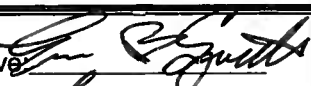
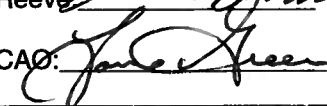


Rural Municipality of Daly POLICY AND PROCEDURE MANUAL		POLICY NO: 11
REFERENCE Finance	ADOPTED BY: Resolution #12-160 Date: December 11, 2012	
TITLE: : Procurement Policy		Reeve:  CAO: 

Purpose:

The Rural Municipality of Daly (Daly) has adopted this policy to ensure that all supplies, equipment or services are acquired in a consistent manner that provides Daly with the greatest possible value. Daly will purchase supplies, equipment or services and form appropriate contract agreements (when necessary) using an open, competitive and non-discriminatory selection process to determine the most qualified suppliers which may require written proposals detailing price points, features and benefits.

Policy:

1) Purchasing Objectives

1-1) The main objectives are:

- 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 Daly is need of;
- c) To promote fairness, goodwill and encourage competitive bidding;
- d) To protect the interests of Daly

2) Purchasing Methods – Generally

2-1) Four methods are used. Each has its own procedure.

- a) Tenders
- b) Quotations
- c) Phone/Fax/Email Price Requests
- d) Proposals

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

- a) Determine the source of funding for the purchase;
- 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) Determine the required date of delivery and whether a rush is necessary;

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

3) Agreement on Internal Trade – Merx

- 3-1) The MASH (Municipalities, municipal organizations, school boards and publicly-funded, academic, health and social service entities) Sector has been regulated as of July 1, 1999 to advertise “electronically” all items and services \$1000,000.00 and up and all construction projects \$250,000.00 and up.
- 3-2) Daly established its threshold at \$100,000.00 and up, for all items, services and construction projects, and has chosen the MERX Cebra Electronic Advertising System.
- 3-3) All advertisement will be sent to MERX Cebra. Daly has the option of arranging that MERX distributes any tender documents, or Daly may distribute them. Daly 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 Daly’s administrative office. Bids will also be accepted by fax ½ hour before the closing time as stated in the documents at 204 328-4431.

4) Tenders

4-1) Characteristics

- a) Usually large purchases (\$10,000.00 and up) but may be for lesser amounts;
- b) May be advertised in the Rivers Banner and/or Brandon Sun;
- c) Have **detailed** and complete specifications;
- d) May require a deposit for the Tender Package;
- e) May 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 contact;
- h) Tenders are typically called for such items as:
 - i) Gravel crushing
 - ii) Gravel hauling
 - iii) Vehicles & major equipment
 - iv) Road construction
 - v) Items partially funded by the Federal and Provincial Government

- 4-2) Prior to making the award recommendation, Daly must ensure that the vendor/supplier is capable of meeting their obligations and can provide the supplies, equipment or services required.

- 4-3) 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.
- 4-4) 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.
- 4-5) Daly'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., what are in the best interest of Daly.
- 4-6) The term "within the Budget" is used in the context of the entire municipal budget including general and reserve funds.
- 4-7) In the interest of freedom of access to information, Daly will disclose the names of all bidders as well as the total bid price, subject to clause 4-8.
- 4-8) Banking tenders will be excluded from clause 4-7 above where tenders are submitted subject to a confidentiality clause and Council deems it in the best interest of the Municipality to award said confidential tender.

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) Daly 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) The sponsor of the purchase is encouraged to submit a list of potential bidders.
- e) A quotation may be advertised depending on the number of potential bidders and the cost.
- f) The opening is not public. Closing time is at 12:00 pm, noon, and bids are opened by close of business day. Bids will not be accepted after the deadline.
- g) 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 can be authorized by the Chief Administrative Officer if accepting the low bid which meets specifications and the purchase is within the budget.
- 5-4) Daly'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 Daly.
- 5-5) In the interest of freedom of access to information, Daly will disclose the names of all bidders as well as the total bid price, subject to clause 5-6.
- 5-6) Banking tenders will be excluded from clause 4-7 above where tenders are submitted subject to a confidentiality clause and Council deems it in the best interest of the Municipality to award said confidential tender.

6) Phone/Fax, Email and Internet Price Requests

6-1) Characteristics

- a) Dollar value ranges from \$1,000.00 to \$5,000.00
- b) A minimum of three (3) suppliers shall be contacted by Phone/Fax, Email, or the Internet.
- c) Daly will forward the specifications by fax, mail or email to the potential suppliers. Daly should advise the supplier of the following:
 - i) the time and date the prices must be back to Daly;
 - ii) that the prices must be FOB to the desired location (meaning freight and shipping cost inclusive);
 - iii) that pricing must detail all applicable taxes (GST & MB PST) to be included in the Total Bid Price;
 - iv) the manner in which they may submit their prices.

6-2) Suppliers must submit their pricing either by fax, mail or email and Daly will retain the documents in confidence until the deadline date.

6-3) Deadline is at 12:00 pm, noon, and bids are opened by close of business day. Bids will not be accepted after the deadline.

6-4) Letters of notification are not sent out. Daly will notify the successful supplier.

6-5) Phone/Fax, Email and Internet Price Requests are called for such items as:

- a) Minor road repairs, culvert replacements
- b) Minor office equipment rentals
- c) Auctioneer services
- d) Office stationery

7) Proposals

7-1) 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 deadline is at 12:00 pm, noon, and bids are opened by close of business 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) Road grading and snow plowing contracts
 - iv) Various transportation service contracts
 - v) 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:

- 7-2) For procurements for goods and services in excess of one year in duration or exceeding \$10,000 in value, the Council is authorized to make a selection and commit Daly to the expenditure provided the expenditure is within budget.
- 7-3) 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 Chief Administrative Officer is authorized to make the procurement.

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

- 7-4) Daly's usual practice is to accept the proposal that best meets Daly's requirements and is in the best interest of Daly.
- 7-5) In the interest of freedom of access of information, Daly will disclose the names of all bidders as well as the total bid price.

8. Procurements Generally

- 8-1) Procurements of less than \$1,000 may be made by the Chief Administrative Officer (or a designate) without a competitive process.
- 8-2) Procurements of less than \$5,000.00 within the Transportation category of the budget may be made by the Chief Administrative Officer without a competitive process.
- 8-3) Procurements of technologically related goods and services may be purchased using methods designed to help Daly ensure it is purchasing a product that best meets the needs of Daly (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 bid amounts.