

MUNICIPALITY OF LOUISE
POLICY & PROCEDURES MANUAL

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<i>Subject</i>	Municipal tendering, procurement, award notification and sale of surplus capital assets.	<i>Pages</i>	4
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1. 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.

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 Municipality and guidelines for the sale of Municipal capital assets.

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 publically 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 – means all types of personal property (machinery, gravel, office supplies, computer hardware, land, culverts, etc)

Services – means 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)

4. Scope

The policy applies for 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.

5. Procurement guidelines

The value of the goods and services and construction 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, except during a disaster or emergency declared by Council or Reeve under *The Emergency Measures Act*.

- **Upto \$10,000** - for the acquisition of goods and services with a value of upto \$10,000 at least 3 quotations will be sought. These quotations shall be written except in the cases of minor purchases or standardized supplies where a verbal quotation will be considered acceptable. Funds are to be clearly identified in the Financial Plan.
- **More than \$10,001.00 and less than \$99,999.99** - for the acquisition of goods and services with a value of more than \$10,001 and less than \$99,999, at least 3 written quotations will be sought.
- **More than \$ 100,000** - for the acquisition of goods and services of more than \$100,000, the Municipality will provide a bid opportunity, using a procurement method identified in Section 6 of this policy.

Bid opportunities will be posted on the Louisemb.com website and advertised in the Sentinel Courier.

The bid opportunity will also be posted on MERX or another electronic tendering system in accordance with CFTA Article 504 3(b).

The bid opportunity will also be posted on MERX or another electronic tendering system based on the thresholds established in NWPTA Article 14 (c)

6. Procurement processes

The Municipality will use the following procurement processes:

- **Request for quotation** – the Municipality may obtain quotations for provision of goods and services where there are specific requirements in the following manner –
 - **By directly contacting known suppliers** – this process 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 received 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.
 - **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.
A public advertisement (bid opportunity) invites suppliers to provide quotations for the sale of goods or services.

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

- **Request for proposal (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 or products and 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.
- **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, an award of a tender goes to the lowest total cost bid received from a supplier meeting the specifications and requirements of the tender.
- **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 disaster or emergency declared by Council or Reeve under *The Emergency Measures Act*.

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 municipal website and advertised at least once in the Sentinel Courier.

All bid opportunities for the procurement of goods and services valued equal to or greater than \$75,000 and construction projects valued equal to or greater than \$200,000 will be advertised on an electronic tendering system, MERX. and/or another system which is low cost, easy to use and readily accessible across Canada.

8. 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 –

- The lowest total cost bid in the case of Request for Quotations received from a supplier for a good or service
- Whether the proposal has met established evaluation criteria, in the case of proposals submitted to the Municipality in response to a Request for Proposal
- The lowest total cost bid received from a supplier meeting the specifications and requirements of a Formal Tender.

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

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

9. Delegation of approvals

Approval to approve procurement of a good or service is as follows –

- Less than \$10,000 - designated officer, as long as the expenditure is identified in the Municipality's financial plan.
- Up to \$99,999.99 - CAO as long as the low bid is accepted and the expenditure is identified in the Municipality's financial plan.
- Over \$100,000 or where the low bid is not accepted – Council
- All contracts for professional services – Council

10. Post award notification

The successful tender award will be made by notification via email or letter sent from the CAO. Unsuccessful tenders will be notified via email or letter including information of the tenders received.

11. Procurement accounting and management

Procurement tracking system – the CAO will prepare accounts payable listings that include the supplier name, the goods and/or service provided and the amount payable to each supplier.

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.

The accounts payable listing, supported by invoices that have been signed by the appropriate department head, 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.

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.

12. Process for selling surplus capital assets.

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

- Competitive bid process through a Request for Quotation
- Public auction.

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

- Posted on the Municipality's website for at least 14 days before the closing date of the invitation to bid.
- Published in at least one edition of the Sentinel Courier.

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 decides 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.