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# Green Municipal Fund



Running effective  
tendering processes  
for brownfield initiatives

Leadership in Brownfield Renewal Program  
**Guidebook Series**

## Acknowledgements

This guidebook is based on best practices observed in communities across Canada, as well as information provided by leading experts and the cities of Edmonton, AB, and Kingston, ON. It also draws on past research commissioned by the Federation of Canadian Municipalities (FCM). Monique Punt of MPunt Environmental Consulting and Tammy Lomas-Jylha of Lomas-Jylha Consulting Inc. were the lead researchers and authors.



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Running effective tendering processes for brownfield initiatives

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# About this guidebook

This guidebook is part of a series developed for FCM's Leadership in Brownfield Renewal (LiBRe) program. Based on a seven-step best practices framework, the program aims to help municipalities become better facilitators of the brownfield redevelopment process. Running an effective tendering process is a key component of the sixth step of the framework: "manage programs and projects."

**Disclaimer:** *This document provides information and tips related to brownfield procurement activities but does not preclude or replace any provincial or municipal requirements. Note that each province and territory has procurement legislation and guidance that municipalities must follow when developing tender documents. Municipalities will also have their own practices, policies and guidelines related to procurement.*

## LiBRe Best Practices Framework



### **Commit to action**

Raise awareness and secure a formal municipal commitment to support brownfield redevelopment

► [Read the guidebook](#)



### **Understand the landscape**

Conduct a detailed analysis of brownfield sites and the local context

► [Read the guidebook](#)



### **Build partnerships**

Build relationships with key brownfield stakeholders

► [Read the guidebook](#)



### **Devise a strategy**

Develop a formal policy and programs for facilitating brownfield redevelopment

► [Read the guidebook](#)



### **Promote programs and opportunities**

Build awareness of brownfield issues, programs and redevelopment opportunities

► [Read the guidebook](#)



### **Manage programs and projects**

Foster the redevelopment of local brownfield sites



### **Evaluate, improve and celebrate**

Assess and improve brownfield redevelopment policies, programs and processes, and celebrate success

► [Read the guidebook](#)



# Introduction

Municipalities often need to go through a tendering process to sell and redevelop a brownfield site, or to get assistance with initiatives such as:

- ▶ Developing a brownfield inventory
- ▶ Developing a brownfield strategy
- ▶ Performing environmental site assessments
- ▶ Remediating a brownfield site

The tips outlined in this guidebook will help you ensure that your municipality receives high-quality submissions and finds the right person, company or team to do the work required. The tips are specifically focused on Request for Proposal (RFP) processes, but they can be applied to Request for Information (RFI) or Request for Qualification (RFQ) processes as well. You can also apply these tips when developing application forms for your municipal brownfield programs.



## RFI, RFQ or RFP?

Depending on how well-developed your idea is, you may use one or more of these three tendering processes to recruit proponents for your brownfield initiative:

- ▶ A **Request for Information (RFI)** or **Letter of Interest (LOI)** is used when you have a sense of what you want but need more information from potential bidders to fully develop a Request for Proposal and want to gauge the level of interest in the work. Your RFI or LOI should outline potential requirements and ask respondents to describe their ability to satisfy those requirements. You can also ask respondents to provide suggestions on how the eventual RFP will be structured.
- ▶ A **Request for Qualification (RFQ)** is used to pre-screen possible bidders and gauge their level of interest and capability in performing the work. The RFQ defines the minimum requirements that a bidder must meet to move on to the more detailed RFP process.
- ▶ A **Request for Proposal (RFP)** is the most formal tendering process and typically has strict procurement rules for content, timeline and bidder responses. An RFP is used when you know what outcome you want and you are ready to select a contractor to perform the work required. The RFP describes the tasks to be undertaken and the outcomes to be achieved. The successful bidder is typically selected based on the price, value and effectiveness of their proposed solution.

# Solutions to common RFP challenges

Municipalities can encounter challenges in the RFP process. The section below outlines some of the most common challenges and proposes solutions.

## **Challenge: Attracting viable bidders**

### **Solutions:**

- ▶ Get the word out widely via multiple channels such as:
  - your municipal website
  - the media
  - public tenders databases
  - local business development groups
  - professional associations (e.g. developers, and real estate, environment or brownfield professionals)
- ▶ Hold information sessions (in person or via webinar) to describe the submission process and requirements.
- ▶ Use an RFI or RFQ process to gauge interest and pre-screen possible bidders or applicants.

## **Challenge: Determining the length of the bid period**

### **Solutions:**

- ▶ Allow yourself enough time to inform your target audience about the RFP opportunity.
- ▶ Ensure that the length of the bid period reflects the scale and complexity of the project.
- ▶ Give bidders sufficient time to prepare quality submissions and perform due diligence (e.g. securing financing, examining permitting requirements and land-use restrictions).

## **Challenge: Ensuring a fair and transparent process for selecting the best bidder**

### **Solutions:**

#### *Prior to developing the RFP:*

- ▶ Assign one municipal staff person as the main contact for the RFP and project. This ensures a consistent approach when responding to inquiries.
- ▶ Seek input from the various municipal departments who can contribute their respective expertise to the RFP process.
- ▶ Have your purchasing and legal departments conduct a review of the RFP. If your municipality has existing RFP templates, work with your purchasing and legal departments to tailor them to your brownfield initiative, as required.
- ▶ Consult with council and, if required, obtain approval for the RFP.

#### *When drafting the RFP:*

- ▶ Begin by establishing the mandatory and evaluation criteria.<sup>1</sup> This will help you articulate exactly what you are looking for in terms of the project team's qualifications and the characteristics of the project itself. The rest of the RFP will be clearer and more focused, which will ultimately improve the quality of the responses you receive.

<sup>1</sup> Mandatory criteria are those that the bidder must meet to be considered an eligible bidder. Evaluation criteria are used to evaluate the bidders against each other.

- ▶ Make the document easy to follow and navigate — by making it a searchable PDF, for example.
- ▶ Clearly state requirements and be very specific about what information the bidder or applicant needs to provide.
- ▶ Provide a defined structure for responding (for example, use electronic forms with drop-down menus). This results in consistent and comparable responses.
- ▶ Use the tips outlined in the next section, Writing Your RFP: Useful Tips.

***When evaluating the bids:***

- ▶ Set up an evaluation team that has a wide range of expertise related to the work to be performed. This will ensure that all aspects of the bids are properly considered.
- ▶ Consider using a “two-envelope” approach, where the bidder provides the technical and financial portions of the bid in separate files or envelopes. This allows you to assess the technical aspects of a bid without being influenced by the bidder’s price.

## Example of a “two-envelope” bid evaluation

A technical evaluation committee reviews and scores the technical aspects of the bids. A procurement officer compiles these scores and then evaluates the bid prices. The final bid score is based on the formula outlined in the RFP, which indicates that the technical score is weighed at 80% and the financial score is weighed at 20%.

**Evaluation steps**

1. The proposals that have met all mandatory requirements are selected.
2. The proposals’ technical aspects are evaluated based on the evaluation criteria outlined in the RFP.
3. For proposals that meet the minimum technical evaluation score, the bid price is then reviewed.
4. The overall bid score will be calculated using the pre-determined weightings of the pro-rated technical and financial scores.

$$\begin{array}{l}
 \text{Pro-rated technical score} = \frac{\text{Bidder's technical points}}{\text{Maximum potential technical points}} \\
 \\
 \text{Pro-rated financial score} = \frac{\text{Lowest bid price}}{\text{Bidder's price}} \\
 \\
 \text{Overall bid score} = \frac{\text{Pro-rated technical score} \times 80 + \text{Pro-rated financial score} \times 20}{1}
 \end{array}$$

# Writing your RFP: Useful tips

Applying the tips below will help your municipality write a clear RFP and position itself to receive the best possible responses from bidders.

RFP section	Tips
<b>Introduction and background information:</b> Describe the context for the initiative and explain the work that needs to be done.	<p>Describe the need that the request is filling and provide any key definitions.</p> <p>For site-specific initiatives, provide information on the brownfield site. For example:</p> <ul style="list-style-type: none"><li>• Site location: Site address, roll number, legal description, frontage, area (acres), map and aerial photos, major intersection, topographical survey.</li><li>• Land use: Current, historic and nearby uses; zoning.</li><li>• Site information: Structures on property and building age, site servicing, access from public road, traffic, and location, environmental details (site assessment, main known contaminants, underground storage tanks).</li><li>• Land value: Clean value appraisal, recent taxable assessment, annual taxes.</li><li>• Remedial options and assessment of remediation costs.</li><li>• The municipality's vision and priorities for the site.</li></ul> <p>Attach or link to key documents related to the project (e.g. Official Plan, investment plan, brownfield strategy, bylaws, relevant municipal incentive programs). Clearly describe the importance and relevance of each document.</p> <p>If applicable, describe any incentives or funding opportunities that are available to the bidder.</p>
<b>Mandatory and evaluation criteria:</b> Describe the criteria against which the respondents will be assessed.	<p>Include the criteria near the beginning of the document. This is one of the most important sections.</p> <p>Carefully determine the mandatory criteria, which will be used to determine the bidders' eligibility, and the evaluation criteria, which will be used to rate the bidders against each other. If the mandatory criteria are too strict, you may exclude bidders or applicants that you do not want to exclude. If they are too lax, you could end up with bidders or applicants that may not be able to adequately complete the work required.</p> <p>Clearly outline how the bids will be evaluated. Give a maximum score or weight for each technical evaluation criterion and then indicate how the technical criteria will be weighed against the bid price.</p> <p>Bidders should be asked to respond to specific requirements such as:</p> <ul style="list-style-type: none"><li>• experience, expertise and qualifications</li><li>• declaration of any potential conflict</li><li>• how the proposed approach is aligned with municipal priorities, policies and programs</li><li>• work plan (e.g. the remediation or redevelopment plan)</li><li>• company references</li><li>• company insurance information</li><li>• timelines</li></ul>



RFP section	Tips
<p><b>Statement of Work:</b> Describe the tasks and deliverables to be completed, as well as the delivery schedule.</p>	<ul style="list-style-type: none"> <li>➤ Determine how prescriptive you need to be. If you are looking for a specific outcome, you may want to divide the work into smaller tasks to make it easier for bidders to determine the resources required and costs for tasks. This will also make it easier for you to compare bids.</li> <li>➤ If you are looking for project applicants to put forward creative solutions, avoid being overly prescriptive. Consider framing your project as a question or problem to be solved.</li> <li>➤ Specify key deliverables required and the dates by which these deliverables need to be completed.</li> </ul>
<p><b>Response content and submission requirements:</b> Outline all the elements required to successfully respond to the request.</p>	<ul style="list-style-type: none"> <li>➤ Set page limits to encourage concise responses and ensure that the proposal is tailored to your needs.</li> <li>➤ Detail any specific content required. Define exactly what should and should not be included in the response and how it should be presented.</li> <li>➤ Provide a checklist to ensure that bidders or applicants have provided all the information required.</li> <li>➤ Provide clear instructions on when and how the response should be delivered.</li> <li>➤ If possible, allow bidders to submit proposals electronically. However, some procurement policies still require bidders to deliver hard copies.</li> </ul>
<p><b>Municipal obligations and commitments:</b> Describe how you will support the respondent both during the response period and during the contract.</p>	<ul style="list-style-type: none"> <li>➤ During the response period, let bidders know: <ul style="list-style-type: none"> <li>• how quickly the municipality will respond to questions</li> <li>• who they should contact with questions</li> <li>• whether there will be access to the brownfield site in question during the bid period</li> <li>• whether additional documentation is available related to the request or site</li> </ul> </li> <li>➤ Indicate what support the municipality will provide during the contract, such as experts, municipal staff, data, documentation, etc.</li> </ul>
<p><b>Governance structure:</b> Describe how the successful bidder will fit into your municipal governance structure.</p>	<ul style="list-style-type: none"> <li>➤ Outline your municipality's governance structure and show where the successful bidder will fit into this structure and to whom they will be reporting.</li> <li>➤ Describe the decision-making process related to the successful bidder's work. This will help them better understand your needs and requirements.</li> </ul>
<p><b>Financial requirements:</b> Describe the funding breakdown for the work.</p>	<ul style="list-style-type: none"> <li>➤ Include the budget ceiling for the work. This will help bidders better understand the level of effort you expect for your project and enable them to tailor their submissions accordingly. It will also help you ensure that all the proposals you receive are realistic and align with the resources you have to devote to this project.</li> </ul>
<p><b>References:</b> Indicate whether respondents are required or encouraged to provide references.</p>	<ul style="list-style-type: none"> <li>➤ Ask for references, to gain useful, third-party information about the respondent.</li> </ul>

RFP section	Tips
<p><b>Reporting and performance measurement requirements:</b> Outline the data and reporting that the successful bidder will need to provide.</p>	<ul style="list-style-type: none"> <li>▶ If the work to be performed is linked with your municipality's brownfield performance measurement requirements, outline the metrics that the project proponent will need to track (e.g. the amount of land brought back to reuse, or the amount of soil treated).</li> </ul>
<p><b>Legal and contracting requirements:</b> Outline the contracting terms and conditions that the successful bidder will need to agree to.</p>	<ul style="list-style-type: none"> <li>▶ Place the legal sections and contract information at the back of the RFP or in a separate document. Since these sections can be lengthy, they can distract from or dilute the key elements of the RFP if they are placed at the front of the document.</li> <li>▶ Include declarations of conflict of interest, insurance requirements, etc., in this section.</li> <li>▶ Include or add a link to contract or agreement templates that would be negotiated and signed between the municipality and bidder.</li> </ul>

## The path forward

Running tendering processes is a key part of the sixth step in the LiBRe framework, “manage programs and projects.” Applying the tips outlined in this guidebook will enable you to attract the best bidders for your brownfield projects and ensure a fair and transparent selection process. As your projects are completed and local brownfield sites are brought back into productive use, you can move on to the last LiBRe step: “evaluate, improve and celebrate.” At that point, you can assess your progress to date and, based on this assessment, improve your brownfield programs and processes, and celebrate your success.



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