



Canadian Construction
Association
Best Practices Services

CCA BULLETIN

BID GO OR NO GO



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Key considerations when deciding whether or not to bid on a project

This bulletin was prepared by the Canadian Construction Association's (CCA) Trade Contractors National Advisory Council to provide best practice guidance to trade contractors determining whether to bid on a project. This decision should always be a part of a nuanced team discussion, as certain risks might be priceable or dealbreakers in different circumstances. Much of the information in this bulletin may also be applicable to general contractors when dealing with project owners.

The list below reflects some important considerations before deciding whether to bid. Some of the answers may need to be obtained through a formal Request for Information (RFI) process. Others may already be known or better obtained through more informal channels, like a simple phone call to the general contractor (GC). For further guidance, please refer to the [CCA 53 'A Trade Contractor's Guide and Checklist to Construction Contracts'](#).

Project

1. Has my team executed this type of delivery model before? *E.g., design-build, construction management (5A or 5B), Public Private Partnerships (P3), Integrated Project Delivery (IPD).*
 2. Is the project within my normal size and scope of work, experience, and personnel capacity?
 3. Is the project within my normal geographical territory?
 - If not, are there nuances about site access, transportation, weather, relationships, labour availability, cost, and housing considerations for which I need to plan and price?
 4. Does the project and schedule fit well with my existing projects? Do I have adequate capital and liquidity to take on the project?
 5. Is there a large subcontractor/supplier component for my scope of work?
 6. Is there a long lead time and/or large deposit for any required product, material, or equipment purchase?
 7. Are there any out of the ordinary environmental or hazardous material risks associated with the project?
 8. Is this a public or private project?
 9. How is the project being financed? Is there sufficient evidence of this financing?
 10. What is the jurisdiction of the project?
 - Do prompt payment legislations apply?
 - Do you have lien rights?
 11. Who will be the payment certifier?
 12. What, if any, tender security is required prior to closing? *E.g., bid bond, consent of surety, certified cheque, irrevocable letter of credit (ILOC).*
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13. What type and form of bonds are required if awarded the contract? *E.g., performance bond, labour and material payment bond, maintenance bond.*

General contractor

14. Do I know or have a good relationship with the GC? Have I worked with the GC's team (e.g., project manager, project coordinator, superintendent) before?

15. Has the GC executed this type of delivery model before?

16. Has the GC executed a project of this complexity, value, and duration?

17. Who will be on the GC's project team?

18. What do I know about the GC's operating style:

- Project reporting requirements
- Subcontract terms
- Invoicing requirements
- Health and Safety Excellence (HSE) program
- Quality Management System (QMS), etc.

19. What bonds is the GC required to purchase? *E.g., performance bond, labour and material payment bond, maintenance bond. Bonds provide additional assurances of a GC's capability for the project.*

20. Do the bonds in place use modernized bond forms? *E.g., CCDC 2024 bond forms or SAC 2021 series. These forms provide greater clarity about processes when difficulties are encountered.*

21. Is there a letter of credit or unreasonable retention provision?

22. What insurance is the GC/Owner required to purchase? *E.g., builders' risk, equipment breakdown, subcontractor default insurance.*

- Are we included as an insured?
- Are we covered by insurance?

23. What are the insurance deductibles? Is payment determined by fault?

24. Does the GC have a history of defaulting a project? *Your insurance and bonding companies may have insight they can share.*

Project owner and consultants

25. Do I know or have a good relationship with the Owner?

26. Does the GC have a good relationship with the Owner?

27. Do the Owner and GC seem to have good financial credit? *If not known, suggest getting financial information from each. Be very careful if not overly credit-worthy, and if continuing, consider how to mitigate risk carefully.*

28. Does the Owner have experience in this type of delivery model and project scope/size?
29. Who will be on the Owner's project team?
30. Does the GC have a close, long-term relationship with the Owner that they may not be willing to jeopardize to support a valid subtrade claim?
31. Do I know the prime consultant and sub-consultants that will be working on this project?
32. Does the GC have a good relationship with the prime consultant and sub-consultants?
33. Do the prime consultant and subconsultants have experience in this type of delivery model and project scope/size?

Contract considerations

34. Is it a standard CCA/CCDC contract?
 35. If it is a standard contract, what has been changed with supplementary conditions?
 36. Has my team read the prime contract between the Owner and the GC?
 - Do I know what is being flowed down?
 37. Are there milestones prescribed in the schedule?
 38. What is the timing of your work in relation to the project? Will the timing of your work in relation to the warranty requirements be feasible?
 39. Is there progressive release of holdback? Or will you be waiting for the project to reach substantial performance of the project to receive your statutory holdback?
 40. Will your payments be subject to any non-statutory holdbacks?
 41. What are the payment terms?
 - Paid-if-paid or paid-when-paid? *Note: paid-when-paid with a reasonable maximum gap in payment term is preferred.*
 - What are the payment timelines?
 - Is prompt payment legislation applicable?
 42. Are the change directive provisions fair and will they make you whole with profit and overhead?
 43. Is there equivalent project relief language with the GC?
 - Is the GC only required to pay claims if paid themselves? What if the GC causes the change or claim?
 - Does the GC have an obligation to push flow-through claims to the Owner?
 - Do you have the right to participate in flow-through claims?
 - Is the GC allowed to make a settlement regarding a flow-through without your involvement?
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44. What are the overall limits of liability, if any?
45. Is there a waiver of consequential damages? *E.g., loss of revenue, loss of operation, loss of use.*
46. Are there specified damages for delays? If so, are they liquated? Is there a reasonable sub-cap on delay damages?
47. Are there unreasonable notice of claim provisions? *E.g., You shall provide written notice of all impacts of an event within two days of such event commencing.*
48. Are there unreasonable waiver of claims provisions? *E.g., You waive the right to all payments and claims prior to the date of each invoice submittal.*
49. Does the warranty restart on rework without an ultimate end date? *I.e., "evergreen warranties."*
50. Are there dispute resolution procedures allowing for mediation and arbitration? *Waiting for a court decision or until the end of the project for adjudication can leave money tied up for several years, whereas mediation and/or arbitration may get funds flowing significantly earlier.*



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