



Policy Number FA_01-19	MUNICIPAL TENDERING & PROCUREMENT POLICY
Date September 3 rd , 2019 January 3 rd , 2023, March 7, 2023	Resolution Number 183-19; 10-23; 74-23
References Employees	Mayor <u><i>Dr. Fumb.</i></u> CAO <u><i>Jammy</i></u>

Purpose:

To provide for a policy to set guidelines for Municipal Tendering and Procurement

1. PRINCIPLES

The following principles will guide the procurement practice of Riverdale 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 Riverdale Municipality for the procurement of goods and services and the disposal of surplus capital assets.
- All bids received will be treated in confidence and not discussed with competitors of the bidding process to maintain integrity of the system.
- Council will have the right to do random audits of bids to ensure procurement process is followed, including getting three quotes.

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 publicly advertised invitation for suppliers to submit bids for the provision of goods and 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, 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 etc.).

4. 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.

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.

- **Under \$1,000.00** – refer to Canoe Procurement for first choice. If unable to supply, try another vendor at your discretion.
- **More than \$1,000.00 and less than \$25,000.00** – For the acquisition of goods and services with a value of more than \$1,000.00 and less than \$25,000.00, 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.
- To reduce administrative time obtaining 3 quotes, a preferred vendor list by commodity, identifying 3 vendors, to be used when price exceeds \$1,000.00, but less than \$25,000.00. Preferred vendors by commodity to be approved by Council.



-
- **More than \$25,000.00** – For the acquisition of goods and services of more than \$25,000.00, 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 municipality's website and advertised in the Rivers Banner or Brandon Sun.

The bid opportunity will also be posted on MERX and/or another system which low cost, easy to use and readily accessible across Canada, in accordance with Agreement on Internal Trade MASH Annex 502.4.

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©, being goods or services of \$75,000.00 and for construction of \$200,000.00.

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.

An allowance up to \$500 variance in low quote to be awarded to local vendor at the discretion of the municipality based on past performance, lead time and quality of service.

6. METHODS AND PROCESSES OF PROCUREMENT

The Municipality 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 municipality.
 - During a state of local emergency where due to immediate need and time constraints normal procurement methods cannot be followed.
- **Request for Quotation** – the Municipality 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.

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



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.

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.

When getting quotes, must use council approved quotation template, as attached.

All credit card slips to be signed by a supervisor indicating approval. All credit card slips to accompany credit card statement and to be reviewed by council monthly.

- **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 or 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.

- **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.

Bids must be returned to the Municipal office with original tender form supplied, completely filled out and in sealed tender envelope provided and received in Municipal office by the deadline, or



tender will not be considered. Tenders will be opened with two people present, after closing date of tender.

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.

- Emergency/Time sensitive – Under emergency situations where day to day operations are compromised, (ie. Equipment is down) and time is of the essence, three quotes will not be required.

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 Riverdale Municipality website and advertised at least once in the Rivers Banner or Brandon Sun.

Effective January 1, 2019 in accordance with the NWPTA all bid opportunities for the procurement of goods and services valued to or greater than \$75,000 and construction projects valued equal to or greater than \$200,000 will be advertised on Manitoba's electronic tendering system (eg. MERX (<http://www.merx.com/>))

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:

- To the lowest total cost bid, in the case of quotations received from a supplier for a good or service
- To the bidder whose proposal has met established criteria, in the case of proposals submitted to the municipality in response to a Request for Proposal
- To the lowest total cost bid received from a supplier meeting the specifications and requirements of the tender.
- An allowance up to \$500 variance in low quote to be awarded to local vendor at the discretion of the municipality based on past performance, lead time and quality of service.

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, services 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.

9. DELEGATION OF APPROVALS

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

- Less than \$1,000.00 – designated officer, as long as the expenditure is identified in the municipality’s financial plan
- Up to \$25,000.00 – Chief Administrative Officer, as long as the low bid is accepted and the expenditure is identified in the municipality’s financial plan
- Over \$25,000.00 or where the low bid is not accepted – Council
- All contracts for professional services - Council

10. PROCUREMENT ACCOUNTING AND MANAGEMENT

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

The Chief Administrative Officer will arrange a monthly purchasing report called Vendors Condensed that will show Vendor #, Name, YTD dollar amount purchases and total due. This report is to be included in council’s agenda package on the first Tuesday of each month.

Procurement Reporting System

The CAO will provide Council with a new monthly finance 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.

The CAO to advise council when purchase is \$10,000 or greater detailing what was purchased, the three vendors who quoted and amounts they quoted, with successful vendor highlighted.

11. PROCESS FOR SELLING SURPLUS CAPITAL ASSETS

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

- Competitive bid process through a Request for Quotations
- 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 7 days before the closing date of the invitation to bid.
- Published in at least one edition of the Rivers Banner.

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.

12. CAPITAL ASSET PURCHASES

All capital asset purchases need to be authorized in the approved financial plan or by resolution of council as evidence of council approval of the capital purchase.

Riverdale Municipality

Request for Quotation:

Date _____

To _____

Riverdale Municipality requests a quote for following:

Please respond complete with following information:

Company Name & Contact Person: _____

Phone: _____

Fax or Email: _____

Your Part number or material reference: _____

Material Cost: _____

Labour Cost: _____

Lead Time: _____

Warrantee: _____

Mileage (if applicable): _____

Note: Further documentation of quote further detailing work to be done and/or material to be supplied to include specific part numbers, serial numbers, technical data/diagrams, safety data sheet if applicable, to be included in your response. Thanks.

Please respond back within a 3-day period ending: _____

to Riverdale Municipality, attention: _____

at Fax Number: _____ or

Scanned Email : _____