

	<b>TOWN OF CARMAN</b>	<b>POLICY NO. 016</b>
	<b>ADOPTED BY: Resolution No.027/24</b>	<b>Last Updated: January 2024</b>
	<b>DATE: January 18<sup>th</sup>, 2024</b>	<b>Page: 1 of 2</b>
	<b>TITLE: Tendering &amp; Procurement Policy</b>	<b>Department: Administration &amp; Public Works</b>

**PURPOSE:** The purpose of this policy is to establish guidelines for the purchase of goods and services for construction projects undertaken by the Town of Carman and guidelines for the sale of Municipal capital assets including Project management and tracking.

**RATIONALE:** The policy applies to the procurement of goods and services by purchase, lease, rental or other agreement by the Town and the disposal of surplus capital assets by the Town as required by Legislation.

**POLICY STATEMENT:** The following principles will guide the procurement practices of the Town of Carman 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.

**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 or services through a Request for Quotation, a Request for Proposal, or an Invitation to Tender.

**Goods** mean 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.)

**Services** mean all types of services, including construction (consulting, engineering and design, accounting and auditing services, legal services, etc.

**Routine Purchases** means purchases made on a regular basis such as maintenance, operation and repair of buildings, machines, infrastructure, or equipment.

**SCOPE:** The policy applies to the procurement of goods and services by purchase, lease, rental or other agreement by the Town of Carman and the disposal of surplus capital assets by the Town.

**PROCUREMENT GUIDELINES:** The value of the goods and services in 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:

- **The following items will be excluded from these guidelines.**
  - The purchase of electricity and natural gas
  - The purchase of MEBP and AMM insurance
  - The purchase of Manitoba Public insurance
  
- **For purchases of less than \$2,500.00 or items that are considered routine in the operation of the Municipality that cost less than \$5,000** – managers will be permitted to use their judgement for the acquisition of these types of goods and services and will not be required to obtain separate quotes. These purchases must be within the budget allotted in the financial plan. Any over expenditure must be approved by either Council or the CAO. Where possible managers should attempt to use local suppliers/contractors for small and routine purchases.
  
- **More than \$2,500.00 and less than \$100,000.00 (Expect for routine purchases under \$5,000)** – For the acquisition of goods and services with a value of more than \$2,500 and less than \$100,000, the Municipality shall attempt to obtain at least 3 quotations will be required. These quotations shall be written except when there is an immediate need or severe time constraints that normal procurement methods cannot be followed.
  
- **More than \$100,000** – For the acquisition of goods and services of more than \$100,000, the Municipality may provide a bid opportunity, using one of the procurement methods listed below. The type of procurement method used for the purchase shall be approved by the Municipal Council except in the case of emergency purchases.

**Sole Source Purchases** – Sole source purchases will be used when there is only one available supplier of a required product or service that meets the needs of the Municipality, during an emergency where due to immediate needs and time constraints normal procurement methods cannot be followed.

**Requests for Quotation** – the Municipality may obtain quotations for provision of goods and services for which there are specific requirements in one of the two ways listed below:

**Invitational Bidding** – This method will allow an approved list of contractor’s or suppliers to provide written quotes for the procurement of goods and services. This process shall be used if Council determines that there is sufficient competition in the local area for the Municipal to receive a competitive price for the good or service.

**Request for Quotations (RFQ)** – a RFQ for the procurement of goods and services may be used where the goods and services have specific and detailed requirements. Suppliers will be invited to provide written quotations for the sale of goods or services through a public advertisement (bid opportunities).

**Requests for Proposals (RFP)** – A RFP may be used to acquire professional services such as auditors, planning consultants, engineering consultants etc.

Potential suppliers will be asked to describe how their services, methods, equipment of 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 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.

The Municipality may renew contracts with suppliers without using the bidding process if they believe it is in the best interest of the Municipality.

The Town 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 Town of Carman retains the right to reject the lowest or any bid.

**ADVERTISING BID OPPORTUNITIES:**

All bid opportunities solicited through a Request for Quotation, Request for Proposals, or a Formal Tender will be posted on the municipal website, in the Municipal office, and may be advertised at least once in a paper having circulation in the community and may be posted on Merx.

All bid opportunities for the procurement of goods and services valued equal to or greater than \$200,000 and construction projects valued equal to or greater than \$250,000 will be advertised on Manitoba's electronic tendering system (MERX <http://merx.com/>) and/or another system which is low cost, easy to use and readily accessible across Canada.

### **AWARD OF CONTRACTS:**

Quotations, proposals, and tenders will be awarded using the evaluation process that is specified in the procurement document. The Municipality will award contracts as follows:

- To the lowest total cost bid, in the case of quotations received from a supplier for the good or service.
- To the bidder whose proposal has met established evaluation 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.

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, service and delivery, the municipality may give preference to a "local" supplier.

The Municipality may enter into a contract with the successful bidder. The Municipality will determine the form of the contract.

### **DELEGATION OF APPROVALS:**

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

- Less than \$5,000 - Chief Administrative Officer or Designated Officer, if the low bid is accepted, and the expenditure is identified in the Municipality's financial plan.
- Over \$5,000 or where the low bid is not accepted – Council
- All contracts for professional service – Council

### **PROCUREMENT ACCOUNTING AND MANAGEMENT:**

#### **Procurement Tracking System**

The Chief Administrative Officer (CAO) will prepare accounts payable listings that include the supplier's 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 CFO will issue payment for all accounts payable authorized for the 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 regular report on contracts awarded under this policy. The CAO will provide Council with a regular progress report for each capital construction project that is underway. A progress report will be provided each month, beginning from the starting month of the project until the completion of the project when all invoices relating to the project have been paid.

### **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
- Trade in for new equipment
- Invitations to bid on capital assets offered for sale by the municipality will be:
- Posted on the municipality's website for at least 21 days before the closing date of the invitation to bid. Published in at least one edition of a paper having circulation within the municipality.

Contracts for the sale of the 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 the 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.

\*Holdbacks may be set on contracted work or as required by legislation.