

## PMM Addendum No. 7 – Replace Letter of Intent with Award Letter

– effective January 10, 2023 – As per Materials Management, replace “Letter of Intent” with “Award Letter”.

The following PMM Sections or pages are impacted by this change:

PMM Page #	PMM Section	Description
6-26	6.4.15.3	Procedure to Follow When Bidder Advises of Bid Mistake
6-30	6.4.17	Award Process
6-30	6.4.17.1	How to Form a Contract
9-9	9.2.3	Pre-Construction Meeting
6 of 14	Appendix H Glossary	Remove Letter of Intent (LOI) from glossary

### † 6.4.15.3 Procedure to Follow When Bidder Advises of Bid Mistake

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Immediately following a decision of the Award Authority not to allow the bidder to withdraw the bid without forfeiting the bid security and in no event later than the time period specified in the bid opportunity form, the Department Head must issue an **Award Letter** to the bidder advising that the bidder has been awarded the contract. If the **Award Letter** is not issued within the specified time period, the bidder’s bid, together with any entitlement the City may have to its bid security, will lapse.

On receipt of the **Award Letter**, Legal Services prepares the Contract documents and forwards them to the bidder for execution and return. The bidder advises the City upon receipt of either the **Award Letter** or the Contract documents that it will undertake the work for the price bid or that it will not undertake the work, notwithstanding the Award Authorities’ decision. If the latter, the Department must notify Legal Services, which will make demand on the bidder’s surety company if its bid security was a bid bond, or on the bidder’s financial institution if its bid security was a letter of credit.

Following a demand on the bidder’s Surety Company or financial Institution, and on the advice of Legal Services, the Department then instructs the authority with jurisdiction to award the contract to issue an **Award Letter** to the bidder submitting the second-lowest evaluated responsive bid.

### † 6.4.17 Award Process

The Award Report must be routed to the appropriate approvers and award authority. In some cases, however, not all approval and award are by the same authority. Council and its committees may approve of an award of contract to be made by the CAO. The CAO has delegated the issuance of all **Award Letters** awarding the contract to the Department Head.

#### † 6.4.17.1 How to Form a Contract

After all approvals have been obtained, a contract must be formed. There are three options for

this identified in one or more of the RFP and Bid Opportunity templates and general conditions:

1. An Award Letter is issued by the Award Authority with a requirement to execute a formal contract within a specified time period. The contract is prepared by Legal Services.
2. A Purchase Order (PO) is issued in lieu of the execution of a contract.
3. An Award Letter is issued by the Award Authority in lieu of the execution of a contract with the bid documents in their entirety deemed to be incorporated into, and form part of, the contract. There is a specialized form of Award Letter to engage Consultants located on the City website at:  
[winnipeg.ca/matmgt/templates/contract\\_administration/Contract\\_Administration\\_Letters.stm](http://winnipeg.ca/matmgt/templates/contract_administration/Contract_Administration_Letters.stm)

The Procurement – Contract Commencement Process is illustrated in Figure 6-4.

The contract must be signed by an approved signing authority. The Award Authority and Signing Authority are not the same.

Templates for the Award Letters and Letters of Regret for the unsuccessful bidders are available from the City's website at:

### † 9.2.3 Pre-Construction Meeting

Review the Award of Contract.

- State who the Contract was awarded to (successful bidder).
- Report the date the Award Letter was issued, and indicate that this date is to be used on all relevant documents.

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Commencement

- Confirm Contractor's receipt of Award Letter or Purchase Order as in Part D Supplemental Conditions under Commencement clause, first paragraph.
- Confirm receipt/evidence of the following requirements as specified in Part D Supplemental Conditions under Commencement clause, second paragraph.