

R.M. of ELLICE - ARCHIE

MUNICIPAL TENDERING AND PROCUREMENT POLICY

PRINCIPLES

The following principles will guide the procurement practices of the Municipality and the process for the sale of municipal capital assets.

- 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.
- An open, fair and consistent process for the sale of surplus capital assets that will ensure the best value for capital assets sold.
- Accountability of the Municipality for the procurement of goods and services and the disposal of surplus capital assets.

PREAMBLE

The purpose of this policy is to establish guidelines for the purchase of goods and services and for construction projects undertaken by the Municipality and guidelines for the sale of municipal capital assets.

1. 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, office supplies, computer hardware, 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.).

2. SCOPE

The policy applies to the procurement of goods and services by purchase, lease, rental or other agreement by the Municipality and the disposal of surplus capital assets by the Municipality.

3. 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:

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- (a) For the acquisition of goods and services with a value of up to \$25,001.00 no quotations are required.
- (b) For the acquisition of goods and services with a value of more than \$25,001.00 and less than \$50,001.00, at least 3 quotations will be required. These quotations shall be written except in cases of insufficient time, minor purchases or standardized supplies where a verbal quotation will be considered acceptable. Funds are to be clearly identified in the municipality's financial plan.
- (c) For the acquisition of goods and services with a value of more than \$50,001.00 and less than \$74,999.99, at least 3 written quotations will be 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.
- (d) For the acquisition of goods and services with a value of more than \$75,000.00 or more and for construction of \$200,000.00 or more, the municipality will provide a bid opportunity, using a procurement method identified in Section 4 of this policy.

Bid opportunities will be posted on the municipality's website / Facebook page, posted within the municipality and advertised at least once in one of the following: the Virden Empire Advance and/or the Moosomin World Spectator and/or the Crossroads This Week.

Local contractors / service providers may also be contacted directly regarding the bid opportunity.

All bid opportunities for the procurement of goods and services valued equal to or greater than \$100,000 and construction projects valued equal to or greater than \$250,000 will be advertised on Manitoba's electronic tendering system (MERX) (<http://www.merx.com/>), in accordance with the Canadian Free Trade Agreement (CFTA) Article 504.3(b); and/or another system which is low cost, easy to use and readily accessible across Canada, unless bid falls within the Exceptions as noted in the MASH Annex.

Effective January 1, 2019 the bid opportunity will be posted on MERX or another electronic tendering system based on the new thresholds established in the New West Partnership Trade Agreement (NWPTA) Article 14 (c), being for goods or services of \$75,000.00 and for construction of \$200,000.

The municipality is not required to accept a bid if Council decides not to proceed with the purchase, if all bids are too high, or if none meet the needs of the municipality. The municipality retains the right to reject the lowest or any bid.

(Amendment approved by Resolution #55-19)

(Amendment approved by Resolution #265-17)

4. METHODS AND PROCESSES OF PROCUREMENT

The Municipality will use the following methods of procurement:

- (a) **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 Municipality.
 - During a state of local emergency where due to immediate need and time constraints normal procurement methods cannot be followed.

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- (b) **Requests for Quotation** – the Municipality may obtain quotations for provision of goods and services for which there are specific requirements 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.

Where possible, written quotations will be obtained from 3 suppliers. Verbal quotations will be accepted for routine minor purchases.

The municipality will contact only local suppliers if it is determined that sufficient competition exists.

- (c) **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 being “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).

The award of a Request for Quotation will typically go to the lowest total cost bid received from a supplier.

- (d) **Requests for Proposals (RFP)** – an RFP will be used to acquire professional services such as auditors, planning consultants, engineering consultants etc. regardless of the amount of the anticipated procurement.

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

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.

- (e) **Formal Tenders** – the Municipality 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.

Typically, the award of a tender goes to the lowest total cost bid received from a supplier meeting the specifications and requirements of the tender.

5. ADVERTISING BID OPPORTUNITIES

Bid opportunities will be posted on the municipality’s website / Facebook page, posted within the municipality and advertised at least once in one of the following: the Virden Empire Advance and/or the Moosomin World Spectator and/or the Crossroads This Week.

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Local contractors / service providers may also be contacted directly regarding the bid opportunity.

All bid opportunities for the procurement of goods and services valued equal to or greater than \$100,000 and construction projects valued equal to or greater than \$250,000 will be advertised on Manitoba's electronic tendering system (MERX) (<http://www.merx.com/>) and/or another system which is low cost, easy to use and readily accessible across Canada, unless bid falls within the Exceptions as noted in the MASH Annex.

Effective January 1, 2019 in accordance with NWPTA all bid opportunities for procurement of goods and services valued at equal to or greater than \$75,000.00 and for construction projects valued at equal or greater than \$200,000 will be advertised on an electronic tendering system (i.e. MERX).

(Amendment approved by Resolution #55-19)

(Amendment approved by Resolution #265-17)

6. AWARD OF CONTRACTS

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

- (a) to the lowest total cost bid, in the case of quotations received from a supplier for a good or service;
- (b) to the bidder whose proposal has met established evaluation criteria, in the case of proposals submitted to the municipality in response to a Request for Proposal;
- (c) to the lowest total cost bid received from a supplier meeting the specifications and requirements of the tender.

Council may pass a resolution to hire a contractor from the Annual Equipment Quotes.

Depending on the scope of work, availability, past work performance, the lowest bid may not necessarily be hired.

The Municipality is not required to accept any bid if the Municipality decides not to proceed with the purchase.

When all factors are equal, in terms of price, quality, suitability, service and delivery, the municipality may give preference to a "local" supplier.

The Municipality may enter into a contract with the successful bidder. The form of the contract will be determined by the Municipality.

7. DELEGATION OF APPROVALS

Authority to approve procurements of a good or service is as follows:

- (a) Less than \$2,000 – Foreman, as long as the expenditure is identified in the municipality's financial plan
- (b) Less than \$2,000 - Chief Administrative Officer, as long as the low bid is accepted and the expenditure is identified in the municipality's financial plan
- (c) Over \$2,000 or where the low bid is not accepted – Council
- (d) All contracts for professional services – Council

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8. PROCUREMENT ACCOUNTING AND MANAGEMENT

(a) Procurement Tracking System

The Chief Administrative Officer (CAO) will prepare accounts payable listings that include the supplier name, the good(s) and/or service(s) provided and the amount payable to each supplier.

The accounts payable listing(s), supported by invoices that have been signed by the appropriate department head(s), are to be submitted to Council at the first regular meeting of Council each month for payment approval by resolution of Council.

The CAO will issue payment for all accounts payable authorized for payment by resolution of Council and to maintain adequate record of accounts payable listings, the corresponding invoices and cheque registry information.

(b) Procurement Reporting System

The CAO will provide Council with a monthly report on contracts awarded under this policy.

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.

9. PROCESS FOR SELLING SURPLUS CAPITAL ASSETS:

Surplus capital assets will be disposed of in the following manner:

- (a) competitive bid process through a Request for Quotations
- (b) public auction

Invitations to bid on capital assets offered for sale by the municipality will be:

- (a) Posted on the municipality's website or Facebook page for at least 14 days before the closing date of the invitation to bid.
- (b) Posted within the municipality
- (c) Posted on at least one online classified advertising service such as Ebrandon, Kijiji, Facebook garage sale page, etc.

Contracts for the sale of a capital asset to a bidder shall be awarded using the evaluation process that is specified in the invitation to bid. The municipality is not required to accept a bid if Council decide not to proceed with the sale, for example, if all bids are too low. The highest or any bid will not necessarily be accepted.

The CAO may, with the approval of council, award surplus capital assets without competition or auction to any municipality in limited circumstances, as determined and approved by Council.

(Amendment approved by Resolution #265-17)