BCTS Continuous Bid Deposit Process and 48-Hour Grace Period (Capacity) Process

Guidance Document

BCTS has standardized the requirement for bid deposits on BCTS silviculture contracts. Effective February 15, 2019, all BCTS silviculture contracts are to require bid deposits as follows:

- $5,000 bid deposit for a contract bid less than $250,000, or
- $10,000 bid deposit for a contract bid greater than $250,000.

Continuous Bid Deposit Process for All Silviculture Tenders

As an alternative to submitting a bid deposit with every tender, contractors can establish a Continuous Bid Deposit in the amount of $25,000.

1. The participation and application processes of the Continuous Bid Deposit for silviculture contracts, will adhere to the following guidelines:
    - Contractors bidding on BCTS silviculture contracts will submit a $25,000 bid deposit in guaranteed funds, in one of the formats described in the Conditions of Tender **prior** to bidding on any BCTS silviculture contracts. They will indicate, in writing, that they wish to have the bid deposit retained as a Continuous Bid Deposit.
    - The Timber Sales Office receiving the written request will handle the request as per the BCTS Continuous Bid Deposit Tracking Process found on the Resource Leadership Team SharePoint Site.
    - The Timber Sales Office that deposits the continuous bid deposit will put the contractor's name and payment number into the excel spreadsheet located on the Resource Clerk Leadership Team SharePoint. The Contractor should be advised when the Continuous Bid Deposit has been fully processed and they can use it for bidding.
    - Contractor will submit with their tender submission the Continuous Bid Deposit Declaration form, indicating their wish to use the Continuous Bid Deposit.
    - When the contractor has finished bidding for the season, they may request that the Continuous Bid Deposit be returned from the Timber Sales Office where it was originally submitted. The request must be in writing and state the following:
        i. The contractor does not currently have any pending awards of contracts requiring the Continuous Bid Deposit.
        ii. They do not plan on bidding on any silviculture contract in the near future.
    - The Timber Sales Office will confirm that the Continuous Bid Deposit is no longer required and will release the Continuous Bid Deposit to the contractor.
2. The Continuous Bid Deposit process is ONLY for use with **BCTS silviculture contracts**.

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3. The **Contractor is responsible for the maintenance** of the Continuous Bid Deposit. For example, the contractor must ensure that the financial instrument does not expire and that the amount remains at $25,000.

4. At the time of a tender opening, when in receipt of a Continuous Bid Deposit Declaration Form, Business Administrators will verify the bidder's Declaration by checking the BCTS Continuous Bid Deposit Tracking Spreadsheet located on the Resource Clerk Leadership Team SharePoint Site.

5. Silviculture contractors who do not wish to use the Continuous Bid Deposit process can still submit an individual bid deposit for a single tender submission in the appropriate amount (see above). In the event of a bid deposit forfeiture, it will be in the following amount:

    - $5,000 will be forfeited for a contract bid less than $250,000, or
    - $10,000 will be forfeited for a contract bid greater than $250,000.

48-Hour Grace Period (Capacity) Process

Planting contractors are allowed a 48-hour grace period from the time of tender close to assess their capacity. During this time the contractor may withdraw any bid(s) that exceeds the contractor's capacity.

The application process of the 48-Hour Grace Period will adhere to the following guidelines:

- The 48-hour grace period is **ONLY** available to **BCTS planting contractors**.
- The withdrawal must be submitted to the Timber Sales Manager in writing within 48 hours of tender closing outlining how they have exceeded their capacity.
- To be eligible to bid again after declaring they have reached their capacity, a planting contractor must submit a rationale that identifies how capacity issues have been addressed to the Timber Sales Manager for approval.
- If a planting contractor withdraws due to capacity, business administrators must record it on the Continuous Bid Deposit Spreadsheet, whether the bidder holds a Continuous Bid Deposit or not.
- Once their resolution has been approved by the TSM, that resolution rationale must be recorded on the Continuous Bid Deposit Spreadsheet and documentation loaded onto the SharePoint site in the Capacity Approved by TSM Documentation folder.
- When doing eligibility checks for planting contract tenders, business administrators must check the Continuous Bid Deposit Spreadsheet to confirm the following:
    - If the bidder has withdrawn due to capacity, and
    - If they have, that they have submitted a rationale as to how they have resolved capacity issues and if that rationale has been approved by a TSM.
- After 48 hours, the grace period is over and the withdrawal of a bid will result in forfeiture of their bid deposit, whether it is in the form of a Continuous Bid Deposit or not, as follows:
    - $5,000 will be forfeited for a contract bid less than $250,000;
    - $10,000 will be forfeited for a contract bid greater than $250,000.

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