

How to do Business with the United Counties of Leeds and Grenville

where **lifestyle**
grows good **business**

Agenda

1. Procurement and Contractor Performance Policies – anticipated to be approved by Council in June
2. Procurement Policy Overview
3. Contractor Performance Policy Overview
4. Trade Agreements and the Counties Procurement Process
5. Doing Business with the Counties - Upcoming Public Bid Opportunities
6. The Counties updated Bidding System
 - Highlights of the improved Vendor registration
 - Why the proposed move to e-bidding for all future Counties public bids
8. Demonstration of e-Bidding System
9. Upcoming opportunities to learn more about e-bidding (month of June):
 - Participate in our mock (simulated bid submission).
 - Participate in a web session on e-bidding.
10. Questions

About the Counties

The United Counties of Leeds and Grenville is an upper tier municipality consisting of 10 lower tier municipalities:

1. Athens
2. Augusta
3. Edwardsburgh/Cardinal
4. Elizabethtown-Kitley
5. Front of Yonge
6. Leeds and the Thousand Islands
7. Merrickville-Wolford
8. North Grenville
9. Rideau Lakes
10. Westport

Leeds and Grenville partners with three single-tier municipalities, Brockville, Gananoque and Prescott, in the areas of social services and housing, land ambulance and provincial offices administration as mandated by the province.

Why do Business with the Counties?

- Guaranteed source of payment within 30 days for goods and services.
- Our Economic Development Office works with investors as well as new and existing businesses and industries.
- The Counties have an open, fair and transparent procurement process for awarding publicly bid projects.
- 2017 Capital Budget: \$12.7 Million
- 2017 Operating Budget: \$94.9 Million

Trade Agreements that Affect the Counties

The Counties proposed Procurement Policy complies with the requirements of the procurement chapter of the following trade agreements. Goals of the agreements is to reduce barriers to trade; and to ensure an open and transparent procurement process.

1

**The Canadian Free Trade Agreement July 1, 2017
Currently called Agreement on Internal Trade (AIT)**

2

Trade and Cooperation Agreement between Ontario and Québec

3

The Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) July 1, 2017

Trade Agreements: Public Bid Advertising Thresholds for the Counties

Procurement Type	OQTCA Threshold
Goods	\$100,000
Services	\$100,000
Construction	\$100,000

Procurement Type	Canadian Free Trade
Goods	\$100,000
Services	\$100,000
Construction	\$250,000

Procurement Type	CETA Threshold*
Goods and services contracts	\$309,100
Construction services contracts	\$7,700,000

Common Goods, Services and Construction Purchases

- **Public Works**
 - Professional Engineering and other Consulting services.
 - Capital Infrastructure projects
 - Roads Maintenance
 - Vehicles and Equipment
 - Salt/Sand and other Aggregate material
- **Paramedic**
 - Equipment and Supplies
- **Maple View Lodge**
 - Equipment and Supplies
 - Renovation services
 - Other related services
- **Information Technology**
 - Equipment and Software
- **Social Housing**
 - Repairs and Maintenance Supplies
 - Repairs and Maintenance Services
 - Renovation projects.

Upcoming Public Works Capital Projects

2017 Road Projects

- **Section ID 27085 – County Road 27: County Road 46 to St. George Street Stormsewer**
- Stormsewer upgrades..

2017 Structure Projects

- **Site ID 01158 – Lombardy Bridge (CR 1, 0.23 km north of Highway 15)**
- The anticipated work at Lombardy Bridge is as follows: localized concrete patch repair of soffit and parapet walls, and new approach guiderail.
- **Site ID 18083 – O’Hagen Bridge (CR 18, 0.14 km South of McCrea Rd)**
- Rehabilitation: overlay, waterproof and pave, expansion joint replacement, bearing replacement, barrier replacement, localized concrete patch repairs.
- **Site ID 33080 – Lyndhurst Stone Bridge (CR 33, 0.046 km east of Cook St)**
- The anticipated work is to re-pointe the masonry on the barriers and outer walls.
- **Site ID 27079 – Lyn Creek Bridge (CR 27, 0.1 km west of Perth Street)**
- The anticipated work at Lyn Creek Bridge is as follows: localized concrete patch repair of abutment walls.
- **Site ID 18305 – Lackie Culvert (CR 18, 1.65 km north of CR 20)**
- Replace with a concrete box culvert, distribution slab, and new guiderail.
- **Site ID 26144 - Robinson Creek Culvert (CR 26, 2.75 km west of CR 18)**
- Replace with a concrete box culvert and new guiderail.

2017 Design Projects

- **Section ID 2801– County Road 2: At Johnstown/Rail Stormsewer System**
- Existing road is in generally fair condition however stormwater management improvements are required in this general area.
- **Section ID 17085– County Road 17: Otter Creek Causeway**
- Existing road is in generally fair condition however, unrecoverable side slopes and narrow shoulders require improvement. An environmental analysis is recommended as the first step to widen the road bed.

Proposed Procurement Policy

1. Empowers Staff
2. Creation of a Procurement Review Panel
3. Comply with Trade Agreements
4. Debriefings for unsuccessful RFP Proponents
5. Supplier Code of Conduct
6. Black-out Period

Proposed Contractor Performance Policy

Contractor Performance is making headlines in Ontario:

- Metrolinx rehires contractors despite bad work, Ontario Auditor General report finds.
- Bombardier and TTC – late deliveries

Two Overall Goals for the Counties new policy:

1. Ensure Contractors are held accountable for poor performance and in turn, recognized for good performance.
2. Mandatory for Counties staff to evaluate Contractor performance for all publicly bid Contracts.

Proposed Policies

1. Have been reviewed by external Legal counsel.
2. Our proposed Policies are considered a “**Best Practice Policies**” by our external Legal counsel.

The Counties New Bidding System

1. Tentatively scheduled launch date is June.
2. Enhanced Vendor Registration process:
 - Expanded list of commodity selection
 - Select the commodities you wish to be notified by email when a bid is published
 - Become a Counties Emergency Vendor
 - Ability to view the entire bid document on-line without registering as a Plan Taker

Why Move to e-Bidding?

Traditional paper bidding process is not efficient. It is costing the Contractor, the Counties and ultimately all of us as taxpayers increased expenditures of public funds.

1. Bid Review Panel - staff time spent by legal and procurement
2. Rejecting bids for being incomplete and other informalities
3. Post-closing processes (very time consuming)
 - Compliance review
 - Checking math / creating pricing summaries

We want to move to a more efficient bidding process for both the Counties and our Bidders.

Why Move to e-Bidding

1. Town of Newmarket is the first Canadian municipality to launch e-bidding in 2014 (two minor irregularities in three years).
2. The Bidding System has been endorsed by:
 - the Ontario General Contractors Association
 - The Ontario Architects Association of Ontario
 - The Consulting Engineers of Ontario Association
3. The Surety Association of Ontario endorses the use of e-bidding.

Clive Thurston, President, Ontario General Contractors Association Comments

- As part of OGCA's due diligence we partnered with the Ontario Architect Association, Consulting Engineers of Ontario and the Surety Association of Ontario to review and assess the program. We are all in agreement that this system works. A major part of electronic tendering is now the availability of electronic bonds and again the eSolutions system works flawlessly with such programs.
- The system benefits everyone providing control and quality assurance to the owners, eliminates mistakes and incomplete bids, provides an excellent tracking system for both the owner and the bidders.
- The OGCA took the unheard of decision to support and recommend this system to owners. Over 200 public owners in Ontario and across Canada have seen the same benefits as we have and adopted the system.

Why Move to e-Bidding?

IRREGULARITY	PAPER	E-BIDDING
Addendums not acknowledged	Automatic rejection	Cannot submit without acknowledging
Bid not signed or scanned signature	Automatic rejection	Bidder must enter their name and agree to terms – cannot submit without agreeing
Incomplete Bid / Incomplete Pricing	Automatic rejection	Cannot submit an incomplete bid
References or Sub-Contractor information not submitted	Automatic rejection	Cannot submit an incomplete bid
Late bids	Automatic rejection, not read publicly and returned unopened to the bidder	Cannot submit after deadline
Unsealed envelopes	Automatic rejection	Not applicable
No Bid Bond or Agreement to Bond	Automatic rejection	Cannot submit an incomplete bid
Unit Pricing changed and not initialled	Automatic rejection	Bidder can change their unit cost before deadline and re-submit
Illegible or obscure bids	May be rejected as informal	Bidder cannot alter tables, etc.
Bids received on different forms	Automatic rejection	Cannot happen
Failure to insert the bidder's business name	Automatic rejection	Cannot happen

Why Move to e-Bidding?

\$31 Million Low Bid Rejected Over Price Form Error

- *Pomerleau Inc. v. Newfoundland and Labrador*
 - Newfoundland and Labrador Supreme Court
 - The low bidder forgot to price a minor line item for monthly elevator maintenance.
 - The next-best bid, submitted by Olympic Construction Limited, included a completed bid form in the amount of \$32,935,524.97
 - **Additional cost paid by the Province of Newfoundland was almost \$2 Million to award to next lowest bidder.**



e-Bidding and Bonding

The United Counties of Leeds and Grenville will allow some flexibility to our Construction Contractors, as we will be permitting two bonding submission options for Bid Bonds and Agreement to Bond:

1. Bid Bond - either a Digital Bid Bond or scanned pdf of Bid Bond
2. Agreement – either a Digital Agreement to Bond or scanned pdf of Agreement to Bond

The Counties plan to re-assess in 2018 and may move to accepting only digital bonds.

Two major providers of Digital Bonds in Canada:

- Xenex
- Mobile Bonds



Upcoming Opportunities to Learn More about e-Bidding

1. Participate in our mock (simulated) e-Bid Submission exercise in June. This opportunity will be open to all Vendors. There will be three different types of mock bids that will be offered:
 - ✓ Construction (Digital Bonding)
 - ✓ Supply of Goods
 - ✓ Provision of Consulting Services
2. Register for an upcoming web-based e-learning session on e-bidding planned for June
3. All registered Vendors will be notified electronically of the above events when our new bidding system has been launched. Vendors can then confirm any changes to their account.