

*Evaluation worksheets for government institutions,  
developers, general contractors and others evaluating tenders*

# Landscape and Grounds Management Contractor Rating System

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35 51  
9 17



**Landscape Ontario**  
HORTICULTURAL TRADES ASSOCIATION

# Use this system to strengthen your bidding process

The tender process is intended to provide the project owner with a reliable and equitable method of determining a fair market price for the purchase of contract services. Whether the process is an open public tender or private invited tender, the tendering system allows the project owner or his consultant to determine a competitive price for specified construction or maintenance products and/or services.

Even the best written contract, however, does not provide the owner with an indication as to the ability of a bidding contractor to complete the project as specified, regardless of whether or not there is an obligation on the part of the owner or project manager to give first consideration to the low price tender.

The first determination, therefore, for government institutions, developers, general contractors and others making a buying decision, is to predetermine the ability of contractors before they are placed on the bidder's list.

## Rating worksheet: Landscape contractors

Numbers in brackets are the suggested weighted values for each selection criterion

		Contractor 1	Contractor 2	Contractor 3	Contractor 4
<b>Financial resources</b>					
Proof of good standing with W.S.I.B. (mandatory)	Y or N				
Proof and level of insurance carried (mandatory)	Y or N				
Bonding availability	(5)				
Supplier reference	(5)				
Ability to perform within specified time	(3)				
Availability of letters of credit	(2)				
<b>Subtotal</b>	<b>(15 possible points)</b>				
<b>Human resources (applicable to the project at hand)</b>					
Total number of employees	(5)				
Per cent of project managers on staff	(5)				
Per cent of supervisors in workforce	(5)				
Per cent of trade specific expertise on staff	(5)				
Per cent of professional management on staff	(5)				
CCHT certification	Y or N				
Union affiliation (in good standing)	Y or N				
<b>Subtotal</b>	<b>(25 possible points)</b>				
<b>Company profile</b>					
Number of years in business under current name	(6)				
Percentage of gross sales that is subcontracted	(6)				
Client/professional references for projects of similar size and scope	(6)				
Active membership in trade associations	(2)				
Gross sales broken down into consumer segments associated/related companies (disclosure)	(2)				
<b>Subtotal</b>	<b>(22 possible points)</b>				
<b>Physical resources</b>					
Facility location(s)	(3)				
Net book value of leased/owned equipment	(2)				
Area of operations	(2)				
<b>Subtotal</b>	<b>(7 possible points)</b>				
<b>Total</b>	<b>(69 possible points)</b>				

The following rating system provides worksheets to assist you in the most important aspect of the bidding procedure — the prequalification process. The value of each criterion is weighted (as per the numbers shown in brackets) and the total value per grouping suggests its relative importance for consideration by the project owner. For instance, financial and human resources are deemed of equal and prime importance, while physical resources are considered to be somewhat important.

These criteria should be used as guides to identify important information and then determine the relative values of each contractor based upon that data. Compare the sums to determine an objective indication of which contractors will likely provide the higher level of satisfaction and long-term value.

Please note that this system is not intended to favour any size of contractor. Owners should be aware that a small contractor may be more appropriate to the project, or alternatively, the job may require the services of a larger firm.

The prequalification of contractors is the most important part of the tender process; we hope you find these evaluation worksheets to be useful in establishing an appropriate bidder's list for your project(s).

## Rating worksheet: **Grounds management contractors**

*Numbers in brackets are the suggested weighted values for each selection criterion*

		Contractor 1	Contractor 2	Contractor 3	Contractor 4
<b>Financial resources</b>					
Proof of good standing with W.S.I.B. (mandatory)	Y or N				
Proof and level of insurance carried (mandatory)	Y or N				
Supplier reference	(2)				
<b>Subtotal</b>	<b>(2 possible points)</b>				
<b>Human resources (applicable to the project at hand)</b>					
Year round labour	(3)				
Seasonal full-time labour	(5)				
Part-time/student labour	(2)				
Average years experience for field personnel	(5)				
Ratio: Crew forepersons to labour	(5)				
Ratio: Supervisors to forepersons	(5)				
Number of staff with academic horticulture training	(5)				
CCHT certification	Y or N				
<b>Subtotal</b>	<b>(30 possible points)</b>				
<b>Company profile</b>					
Number of years in business under current name	(6)				
Percentage of gross sales that is subcontracted	(6)				
Client/professional references for projects of similar size and scope	(6)				
Active membership in trade associations	(2)				
Per cent of sales broken down by business segment	(5)				
<b>Subtotal</b>	<b>(25 possible points)</b>				
<b>Physical resources</b>					
Facility location(s)	(2)				
Net book value of leased/owned equipment	(2)				
Area of operations	(2)				
Administrative resources and capability	(4)				
<b>Subtotal</b>	<b>(10 possible points)</b>				
<b>Total</b>	<b>(67 possible points)</b>				

**See over for discussion and explanation of specific criteria**



# Explanations of rating criteria common to both contractor types

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## **Proof of good standing with Workers Safety and Insurance Board (mandatory)**

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This is traditionally verified through the provision of a "Certificate of Clearance," which is issued only by the Workers Safety Insurance Board (WSIB) of Ontario for employers (contractors, in this case) who are registered and are current with their contributions.

Landscape construction and landscape management work falls under Rate Code 190, although some sub-contracted services, such as weed spraying, may fall under different rate codes.

The owner of a construction project is held to be responsible under the law for any compensative injury that may occur as a result of a person working on that project, where the employer is not in good standing (or for that matter even registered) with them. The board can and will address their claim to the owner and, if necessary, to the property itself.

## **Proof and level of insurance carried (mandatory)**

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Personal liability and property damage insurance, on a minimum \$2,000,000 per occurrence basis, are the most typical types of insurance provided. The owner of a construction project would be held accountable for the actions of all those who are employed/contracted or otherwise engaged by him in the process of that construction. The most common protection is to have all contractors provide certificates of insurance identifying the owner as an "also named insured" on the contractor's policy for their work on that specific project.

Higher levels of coverage may be appropriate for projects that may involve a greater level of risk through size, value or other circumstances.

## **Supplier reference**

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Good supplier references give proof of the contractor's financial stability to ensure completion of the project. Poor credit ratings with key suppliers will prevent delivery of products, therefore disrupting construction schedules. A contractor's ability to pay past accounts payable from such suppliers, prevents the owner from unpaid accounts. Generally, references should be obtained from suppliers with related products to the project at hand. This criterion has less importance when rating grounds management contractors.

## **Total number of employees**

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This gives the owner an idea of the size of the company. Depending on the scope of the job, size may or may not be a factor.

## **Number of years in business under current name**

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The number of years in business is an important rating guide because many companies in the landscape field are short-lived. Longevity will give the client a good idea of the firm's experience, customer service level and commitment to professionalism. Evidence of frequent name changes is an effective monitor of future problems.

## **Gross sales, broken down into consumer segments**

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The ability of a contracting company to effectively complete a large volume of work, at any given time, may be assessed through an evaluation of their recorded sales volume over the past few years. In turn, those totals should be further defined in terms of:

- Residential: Single-family, multi-family, high-rise
- Commercial: Small (under \$50,000), medium (to \$300,000), large (over \$300,000)
- Municipal: Streetscapes, parks, institutional facilities.

## **Per cent of gross sales usually sub-contracted**

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While there are many specialties which are most effectively completed by sub-contractors, the ability of a contractor to perform may be greatly influenced by the availability of their own skilled trades people. A history of a large percentage of sub-contracted work would require the company to be very strong in project scheduling and management. The more work sub-contracted, the greater the risk in terms of accountability.

## **Associated/related companies (Disclosure)**

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The owner may wish to ensure there are no conflicts of interest occasioned by a contractor's relationship with another company. On the other hand, there may be advantage to intercompany relationships that complement each other (e.g. through control of a trade specialty subcontractor).

## **Client/professional references for projects similar in size and scope**

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This is a very useful guide to the contractor's level of technical proficiency and also to his/her financial ability to see the job through. This is particularly important on larger projects.

## **Active members in a trades association**

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Membership in a trades association reflects the firm's commitment to professionalism in the industry and their willingness to abide by a code of ethics. Membership also indicates a contractor's responsible attitude towards the advancement of the profession.

## **CCHT designation**

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The Canadian Certified Horticultural Technician program is a hands-on testing program intended to verify the practical knowledge of persons employed in the landscape horticulture industry. The program was especially designed to acknowledge the value of applied knowledge; persons with a minimum of practical work experience or a combination of experience and education are eligible to participate in the program. The CCHT designation proves a specific level of skill of the individual in all areas of landscape construction or grounds management. The CCHT designation indicates a commitment to promote professionalism on the part of both the employer and employee.

## **Facility location**

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Distance to the job may have an effect in that overhead of the company increases in proportion to distance from the job site. Close proximity to the site can be an advantage.

## **Net book value of leased/owned equipment**

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This criterion gives the client/consultant an idea of the size and scope of the operation.

## **Area of operations**

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Many contractors choose to work in areas relatively close to their operational headquarters; from a service/maintenance aspect, this may be a more favourable consideration.

Other contractors, however, have organized their resources into decentralized, flexible, mobile crews, who are trained in the proper planning and supervision techniques that facilitate execution of remote projects.

# **Specific criteria: Landscape contractors**

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## **Bonding availability**

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Performance, labour and material payment and maintenance bonds are desirable in instances where there is a great deal of value in a contract. The cost of such bonds are ultimately borne by the owner and are not cheap. They may not be necessary or appropriate in many instances, but the fact that a company can provide an Agreement to Bond, through a registered surety (often an insurance company), is an indicator that they have satisfied some stringent qualifying financial criteria, including in most cases, personal guarantees by the owner(s) of the contracting firm.

## **Ability to perform within a specific time frame**

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The ability of the contractor to perform within a specific time frame can easily be determined by using the following equation. The company's current committed volume plus the projected volume for the proposed project should not exceed the company's proven capacity. The time frame for this equation should be established.

### **Example**

$$\begin{array}{ll} \$900,000.00 & \text{(Monthly work on hand)} \\ + \$700,000.00 & \text{(Projected monthly work} \\ & \text{for proposed project)} \\ = \$1,600,000.00 & \text{(proven monthly capacity)} \end{array}$$

As shown in this example, a company who takes on more than its proven capacity experiences long delays in completion through shortages of human, managerial and financial resources. Delays in completion may prove costly to the owner.

## **Availability of letters of credit**

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As they must be issued by a financial institution, letters of credit show financial stability. Letters of credit guarantee that monies have been put aside from the contractor's line of credit to fulfil his commitment to the owner. Should a contractor fail to perform, the letter of credit allows the owner to draw on the line of credit at a much easier level of access than other securities.

## **Per cent of project managers on staff**

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Firms with the availability of project managers on staff will enable the more complex projects to flow much easier on their projected critical path. The experience of such professionals enhance the liaison between the client, consultant and contractor. It eliminates delays in correspondence, change orders, scheduling, field instructions and prevents costly misinterpretation and deficiencies, thus creating a better product. Résumés and qualifications of such individuals should be requested.

## **Per cent of supervisors in work force**

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The supervisory staff are key to getting the job done properly according to specifications. The ratio of supervisors to field staff reflects the ability of the firm to do the work.

## **Per cent of trade-specific expertise on staff**

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A higher quality can be achieved with a firm that has

its own qualified trades people in all landscape construction skills, i.e. stone masons, carpenters, tree planters, etc. Firms that predominantly sub-contract all aspects of a project cannot exercise the same quality control and make it more difficult for an owner/consultant to have deficiencies corrected quickly. Résumés and qualifications of a firm's foreperson(s) should be requested.

### **Per cent of professional management on staff**

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The owner may be required to know the company support structure that will lend assistance to the project manager or supervisor on that particular project. Such individuals should be comprised of landscape architects,

designers, estimators, payroll clerks, controllers and construction or production managers. Lack of professional management may handicap resource allocation and production. The stronger the company's infra-structure, the stronger the company's ability to perform.

### **Union affiliation (in good standing)**

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The owner, or general contractor, may have collective agreements with one or more trade unions which include part, or all, of the work under consideration. If this is the case, the contracting firm that is awarded the work may also have to be signatory to those collective agreements or hire subcontractors who are.

## **Specific criteria: Grounds management contractors**

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*These selected criteria provide an overview of a grounds maintenance company's skill level and crew makeup.*

### **Labour: Year round**

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These are generally the key people around which the company's seasonal operations revolve.

### **Labour: Seasonal full-time**

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Indicates the number of persons added to the core group on a seasonal basis. Most are likely to have some degree of experience.

### **Part time/student labour**

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Those who are added to supplement full-time labour during peak periods or whose experience is minimal.

### **Average years experience for field personnel**

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When restricted to labour year round and labour seasonal full time, the average is indicative of overall competence. The higher the average, the more experience within the company.

### **Ratio of crew foreperson(s) to labour**

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Indicates average crew size and direct, "on-the-job" supervision capability.

### **Ratio of supervisors to crew foreperson(s)**

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In larger companies, indicates senior management's involvement in quality and service control.

### **Number of staff with academic horticulture training**

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An indicator of theoretical knowledge that may be required to resolve technical problems or address non-routine needs.

### **Per cent of gross sales by market segment**

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Indicates current fields in which company has experience.

- Residential single family home
- Townhouse complexes
- Residential high rise/ condominium
- Low rise industrial/ commercial (2 stories or less)
- High rise commercial (office complex)
- Retail plaza

### **Administrative resources and capability**

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The following are indicators of access, should the need to communicate arise.

- (a) Number of full-time office staff
- (b) Office hours
- (c) Technical assistance availability during office hours
- (d) Office-to-crew direct communication

Produced by the **Landscape Contractors Commodity Group** and the **Grounds Management Commodity Group** of **Landscape Ontario Horticultural Trades Association**

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You are invited to address any questions, comments or concerns to the Landscape Ontario office:

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