

# Tumbler Ridge Community Forest Corp.



<b>Company Policy</b>		<b>Department:</b>	Management	<b>Policy #:</b> POL - 03	
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		<b>Implementation Date:</b>		<b>September 01, 2012</b>	
<b>Subject:</b>	<b>Contract Tendering</b>	<b>Last Reviewed/Update Date:</b>		August 14,2012	
<b>Approval:</b>	<b>Original signed by</b>	<b>Author:</b>		Duncan McKellar	

## 1. Purpose

To establish clear and unambiguous policies for Directors and management staff to follow regarding Contract Tending for TRCF.

## 2. Scope

This policy applies to Directors and the Operations Manager for TRCF. This policy includes components typically or often required for directors and managers but does not provide an exhaustive, comprehensive list of procedures for all situations. The TRCF will update policies as required.

## 3. Prerequisites

It is the responsibility of all TRCF Directors and management staff to act in good faith in following the intent of this policy.

Inherent in the description of community forests is the creation of local jobs and economic development opportunities. Unlike in most forest operational tendering, contracting out work on a community forest will include consideration of additional factors besides lowest bid. The company that can meet the collection of the identified criteria best will be the company selected. In our small communities, transparency and avoidance of conflicts of interest are very important. A solid policy creates a tendering approach that:

- can be trusted to be fair by the community and the contractors;
- shares the work on TRCF around to the qualified local contractors and road builders;
- ensures a good price to TRCF and contractors; and
- avoids conflict of interest.

## 4. Conduct

The Directors and management staff shall:

- a) act honestly and in good faith with the primary consideration to the best interest of TRCF;
- b) act ethically and with integrity regarding contract tendering;
- c) act in a professional, courteous and respectful manner;
- d) deal fairly with all of TRCF stakeholders;

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- e) comply with all applicable laws and regulations including all of TRCF policies, guidelines and Board decisions.

## **5. Responsibilities**

The following outlines the general requirements and process for issuing tenders and awarding contracts in relation to the community forest.

The contract rate will not be the sole criteria for awarding contracts. The following criteria will be considered in determining the winning bidder:

- local employment component
- locally based business
- local purchasing policies
- financial status
- WorkSafe BC compliance
- certification status in the BC Forest Safety Council
- experience and track record of the company
- status of environmental management systems
- mobilization capacity
- ability to deliver on schedule

### **5.1 Contracts that are proposed or entered into will be subject to a public tendering process.**

- a) Details of the proposed project or activity will be publicized by advertisements in local media and on the website. Where necessary, publication may be extended to other media as well to ensure the maximum numbers of potential bidders are informed.
- b) All tender responses will be received in sealed envelopes and opened together in the presence of the Operations Manager and a minimum of one Director.
- c) Only bids that are compliant with the terms and conditions of the tender will be assessed.
- d) The Operations Manager will assess each tender submitted and recommend to the Board which tender should be accepted based on, but not limited to, the following:
  - i. the price of the contract
  - ii. the ability of the bidder to provide local employment
  - iii. the ability of the bidder to use local suppliers, where appropriate
- e) Demonstrated success and compliance with WCB Act and Regulation specifically:
  - i. safety Program

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- ii. prime contractor requirements
- iii. status of account
- iv. accident history
- v. registration and certification in the BC Forest Safety Council
- f) Training and EMS:
  - i. standard operating procedures
  - ii. training and compliance
  - iii. track record
- g) Financial capacity
- h) Requirements for payment (cash flow issues)
- i) Rate structure (no hidden costs)
- j) Demonstration of Insurance
- k) Equipment capacity and ability to produce
- l) Past performance history

## 5.2 Ranking Matrix

- a) A ranking spread sheet for each contract/project will be used to determine the actual rate of the tender with respect to the work. The goal is to clearly show the difference between contractors and the benefit to the TRCF. The lowest priced bid may not be awarded the contract, depending on the other factors listed above.

## 5.3 Low Rate

- a) If a bidder has proposed a rate that is significantly lower than other submissions where the bid package meets all other bid criteria, management shall be permitted, but not obliged, to discuss with that bidder all the factors to understand and assess the reason(s) for the low rate.

## 5.4 Management Recommendations

- a) Contracts will only be awarded after the Board has reviewed the recommendations from management and determined which bid is to be accepted. More than one bidder may be recommended depending on issues such as timelines of approval, timber tax (stumpage), or the ability to deliver by a specified date.

## 5.5 Requirement for Tendering Contracts

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- a) TRCF shall offer for tender all contracts except where:
- i. the estimated contract value does not exceed \$50,000;
  - ii. the Board determines there is only one entity capable of performing the contracting; or
  - iii. there is an emergency requirement to undertake the contract work and delays required to conduct a tender process would be significantly injurious to our activities.

## 7. References

British Columbia Community Forest Association - Sunshine Coast Community Forest and other Sources. *Contract Tendering Policy 2011.*

Comfor Management Services - Burns Lake Community Forest. *Contract Bidding and Award Policy 2007-05.*

Sunshine Coast Community Forest - *Tendering Policy. February 2011.*

## 8. Definitions

TRCF - Tumbler Ridge Community Forest Corporation.

WCB – Workman’s Compensation Board.