant team working for the design builder.

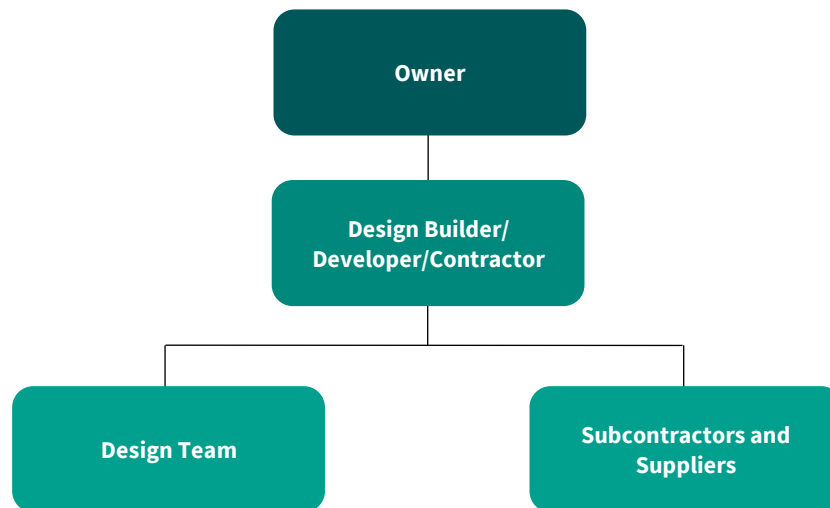


Figure 7: CCDC14 Contractual Relationship

- A two-stage solicitation method should be used to obtain competitive proposals for the evaluation of the design-builder.
- Once selected, the design-builder generally leads all future procurements required on the project.
Note: In complex projects, the owner may choose to hire an advocate architect or owner's advisor to prepare the owner's statement of requirements and provide advice during construction.
- Owner's payment certifier approves payments.
- The Owner signs one contract with the Design - Builder(developer/contractor).

Advantages	Disadvantages
Fixed price early in project.	Owner must have clear sense of scope and concept before selecting design build team.
Contractor takes on all project risk.	Once the contract is signed, changes to scope are difficult and expensive.
Single point of responsibility for design and construction.	Owner does not always benefit from reduced costs.
The potential to be more cost effective in design.	Communication gap between owner and architect.
Price certainty – once the contract is finalized design-builder is responsible for all costs (construction and consultant costs).	Once the base design and specifications are agreed to, owner passes design control to the design-builder.
Owner benefits from contractor’s technical expertise at all stages.	
No change orders – Design Builder assumes all design and construction risks including change orders (except for Owner-initiated changes).	
Design and construction can be fast tracked.	
Lends well to innovative approaches or solutions.	

4.3 Construction Management at Risk (Services & Construction - CCDC5B)

This construction delivery method of procurement is a hybrid methodology, involving the construction management approach with pre-solicitation advice, and the soliciting of construction work. However, once solicitations are complete the contract will transform the construction manager into the general contractor, in the form of a fixed price contract.

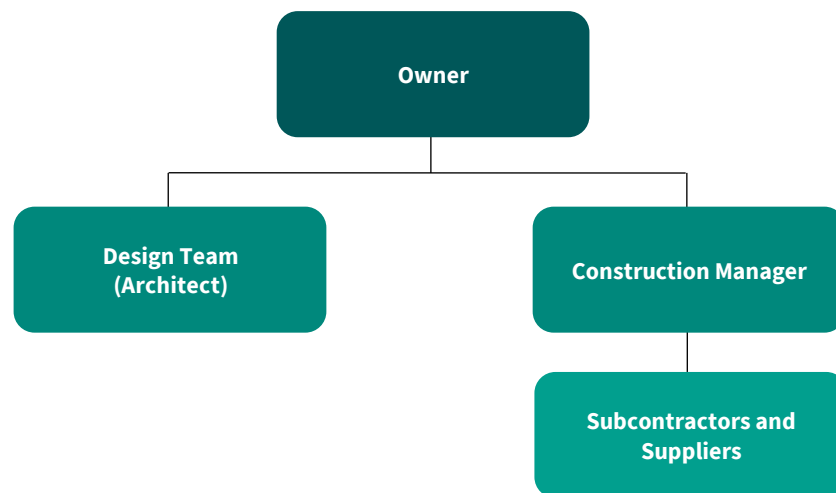


Figure 8: CCDC5B Contractual Relationship

- A two - stage RFP should be utilized to obtain competitive proposals for evaluation for the selection of a construction manager.
- Once chosen, the construction manager generally leads all future procurements required on the project. It is required that the construction manager uses BC Housing procurement threshold as identified in BC Housing's Supplemental General Conditions.
- For construction work, actual trade costs are charged back to the owner plus the CM fees or alternatively, owner and construction manager agree to a stipulated (Lump Sum) price.
- The owner signs one contract with the construction manager/ general contractor.

Advantages	Disadvantages
Construction manager provides advice throughout design and construction phase.	Additional fees incurred during design stage for CM fees.
Fixed fee contract signed before construction starts.	If owner’s performance requirements are not clear at the time contract is signed, this may lead to disputes or last-minute changes which could lead to extras or change orders.
Owner and architect have the advantage of working with the Contractor during design for constructability advice and trade-based estimates.	There is no price certainty at commencement of construction unless a stipulated price or guaranteed maximum price (GMP) option is exercised.
Open book tendering - trade prices are transparent to the owner.	No real incentive for Construction manager to avoid cost overruns during construction unless a stipulated sum or GMP option is exercised.
Construction Manager assumes role of prime contractor.	Design risks reside with the owner who is liable for design errors in the plans and specifications.

PART 5

Supplier Performance Management

5.1 Monitor, Measure and Manage



5.1 Monitor, Measure and Manage

The performance of suppliers should be monitored throughout the course of delivering the project. The performance measured should be assessed against the requirements identified in the contract documents. Supplier performance should be monitored continuously and be documented as part of the ongoing project administration process and it is aimed to:

- Acknowledge suppliers who perform good work.
- Raise awareness of underperforming suppliers.
- Improve the quality of work provided to meet required standards.
- Ensure suppliers are providing the deliverables within the schedule, cost and quality stated in the contract.
- Help build a strong foundation of continuous improvement and enables non-profit housing providers to identify future cost savings, increase flexibility and improve on project deliverables.
- Help in evaluating supplier capabilities and serves as an input into future decisions.
- Help act as a lesson learned reference document for future similar projects.

If during the supplier performance monitoring process, unsatisfactory work is noted, this should be addressed by thoroughly documenting the non-conformance and notifying the supplier in writing.

Non-conformance notification

The Suppliers non-conformance notification should clearly and concisely identify the specific non-conformance and cite the section of the contract that applies. This will include when the non-conformance was noticed, the impact of the non-conformance in terms of performance, budget, time overrun and other associated risks. At a minimum, the notification should contain the details on the following page.

- Name of Contractor/Consultant.
- Official address.
- Project contact person.
- Non-conformance type – quality, lead time, quantity, etc.
- The non-profit housing provider initiating the report.
- A detailed description of the default or non-conformance.
- Contractor/Consultant detailed response to the non-conformance.

Supplier Response

All performance notifications to a supplier should highlight the minimum information the Owner would like to receive as part of the supplier's response. Responses should include identification of the root cause of the non-conformance and the preventive action that will be taken to prevent a reoccurrence.

The response should also include at a minimum:

- What will be done?
- When will it occur?
- Who will it impact?
- How will results be monitored and documented?

Suspension and Debarment

Contracts must not be awarded to debarred, suspended, or otherwise ineligible suppliers. BC Housing maintains a list of disqualified suppliers. Non-profit housing providers should check with BC Housing to confirm suppliers that have been disqualified by BC Housing. Such Suppliers cannot be used on BC Housing Projects.

Regular and ongoing communications with suppliers and documenting all performance issues are essential to ensuring a successful project.

Procurement Guidelines for Non-Profit Housing

bchousing.org

