

Issue Update

Notice to Bidders on Government of Canada Projects

Bidders should be aware and mindful of bidding documents that are not included in the package of information available from Merx. Many bid documents are included by reference only and are available just on the Government of Canada website:

<http://sacc.pwgsc.gc.ca/sacc/index-e.jsp>

Some of the clauses in these documents may have a significant impact on a contractor and should very much be considered when preparing a bid. For example these conditions as set out in document R2550D, GC – Terms of Payment (2007-05-25), relating to Assessments and Damages for Late Completion:

GC5.10 (2007-05-25) Assessments and Damages for Late Completion

1. For the purposes of this clause

- (a) the Work shall be deemed to be completed on the date of the Certificate of Completion; and
- (b) the "period of delay" means the number of days commencing on the day fixed for completion of the Work and ending on the day immediately preceding the day on which the Work is completed but does not include any day within a period of extension granted pursuant to GC6.5, "Delays and Extension of Time", and any other day on which, in the opinion of Canada, completion of the Work was delayed for reasons beyond the control of the Contractor.

2. If the Contractor does not complete the Work by the day fixed for its completion but completes it thereafter, the Contractor shall pay Canada an amount equal to the aggregate of

- (a) all salaries, wages and travelling expenses incurred by Canada in respect of persons overseeing the performance of the Work during the period of delay;
- (b) the cost incurred by Canada as a result of the inability to use the completed Work for the period of delay; and
- (c) all other expenses and damages incurred or sustained by Canada during the period of delay as a result of the Work not being completed by the day fixed for its completion.

3. Canada may waive the right of Canada to the whole or any part of the amount payable by the Contractor pursuant to paragraph 2) of GC5.10 if, in the opinion of Canada, it is in the public interest to do so.

Where bidding documents specify a schedule for completion by the owner, rather than by the contractor, contractors should evaluate how this clause may impact their bid. BCCA recommends and expects that before making those decisions, contractors will review the relevant terms of the Bid Package, including the Instructions to Bidders, draw their own conclusions and make their own independent decisions.