

THE RURAL MUNICIPALITY OF CORNWALLIS

TENDERING AND PROCUREMENT POLICY

PURPOSE

The purpose of this policy is to guide the Municipality in the procurement of goods and services and the process for the sale of municipal capital assets.

Policy:

1. Purchasing Principles

1(1). The following principles will guide the procurement practices of the municipality.

- (a) To obtain the best value for the tax payers' dollar;
- (b) To provide an equal opportunity to all qualified suppliers to compete for the items or services that the Municipality is need of;
- (c) To promote fairness, goodwill and encourage competitive bidding;
- (d) To protect the interests of the Rural Municipality of Cornwallis.

2. Purchasing methods - Generally

2(1) The municipality will use the following procurement processes. Each has its own procedure.

- (a) Tenders
- (b) Quotations
- (c) Proposals

2(2) The following procedures will guide employees of the Municipality in the procurement of goods and services.

- (a) It should first be confirmed that the funding is available within the Municipality's budget.
- (b) Ensure that specifications for the item/project are complete and accurate and that the specifications and any plans or other relevant documents are complete.
- (c) Evaluation criteria should be developed for each purchase and any evaluation criteria identified should be included on the specification.

(d) The Chief Administrative Officer will determine the acquisition method (Tenders, Quotations, and Proposals) based on the criteria within each of the methods. There are instances where there may be more than one alternative and the employee proposing the procurement may be consulted.

2(3) During a state of local emergency where due to immediate need and time constraints normal procurement methods will be exempt.

3. New West Partnership Trade Agreement (NWPTA) - Merx

3(1) The MASH (Municipalities, municipal organizations, school boards and publicly-funded, academic, health and social service entities) Sector has been regulated to advertise "electronically" all items and services \$75,000.00 and up and all construction projects \$200,000.00 and up.

3(2) All advertisement will be sent to MERX. The Municipality has the option of arranging that MERX distributes any tender documents, or the Municipality may distribute them. The Municipality must allow four weeks from the date of advertising on MERX to the closing date. If an addendum is issued, the latest it can be accepted and sent to MERX is one week before the closing date. The bids are to be submitted by mail, hand delivered, or courier, to the Municipality's administrative office.

4. Tenders

4(1) Characteristics

- (a) Usually large purchases (\$10,000.00 and up) but may be for lesser amounts;
- (b) Should be advertised in the Brandon Sun;
- (c) Have DETAILED and complete specifications;
- (d) May require a deposit for the Tender Package.
- (e) Have a public opening time on a specified week day.
- (f) May require Bid, Surety and Performance Bonds. The fixed value or percentage to be established in each instance.
- (g) May require an agreement or contract.
- (h) Tenders are typically called for such items as:
 - (i) Chemical supplies
 - (ii) Vehicles & Major Equipment
 - (iii) Road Construction
 - (iv) Items partially funded by the Federal and Provincial Government

Authorization Levels and Recommendation Process for Tenders:

4(2) Tenders over \$50,000.00, or any tenders where there is consideration of not accepting Low Bid meeting specifications, or where the purchase is not within the Budget, must be authorized by Council.

4(3) Tenders under \$50,000.00 can be authorized by the Chief Administrative Officer, if accepting the low bid meeting specifications and the purchase is within the budget.

4(4) The Municipality's usual practice is to award to the low bid that meets specifications unless there are some extenuating circumstances, such as non-quantifiable issues, service availability, past performance etc., which are in the best interest of the Municipality.

4(5) The term "within the Budget" is used in the context of the entire municipal budget including general and reserve funds.

5. Quotations

5(1) Characteristics

- (a) Are for smaller dollar value items (\$1,000.00 to \$20,000.00 approx.)
- (b) The specification requirements should be specific and clearly listed.
- (c) The Municipality requires that a minimum of three (3) quotes be obtained, but if there are more than three (3) known local dealers who can provide the product or service, then the package may be sent to all of them.
- (d) A quotation may be advertised depending on the number of potential bidders and the cost.
- (e) The opening is not public. Closing time is at the end of the business day, Monday to Friday, and bids are opened the next business day. Bids will not be accepted after the deadline.
- (f) Quotations are typically called for such items as:
 - (i) culvert replacements
 - (ii) bridge and road repairs
 - (iii) photocopiers
 - (iv) computer equipment
 - (v) office equipment

Authorization Levels and Recommendation Process for Quotations:

5(2) Quotations, where it is recommended that a bid be accepted that is not the low bid meeting specifications, or where the purchase is not within the budget, must be authorized by Council.

5(3) Quotations under \$20,000.00 can be authorized by the Chief Administrative Officer if accepting the low bid meet specifications and the purchase is within the budget.

5(4) The Municipality's usual practice for quotations, is to recommend award to the low bid that meets specification unless there are some extenuating circumstances, such as non-quantifiable issues, service availability, past performance, etc., which are in the best interest of the Municipality.

5(5) In the interest of freedom of access to information, the Municipality will disclose the names of all bidders as well as the total bid price.

6. Proposals

6(1) Characteristics

- (a) No dollar value limits apply.
- (b) Are usually for items for which there are no detailed specifications, and where there may be more than one method of satisfying the purchase requirement.
- (c) May require an agreement or contract.
- (d) Proposals will normally be advertised - unless the supplier list is known and small.
- (e) Must be in a sealed envelope and clearly marked on the outside of the envelope with such information as was specified to appear on the outside of the envelope within the proposal call.
- (f) The opening is not public. Closing time is at the close of business Monday to Friday. Whenever possible, bids are opened the following day. Bids will not be accepted after the deadline.
- (g) The successful bidder must meet the minimum required specifications.
- (h) Proposals are called for such items as:
 - (i) consulting services
 - (ii) professional services
 - (iii) various transportation service contracts
 - (iv) animal control service contracts
- (i) Proposal envelopes will remain sealed until the closing time and date and upon receipt shall be marked with the date received as well as the date and time specified for the proposal opening and held by the Chief Administrative Officer (or a designate) until the specified opening time.
- (j) All information including the number of bids received will remain in confidence until the specified closing time and date.

Authorization Levels and Recommendation Process for Proposals:

6(2) For procurements for goods and services in excess of one year in duration or exceeding \$10,000.00 in value, the Council may appoint a selection panel and the panel may be comprised entirely of Council members or of employees or a combination thereof but in any event shall be comprised of not less than 3 members. Upon appointment the selection panel is authorized to make a selection and commit the Municipality to the expenditure provided the expenditure is within budget.

6(3) For procurements by request for proposal for goods and services for less than one year in duration or not exceeding \$10,000.00 in value, the CAO is authorized to make the procurement. The CAO may make the purchase on the basis of a selection panel where there are rating criteria and the panel may be comprised of not less than two employees.

All Proposals over \$50,000.00 must be authorized by Resolution of Council.

6(4) The Municipality's usual practice is to accept the proposal that best meets the Municipality's requirements and is in the best interest of the Municipality.

6(5) In the interest of freedom of access to information, the Municipality will disclose the names of all bidders as well as the total bid price.

7. Sole Source Purchases

7(1) Sole source purchases will be used in the following circumstances:

- (a) When there is only one available supplier of a required product for service that meets the needs of the Municipality.
- (b) During a disaster or emergency declared by a council or head of council under *The Emergency Measures Act*.

8. Procurements Generally

8(1) Procurements of less than \$3,500.00 may be made by the CAO (or designate) without a competitive process.

8(2) Procurements of less than \$10,000.00 for utility items may be made by the CAO (or designate) without a competitive process.

8(3) Procurements of technologically related goods and services may be purchased using methods designed to help the Municipality ensure it is purchasing a product that best meets the needs of the Municipality. Examples being photocopying equipment and computer software programs and computer support services. In circumstances where it is deemed that a special procurement method should be implemented, the expenditure must be authorized by Resolution of Council.

8(4) Following an opening, suppliers may be provided the names of bidders and bid amounts.

9. Process for Selling Surplus Capital Assets:

9(1) Surplus capital assets (excluding land) will be disposed of in the following manner:

- (a) Competitive bid process through a Request for Quotations
- (b) Public Auction

9(2) Invitations to bid on capital assets offered for sale by the municipality will be:

- (a) Posted on the municipality's website for at least 30 days before the closing date of the invitation to bid.
- (b) Published in at least one edition of the Brandon Sun.

9(3) 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, should there be one included. 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.

9(4) 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.

9(5) Surplus land assets will be disposed on as outlined in the municipal Land Sale Policy.

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| | <i>Reeve</i> |
| <i>Resolution No.(s)</i> 273/2001, 63/2004, 175/2004 , 251/2012, 2019/089 | <i>Chief Administrative Officer</i> |