

Building Trust in Procurement

A Guide to Public Construction Procurement in Ontario



Fostering Strong Partnerships for Sustainable Growth

Procurement culture where trust and strong relationships lead to sustainable, mutually beneficial partnerships should be the top priority for any project. Public construction procurement in Ontario must align with legal, ethical, and efficiency standards to ensure transparency, value for money, fairness, and community growth.

Guiding Principles of Public Procurement



Fiscal Responsibility

Ensuring cost-effective and value added use of public funds



Consistency

Adhering to standardized policies and trade obligations



Fairness

Providing equal opportunities for all bidders and ensuring fair wage policy



Achieving Social & Economic Objectives

Promoting community and economic benefits

Beyond the Lowest Bid: The Case for Trust

While public procurement often favours the lowest bid, this approach can lead to cost overruns, project delays, and legal disputes due to misinterpretations or overlooked terms. A focus on trust-based relationships mitigates risk, enhances transparency, and ensures successful project completion. A contractor's workplace culture will demonstrate their commitment and dedication to their professional completion of a project.

Best Practices in Tendering & Bidding

1

Develop Clear RFPs & Tender Documents

Clearly define scope, evaluation criteria, time-lines, and contract terms

2

Prequalification Process

Shortlist qualified bidders based on objective criteria:

- **Financial Stability** (bonding capacity, financial statements)
- **Experience & Past Performance** (completion history, legal disputes, project types and sizes)
- **Company Organization** (years in business, officer qualifications)
- **Health & Safety** (certifications, accident history, regulatory compliance)
- **Contractor Capacity** (staff qualifications, labor availability)
- **Project Control Procedures** (on-time, on-budget delivery strategies)
- **Geographic & Community Benefits** (local workforce, material sourcing, community impact)

3

Bid Evaluation Criteria

Assess bids based on value for money, experience, schedule, and value-added criteria rather than lowest bid alone. Meet with the prospective contractors to present their bid and how they will mitigate your risk as an owner on the project.



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A Balanced Approach to Procurement

This guide advocates for a comprehensive and balanced procurement strategy that prioritizes risk mitigation, transparency, and long-term project success over the traditional lowest-bid mindset.



Grading	Definition	Rating
Superior	Well above the accepted performance standard	10
Good	Often exceeds the accepted performance standard	7
Acceptable	Meets the accepted performance standard	5
Marginal	Mostly meets the accepted performance standard	3
Unsatisfactory	Falls below the accepted performance standard	0

Criteria	Weight (a)	Rating (b)	Weighted rating (a x b)	Max possible weighted rating (a x 10)
Financial				
Bonding Capacity	5			50
Financial Records	4			40
Price	5			50
Adherence to specification requirements	5			50
Risk Mitigation				
Experience – Record of failure to fulfill contract	4			40
Experience – History of similar projects, size and value	3			30
Experience – History of projects with owner	2			20
Organization – Years in construction	3			30
Organization – Applicable qualifications of company, officers and directors	4			40
Culture				
H&S – Advanced Occupational H&S management system	3			30
H&S – Serious incidents in the past 3 years	4			40
H&S – OHSa prosecutions over the past 3 years	4			40
H&S – Compliance history over the past 3 years	4			40
Capacity – Qualification/training of workforce	4			40
Capacity – Labour forecast/guarantee	4			40
Control Procedures – Ability to deliver on-time and on-budget	4			40
Control Procedures – Appropriateness of policies and procedures	3			30
Community Benefit				
Community – Contractor location	3			30
Community – Material sourcing	3			30
Community – Labour pool location	3			30
Community – Contractors community contributions	3			30
Total Score				770