



Policy Number FA_23-01	Municipal Tender and Procurement Policy
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1. PRINCIPLES

The following principles will guide the procurement practices of the Municipality and the process for the sale of capital assets, taking in to account the following objectives:

- a. Promoting an open, fair and consistent process for the procurement of all goods, services and construction projects that will ensure the most cost effective and efficient use of the Municipality’s funds and resources.
- b. Encouraging competitive bidding for the procurement of all goods, services and construction;
- c. Ensuring compliance with *The Municipal Act*, other relevant legislation (including trade agreements)
- d. An open, fair and consistent process for the sale of surplus capital assets that will ensure the best value for capital assets sold.
- e. Accountability of the Municipality for the procurement of goods and services and the disposal of surplus capital assets.

2. PURPOSE

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

3. DEFINITIONS

Bid: A competitive bid received in response to a Request for Quotation, and Invitation to Tender, a Request for Proposal or a Formal Tender

Bid Opportunity: An invitation for suppliers to submit Bids for the provision of Goods, Services or Construction through a Request for Quotation, and Invitation to Tender, a request for Proposal, or a Formal Tender

Construction: Construction, reconstruction, demolition, or repair or renovation of a building, structure or other civil engineering or architectural work, which may include site preparation, excavation, drilling, the supply an installation of products, materials, incidental equipment and machinery, and the installation

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and repair of fixtures of a building, structure or other civil engineering or architectural work.

Cooperative Purchasing: means the action taken when two or more entities combine their requirements in a single procurement process to obtain advantages of volume purchases, including administrative savings and other benefits, from the same supplier(s) or contractor(s) using a single Bid solicitation (ie: AMM Trading Company/Canoe Procurement of Canada)

Evaluation Criteria: Specific and measurable pre-determined matrix with weightings created for the purpose of evaluating Bids

Goods: All types of personal property including but not limited to machinery, gravel, office supplies, computer hardware.

Services: Any types of service provided or to be provided to the Municipality, including but not limited to Construction, labour, maintenance, consulting, engineering and design, accounting and auditing services, operation and repair of buildings, machines and equipment.

Specifications: A clear, complete and precise description of the characteristics of the Goods, Services or Construction required.

4. SCOPE

This 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

General 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 Municipality will exercise due diligence and discretion when making purchases taking various quantifiable and non-quantifiable considerations into account to ensure the municipality is receiving a good value for dollar being

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spent including the following:

- Local Suppliers
- Service, delivery, maintenance, warranties
- History & previous experience
- Price including discounts, rebates & dividends
- Quality of product/service being received
- Value of long-term relationships with suppliers
- Buying Groups (AMM Municipal Trading Company/CANOE Procurement Group of Canada)
- Existing contracts
- Level to which procurement documents are completed without errors and/or omissions, and all specified criteria is met.
- Unknown factors which may increase risk of a purchase

Other factors which may be considered in the procurement process:

- Time frame available for making a purchase decision
- Value for dollar of proceeding through bidding process vs. sole sourcing

For the purpose of determining the value thresholds set out below, the value of Goods, Services or Construction is the total financial commitment resulting from the procurement including any applicable premiums, fees, commissions, interest, duty, freight and taxes.

VALUE THRESHOLDS

The following thresholds determine the procurement method and process to be followed by the Municipality in the procurement of Goods, Services and Construction.

- **Less than \$2,000** – Purchases under \$2,000 may be obtained without verbal or written quotation in the interest of time and convenience. These items may be purchased by Purchase Order.
- **More than \$2,000 and less than \$25,000** – Purchases more than \$2,000 but less than \$25,000 may be made by the department head in consultation with the Chief Administrative Officer, provided that such purchases are included in the Municipality’s financial plan. Efforts should be made to obtain at least 2 written quotations for those purchases between \$5,000 to \$25,000.

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- **More than \$25,000 and less than \$75,000** - at least 3, if possible, written quotations will be required. These purchases shall be approved by resolution of council. Funds are to be clearly identified in the municipality's financial plan
- **More than \$75,000** - the municipality will provide a bid opportunity identified in this policy. These purchases shall be approved by resolution of council. Funds are to be clearly identified in the municipality's financial plan.

-During a State of Local Emergency [as defined under *The Emergency Measures Act*] – sole source purchases will be utilized due to need and time constraints.

-Professional Services [auditors, consultants, etc.] – All professional services shall be acquired using the value threshold listed above.

Exceptions to Value Threshold Guidelines:

- Procurement made through Cooperative purchasing initiatives
- Procurement made during a time of emergency

Where the procurement equals or exceeds the thresholds identified in the Agreement on Internal Trade MASH Annex 502.4, the bid opportunity will be posted on MERX and/or another system which is low cost, easy to use and readily accessible across Canada, in accordance with the Agreement on Internal Trade MASH Annex 502.4.

Where procurements are made through Cooperative purchasing initiatives conducted by another member of a Cooperative purchasing group, the purchasing requirements, policies and procedures of that other member will prevail over this policy to the extent of any conflict.

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.

6. METHODS AND PROCESSES OF PROCUREMENT

Riverdale Municipality will use the following methods of procurement:

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- **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.
 - Purchases where a buying group, like the Association of Manitoba Municipalities' Municipal Trading Company/Canoe Group of Canada, does the competitive bid shopping on behalf of its members – municipal insurance, the fuel program, office supplies, culverts etc.

- **INVITATIONAL BIDDING** – This method will allow an approved list of local (or other) contractor's or suppliers to provide written quotes for the procurement of goods and services. This process shall be used if it is determined that there is sufficient competition in the local area for the municipality to receive competitive pricing.

- **REQUESTS FOR QUOTATION** – The municipality may obtain quotations for provision of goods and services for which there are specific requirements in the following manner:
 - 1) 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.

- 2) 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.

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- **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 major 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. Submissions that do not meet the terms, conditions, and specifications in accordance with the tender documents are to be rejected: unless the deviation is minor in nature (ie: an obvious typographical error etc.)

7. ADVERTISING BID OPPORTUNITIES

All bid opportunities (excluding sole source purchases and invitational bidding) will be posted on the municipal website, social media sites, and/or local newspaper (Rivers Banner).

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 also be advertised on Manitoba's electronic tendering system (MERX) and/or another system which is low cost, easy to use and readily accessible across Canada in accordance with the Agreement on Internal Trade MASH Annex 502.4.

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8. AWARD OF CONTRACTS

Purchase/Procurement will be awarded given consideration to the Procurement Guidelines – General Guidelines listed in #5 of this policy.

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

9. DELEGATION OF APPROVALS

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

- Less than \$2,000.00 – designated officer, as long as the expenditure is identified in the municipality’s financial plan.
- Up to \$25,000 – Chief Administrative Officer, as long as the low bid is accepted, provided that the low bid is equivalent value to other bids, and the expenditure is identified in the municipality’s financial plan.
- Over \$25,000 – Council
- All contracts for professional services – Council

CREDIT CARDS

Credit Cards may be issued to the Chief Administrative Officer to a maximum of \$10,000.00 for the following purchases:

- To charge registration for convention and meetings as per the Financial plan;
- To charge accommodation and meal costs to attend convention and meetings as per the financial plan;
- To charge for professional development sessions as per the financial plan;
- To charge items under \$2,000 and included in the financial plan where regular payment by cheque is not accepted.

Credit Cards may be issued to the Chief of Police to a maximum of \$500.00 for the following purchases:

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- To charge registration for convention, professional development and meetings as per the Police budget;
- To charge accommodation to attend convention, professional development and meetings as per the Police Budget;
- To charge items under \$500 and included in the Police Budget where regular payment by cheque is not accepted.

10. PROCUREMENT ACCOUNTING AND MANAGEMENT

Procurement Tracking System

Administration will prepare accounts payable listings that include the vendor name, the good(s) and/or service(s) provided and the amount payable to each vendor.

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 second regular meeting of Council each month for payment approval by resolution of Council.

Administration 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.

Credit Card statements including accompanying transaction receipts to be submitted to council at a regular meeting of Council each month for payment approval by resolution of Council.

Procurement Reporting System

The CAO will provide an update to council on all ongoing capital construction projects underway in the CAO reports until the completion of the project when all invoices relating to the project have been paid.

11. PROCESS FOR SELLING SURPLUS CAPITAL ASSETS

Disposal of Capital Assets (excluding land)

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

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- Competitive bid process through a Request for Tender
- Public Auction
- As directed by a Resolution of Council

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

- When offered for sale to specific groups or persons with Council's approval:
 - Distributed to identified potential purchasers
- When offered for sale to the general public:
 - Advertised in a public realm: Posted on the municipal website, and/or social media sites and posted locally in local newspaper (Rivers Banner) for a minimum of 14 days before the closing date of the invitation to bid.

Disposal of Surplus Municipal Land

Surplus Municipal Lands will be disposed of in the following manner:

- Sale of surplus land can be approved by resolution of Council.
- Selling price for land in new developments is set, from time to time, by resolution of council.
- Council may set restrictions or conditions on the sale of excess land that protects the best interest of the municipality.

Awarding Sale of Capital Assets

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 if, for example, all bids are too low. The highest or any bid will not necessarily be accepted.

Surplus capital assets may be awarded without competition or auction to any municipality, municipal-related organization or non-profit organization, as determined and approved by Council.

12. PROCESS INTEGRITY

To maintain the integrity of the procurement process and protect the interests of the Municipality, the public, and persons participating in the procurement process, the following shall also be adhered to:

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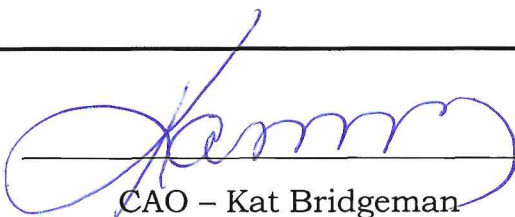
- a. All procurement processes shall be conducted in good faith, fairly and openly. All Bids and bidders shall be treated equally and without bias or favoritism.
- b. All Bids, final rating results and related supporting documentation will be kept on file for future reference, audit or examination in accordance with *The Municipal Act's* retention requirements. Bid information submitted in confidence will be protected, subject to FIPPA requirements.
- c. No elected official or employee of the Municipality shall knowingly cause or permit anything to be done or communicated to anyone which could cause any potential bidder to have an unfair advantage or disadvantage in obtaining a contract for the supply of Goods, Services or Construction to the Municipality.
- d. In accordance with the Canadian Free Trade, Canadian European Trade and New West Trade Partnership Agreement's, there will be no local preference for the acquisition of Goods, Services or Construction. All bidders, regardless of location, are permitted to compete on the basis of their ability to provide the best value and maximum benefit. When all factors are equal, in terms of price, quality, service, suitability, service and delivery, the Municipality may give preference to a local supplier.
- e. When procuring Goods, Services or Construction, the Municipality shall incorporate accessibility criteria and features. If not practicable, the Municipality will provide an explanation upon request.
- f. The Municipality will review this policy and procurement procedures on a 24 month basis to ensure it continues to meet the needs of the Municipality.

Effective Date

This policy becomes effective upon adoption by resolution of council and supersedes all previous tendering and procurement policies



Mayor Heather Lamb



CAO – Kat Bridgeman

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