



CITY OF
ST. CATHARINES

Corporate Report

Report from Financial Management Services, Accounting

Date of Report: November 14, 2012 **Date of Meeting:** November 26, 2012

Report Number: FMS-642-2012 **File:** 68.44.1

Subject: Documentation Requirements for Bid Submissions

Recommendation

That Council receive the report from the Financial Management Services, Accounting, dated November 14, 2012, for information purposes. FORTHWITH

Background

On October 29, 2012, in response to a presentation made by Mr. A Newhouse, Councillor Kushner requested that staff prepare a report addressing the concerns of Mr. Newhouse on the documentation requirements for bid submissions.

Mr. Newhouse raised several concerns during his presentation with respect to the City's policies and verification procedures when awarding bids and when inconsistencies are detected. He urged Council to review the City's policy with regards to business status and vehicles used by contractors hired by the City and suggested that:

- Bid Submissions must include a certified copy of the Companies Business Licence
- Vehicle licence, registration and insurance documentation should also be included with each submission
- All necessary documentation should be submitted at the time of closing.

This report is intended to provide Council with the City's current policy regarding documentation requirements for bid submissions.

Report

The documentation requirements for bid submissions vary depending on the goods and/ or service being requested. General Terms and Conditions for all bid documents state that "the successful bidder shall comply with all applicable statutes, laws, by-laws, regulations, ordinances, notices and orders whether Federal, Provincial, Municipal or otherwise, at any time in effect during the currency of the contract, and all rules and requirements of the Police and Fire departments, or other governmental authorities, and procure all C.S.A. approvals, if required."

To ensure compliance, certain documents are required to be in place before work can begin. Depending on the nature of the contract, documentation could consist of items such as:

- Workplace Safety and Insurance Board certificate of clearance
- Certified copy of third party liability insurance
- completed declaration of accessibility compliance
- Owned Automobile Liability Insurance
- copy of Vehicle Registration
- Refrigeration and ODP certificates

Whether the documentation is required by all proponents or only the winning bidder depends on the nature of the work. All efforts are taken to reduce the administrative burden and potential costs to proponents. When a vendor submits a bid it is implied that they have complied with all sections of the bid document and statutory requirements. Verification of that compliance is completed by staff before work can begin. If it is discovered that the winning bidder is in violation of a requirement then the bidder must immediately take corrective action. This requirement is included in most bid documents and is a courtesy that is extended to all vendors.

The method that staff deals with violations is dependent upon on the nature of the situation. Major issues dealing with public safety require that the contractor cease work immediately to address the situation. Contractors with minor irregularities must rectify the issue as soon as possible. Failure to comply could result in the cancellation of the contract.

We require that vehicles are licenced and insured, and that the bidder have general liability insurance. We do not require that the bidder own the vehicle or equipment, leasing or rental is permissible.

The City encourages small businesses, both corporations and sole proprietors, to submit a bid for work that they are qualified to perform. Successful bidders must comply with all Statutes, Laws and Regulations applicable to the work and to persons employed on or in connection with the work. There are circumstances where a sole proprietor does not require an Ontario Business Licence and only specific businesses require a City licence. Historically proof of licence, registration or incorporation has not been a requirement as part of the bid submission.

It is staff's opinion that sufficient procedures are in place to ensure work is carried out by properly qualified vendors. Verification of documentation by purchasing staff for all submitted bids (not just the successful bidders) would increase costs and administrative burden on staff without providing any additional value to the Corporation.

Financial Implications

Not applicable.

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