



Town Of Niverville-Administration

Policy No. A1-12:	<u>Town Tendering and Procurement Policy</u>	
Effective Date:	<u>December 4, 2012</u>	Resolution# <u>378-12</u>
Revision Date:	<u>September 20, 2022</u>	Resolution# <u>250-22</u>

Part 1: Principles:

The following principles will guide the procurement practices of the Town.

- An open, fair and consistent process for the procurement of all goods, services and construction projects that will ensure the best value for dollar spent.
- Procurement processes that encourage competitive bidding for the supply of all goods and services.
- Tendering & Competitive Bid Law requires that public procurement is subject to the Trade Treaties.
- Accountability of the Town for the procurement of goods, services, and construction.

Part 2: Preamble:

The purpose of this policy is to establish guidelines for the purchase of goods and services and for construction projects undertaken by the Town.

Part 3: Definitions:

Bid means a competitive bid received from a supplier in response to a verbal or written Request for Quotation, a Request for Proposal, or an Invitation to Tender.

Bid Opportunity means a publicly advertised invitation for suppliers to submit bids for the provision of goods or services through a Request for Quotation, a Request for Proposal, or an Invitation to Tender.

Goods mean all types of personal property (machinery, gravel, land, etc.).

Services mean all types of services, including construction (consulting, engineering and design, accounting and auditing services, legal services, maintenance, operation and repair of buildings, machines, or equipment, etc.).

Part 4: Scope:

The policy applies to the procurement of goods and services by purchase, lease, rental or other agreement by the Town.

Part 5: Procurement Guidelines:

The value of the goods and services is the total financial commitment resulting from the procurement, including any premiums, fees, commissions, interest, duty, freight, and applicable taxes.

The following guidelines will be followed for the purchase of goods and services:

- **Category 1: Up to \$10,000** – For the acquisition of goods and services with a value of less than \$10,001, following due product research, the department managers are authorized to approve purchases without first obtaining comparative quotes. Expediency in obtaining daily or frequently used goods such as office and shop supplies is to be considered in purchasing.
 - Funds are to be clearly identified in the Town’s financial plan.
 - Purchase orders may be required.
 - Purchases are to be approved by senior management.
 - Purchases by credit card are subject to these limits, individual card limits, and are also subject to Policy F3-17 Town Credit Card Use Policy.

- **Category 2: More than \$10,000 and less than \$25,000.00** – For the acquisition of goods and services with a value of up to \$25,000.00 for such services included and approved within the annual Town’s financial plan and for which at least 2 quotations will be requested, may be approved by the CAO. These quotations shall be submitted in writing. In cases of minor purchases or standardized supplies where comparative advertised prices are advertised, a copy of an email or advertisements may serve as a written quotation.

- **Category 3: More than \$25,000.00 and less than \$75,000.00** – For the acquisition of goods and services with a value of more than \$25,000.00 and less than \$75,000.00, at least 3 written quotations will be requested. Responses to all requests are not required, but proof of submission of 3 requests for quotation (RFQ) vendors is required. These quotations shall be written except during a state of local emergency where due to immediate need and time constraints normal procurement methods cannot be followed. Purchases from suppliers of items in highly competitive markets where the same price could be obtained from any supplier, such as automobiles, may be purchased without quotations but must be documented and pre-approved by the CAO. Expenditures which have been clearly identified and approved in the annual Town’s financial plan may be authorized by the CAO.

- **Category 4: More than \$75,000.00 (NWPTA Article 14(c))** – For the acquisition of goods and services of more than \$75,000.00, the Town will provide a bid opportunity, using a procurement method identified in Part 6 of this policy. Funds are to be clearly identified in the Town’s financial plan. Council approval is required for capital construction projects where the procurement could result in a disruption or significant change to existing services, in cases where the low bid is not accepted, and professional contracts.

Part 6: Methods And Processes Of Procurement:

The Town will use the following methods of procurement:

- **Sole Source Purchases** – Sole source purchases will be used in the following circumstances:
 - when there is only one available supplier of a required product or service that meets the needs of the Town and reasonable efforts have been made to obtain competing quotes.
 - When the product or service is under warranty.
 - Under exceptionally advantageous circumstances such as unforeseeable urgency and/or specific construction materials.
 - Where continuous service and maintaining relationships is required for capital asset maintenance and for daily utilized goods and services, it is reasonably deemed to be a financial disadvantage to change suppliers on a regular basis.
 - During a disaster or emergency declared by a council or head of council under the *Emergency Measures Act* where due to immediate need and time constraints normal procurement methods cannot be followed.

- **Requests for Quotation (RFQ)** – the Town may obtain quotations for provision of goods and services for which there are specific requirements in the following manner:

By directly contacting known suppliers. This method will be used for the procurement of minor goods and services such as standard office supplies, repairs, small tools, etc. and it is determined that sufficient competition exists within this group.

Where possible, written quotations will be obtained from at least 2 suppliers. Verbal quotations will be accepted for routine minor purchases.

- **Through a written Request for Quotations (RFQ)** – an RFQ for the procurement of goods and services will be used where the goods and services have specific and detailed requirements but are not considered to be “minor” and the cost of the good or service does not warrant the time and level of effort required for a formal tender process.

Suppliers will be invited to provide quotations for the sale of goods or services through a public advertisement (bid opportunities).

- **Requests for Proposals (RFP)** – an RFP will be used to initially engage the professional services such as auditors, planning consultants, engineering consultants etc. and upon the professional services being engaged may continue to until Council directs otherwise or the services are no longer required (regardless of the amount of the anticipated procurement).

Potential suppliers will be asked to describe how their services, methods, equipment or products can address and / or meet the needs of the Town.

An award of a contract will be given to the supplier whose proposal is determined to be the most advantageous to the municipality based on criteria for evaluation set out in the RFP and applied to all proposals.

- **Formal Tenders** – the Town will formally tender for competitive bids for the procurement of capital projects.
 - Detailed specifications and requirements will be provided in tender documents. The evaluation of tenders will be against detailed specifications and requirements.
 - A Formal Tender is a formal, competitive sealed bidding process.

Part 7: Advertising Bid Opportunities:

- All bid opportunities solicited through a Request for Quotations, Request for Proposals, or a Formal Tender will be posted on the Town’s website and may be advertised at least once in the Town’s newsletter unless Council deems it to be in the best interest of the Town to have an invitational tender only.
- Bid opportunities for Goods or Services of \$75,000 or more and construction contracts of \$200,000 or more will also be posted on MERX and/or another system which is readily accessible across Canada, in accordance with the new Canadian Free Trade Agreement (CFTA) Article 504 3.(b) (replaces the former Agreement on Internal Trade MASH Annex 502.4) and the New West Partnership Trade Agreement (NWPTA) Article 14(c).

Part 8: Award Of Contracts:

Quotations, proposals and tenders will be awarded using an evaluation process that is specified in the procurement documents. Generally, the Town will award contracts as follows:

- To the lowest total cost bid, in the case of quotations received from a supplier for a good or service.
- To the highest scoring bidder whose proposal has met established evaluation criteria, in the case of proposals submitted to the municipality in response to a Request for Proposal or Tender.

Total cost, qualifications, experience, services offered, past performance, scheduling requirements, COR Certification, performance bonds, and warranty coverage are examples of procurement scoring criteria that may be used. (Past performance evaluations are to be well documented with relevant reliable information).

The Town retains the right to reject all bids if Council decides not to proceed with the purchase, if all bids are too high, or if none meet the needs of the Town. All non-compliant bids will be rejected.

The Town may enter into a contract with the successful bidder. The form of the contract will be dependant on the project specifications and determined by the Town.

Part 9: Procurement Administration And Accountability

- All requests for Quotes and or proposals, submissions, submission evaluations and correspondence will be saved electronically in the Operations, RFP & Tenders folder of the Town server.

- Completed Contracts/Agreements shall be saved electronically in the Planning and Developments, Agreements and contracts folder.
- Upon receipt of invoices the Finance Officer will review and compare to RFQ/RFP to ensure accuracy before approving payment.
- At the commencement of the project, the CAO and the supplier will review the Scope of Work to establish requirements, responsibilities, schedules, contract terms etc. to ensure complete and full understanding of the terms.
- Multi-invoice, multi-supplier projects will be assigned a project code, are to be recorded/tracked with an Excel Project worksheet and entered to the accounting software with the project/Trakker code.
- The CAO will provide Council with a monthly progress report for each capital construction project that is underway.
- A progress report will be provided each month, beginning with the starting month of the project until the completion of the project when all invoices relating to the project have been paid.
- Procurement data will be tracked for bi-annual Manitoba MASH Sector Reporting requirements.

Part 10: Policy Amendments

- Minor changes/updates to policy wording for clarification purposes and inflationary increases to Financial Limits may be made by the CAO when deemed necessary.
- A listing of changes along with the reasons for the changes shall be documented and saved with the policy.