

The OGCA is very sensitive and aware of issues that surround the practice of bid shopping and the negative effect it has on the bidding process and reputations of the generals, architects and owners. The OGCA has always taken complaints from subtrades on this issue very seriously and has, in fact, revoked a member's membership and issued warnings to other members over such violations. They are a breach of our ethics and policies.

One of the problems in addressing this practice has been the owner's and architect's desire to participate in the relationship between contractors and subcontractors, which raises issues as neither has a contractual relationship with the subtrade. The naming of subtrades, while not opposed by OGCA if used properly, has led to problems mainly caused by the *Hercules* decision a few years ago. The naming of subs prevents the General from carrying out proper due diligence to ensure a sub has met the terms of the bid. Once named, it is very difficult to change or remove a subtrade even if the owner asks us to do so.

The OGCA has had many discussions with architects and owners who admit they request the naming of trades to prevent bid shopping. While we appreciate their concern, the role of the General is to assemble the best team to carry out the project. Owners need to be careful that they don't make the naming of subtrades onerous and tie the contractor's hands. After all, if the subtrade walks or requests payment to release the General from his naming obligation, are owners prepared to cover the cost involved?

It would seem that the OGCA, architects, subtrades and owners believe that the practice of "bid shopping" is unethical and should be prevented. So why is it that some of these same owners and architects believe it is acceptable to "bid shop" contractor prices using the "Post Tender Addendum" process?

During a recent tender, there were four bidders. The bids were not over budget. The architect notified the bidders after all bids were opened that they were going to make some changes and that all four could resubmit. The changes were a skylight and an increase to the cash allowances - hardly a reason to reopen the bidding. Efforts by the OGCA to convince both the owner and architect to follow the industry practice of dealing with the low bidder failed.

Since this addendum clearly would result in an increase in price, it was amazing that the two previous high bidders actually dropped their prices! Luckily, the original low bidder was still successful but could have lost the bid because of the use of such post bid addendum, which clearly allows for bid shopping. The fallout from this process results in subtrades being asked to cut prices - a form of bid shopping subtrades that, as stated earlier, most owners and architects want prevented.

If we truly want to create a more ethical industry, if all parties want a system that treats everyone fairly and equally, then a practice such as this must be ended. Contractors and subcontractors must send a message that they will not participate in this practice that is nothing more than a form of auction that allows for the bid shopping of both the generals and the subtrades. The Canadian tender process is based on submitting your best price at time of closing, not through some form of manipulation. If that were the case, it would never be necessary for bidders to submit a "best" price to an owner - just wait for round two when you now know what your competition is offering.

Contractors and subcontractors and architects need to say a loud and resounding NO to the practice of "Post Tender Addendums".

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