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Late bid on hospital sparks spat

Ottawa Hospital expansion proposal arrives 44 seconds past deadline

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April 21, 2004

Andrew Mayeda

The Ottawa Citizen

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Two construction firms have complained to the

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Ottawa Hospital for its acceptance of a late bid from competitor EllisDon on a proposed expansion to the hospital's General campus.

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The other two bidders are PCL of Edmonton and Aecon Inc. of Toronto, which late last year acquired Westeinde Construction Ltd., the family business run by Ottawa's John and Shirley Westeinde.

The hospital plans to add an intensive care unit, operating rooms and surgical support facilities to its Smyth Road campus. The project will also include a stem-cell research lab and headquarters for a regional research lab.

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The companies were to submit the main part of their bids, including their dollar estimates, by 3 p.m. last Wednesday, according to people familiar with the tender conditions.

"(EllisDon's bid) was hand- delivered and stamped 44 seconds after the time

slated for closing," PCL chief estimator Spencer Hagan said.

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EllisDon's bid was slightly more than \$1 million less than Aecon's, which was in the \$95-million range, he said. Hospital staff stamped the bid late and handed it back to an EllisDon representative, who left the building with the tender, Mr. Hagan said.

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It later resubmitted the bid along with secondary submissions due at 4 p.m., and was told by hospital officials the bid was disqualified, but the hospital reconsidered and accepted it.

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"Apparently the hospital has, on advice from their legal counsel, decided to open (the tender)," said Mr. Hagan.

"If they award to EllisDon now, I would have to think Aecon is going to sue them."

Ms. Westeinde expressed disappointment at the process.

"Obviously we felt very strongly they should not have opened a tender that was late and (given) it back to a contractor," she said. "That was not the right thing to do.

"The way our system works ... you have to be right on time. They have a clock set up there and you stamp in at that time. We've had occasion where we've been late with a tender and been disqualified."



1 of 2 01/12/2004 3:07 PM 7:00 PM
Train 48
7:30 PM
Entertainment
Tonight
8:00 PM
That '70s Show
8:30 PM
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9:00 PM
Gilmore Girls
10:00 PM
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Contacted later to confirm their response, however, the Westeindes refused further comment.

"We wouldn't consider legal action until we find out what (the hospital) is going to do," said Ms. Westeinde.

Senior hospital spokesman Russell Armstrong said the institution has been instructed by its lawyers not to comment on until they have finished their investigation. He refused to confirm whether EllisDon's bid was late, saying that itself was a "legal issue."

Meanwhile, the hospital is continuing with its standard evaluation of all three bids, he said. Architects are reviewing the bids and will eventually recommend one to the hospital's board, he added.

Clive Thurston, president of the Ontario General Contractors Association, said the incident opens up the hospital to litigation. All three firms are members of the association.

"There's no question in anybody's mind, and the courts have been absolutely adamant about this, late is late," he said. "There is no gray area here. One second, half a second, it does not matter. I don't know what would have possessed (the hospital) to open the late bid."

"I'm astounded. This is a basic foundation of our industry. It's one of the cardinal rules of how we operate bidding and tendering," said Mr. Thurston. "Owners have a duty to treat all bidders fairly."

EllisDon area manager Mark Fazio had no comment.

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2 of 2 01/12/2004 3:07 PM