

The Municipality of Oakland-Wawanesa
Policy & Procedure Manual

Policy

ADMIN002

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TITLE

Municipal Tendering and Procurement Policy

PURPOSE

The purpose of this policy is to comply with the Provincial regulations.

1. PRINCIPALS

The following principals 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 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.
- Where possible, the Municipality will utilize the services of AMM's Canoe Procurement to obtain best prices for goods and services already vetted through tender processes Province wide.

2. PREAMBLE

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

3. DEFINITIONS

Bid means competitive bid received from a supplier in response to a verbal or written Request for Quotation (RFQ), a Request for Proposal (RFP) or an Invitation to Tender.

Bid Opportunity means a publicly advertised invitation for suppliers to submit bids for the provisions of goods and services through a Request for Quotation, a Request for Proposal or an Invitation to Tender.

Goods mean all types of personal property (machinery, gravel, office supplies, computer hardware, land, etc.).

Minor goods or services means standard purchases or repairs with a value less than \$15,000.

Services mean all types of services, including construction, consulting, engineering and design, accounting and auditing service, 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 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:

- **More than \$15,000.00** – For the acquisition of goods and services with a value of more than \$15,000.00, 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.
- **More than \$200,000.00** – For the acquisition of goods and services of more than \$200,000.00, 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 a newspaper with general circulation or by digital advertising format.

The bid opportunity will also be posted on MERX.

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.

If, following a bid process, Council determines a better price for comparable goods can be obtained via public auction, the awarding of any bids will be tabled to allow the Municipality to participate in a public auction. Such public auction must be held within the timeframe for which the original bid prices are in effect.

The Municipality retains the right to reject the lowest or any bid.

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.
- **Requests 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. Well documented verbal quotations will be accepted for routine minor purchases.

- **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) in combination with directly contacting known suppliers.

- **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 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 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.

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 a newspaper with general circulation or by digital advertising format.

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 Manitoba's electronic tendering system (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.

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

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

- Up to \$5000.00 - Chief Administrative Officer or designate, as long as the low bid is accepted and the expenditure is identified in the Municipality's financial plan
- Over \$5000.00 or where the low bid is not accepted – Council
- All contracts for professional services – Council

10. PROCUREMENT ACCOUNTING AND MANAGEMENT

Procurement Tracking System

The Administration 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 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.

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; or
- 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; and
- published in a newspaper with general circulation or by digital advertising format.

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 decide not to proceed with the sale, for example, if all bids are too low. The highest or any bid will not necessarily be accepted.