

Purchasing and Tendering Policy

Title

1. This Policy is entitled the “Purchasing and Tendering Policy”.

Interpretation

2. In this Policy:

(1) “multi-municipal supply programs” means a source of supply available to the **Town of Westville** as a member of a larger group of purchasers and such programs include:

- (a) equipment leasing programs through the Nova Scotia Department of Transportation and Public Works or the Nova Scotia Municipal Finance Corporation;
- (b) Nova Scotia Provincial “standing offers” administered by the Nova Scotia Department of Transportation and Public Works or the Nova Scotia Municipal Finance Corporation;
- (c) supplies available from the Nova Scotia Government stationary stock room;
- (d) a procurement program administered by the Union of Nova Scotia Municipalities or the Association of Municipal Administrators;
- (e) any other program available to several municipal units provided that municipal staff is satisfied that such program has been developed and conforms to the principles set out in section 3.

(2) “procurement by price agreement” or “price agreement” means procurement pursuant to a standing agreement for the supply of various goods and services required on a day to day basis. Price agreements themselves shall be the result of a public tender process.

(3) “public tender” or “public tender process” means either a traditional tender or a request for proposals and the selection between these processes shall be made by the **Chief Administrative Officer** or Council, depending on which of them has authority to award the contract;

(4) “request for proposals” means a formal invitation to suppliers to describe how their services, methods, equipment or products can address and/or meet specific needs of the **Town of Westville** and is governed by guidelines stipulated in section [3] of this Policy;

(5) “request for quotations” means a process whereby municipal staff request quotations for goods and services and is governed by guidelines stipulated in section [4] of this Policy;

(6) “traditional tender” means a formal, competitive, sealed bidding process for goods and services defined by clearly stated criteria and specifications, in respect of which an award can be made without negotiation and is governed by guidelines stipulated in section [5] of this Policy.

(7) “capital budget” refers to a good or service that exceeds a price of \$5,000 and is of benefit to the town for more than one year. A separate budget has been created for procurement of this nature

(8) “operating budget” refers to the budget for daily operations. Procurement of a good or service in this budget typically is less than \$5,000 and benefits last one year or less. Typically approval of the operating budget gives authority to staff however there are unique cases where tender awards would be made by Council.

Guidelines Governing Requests for Proposals, Requests for Quotations and Traditional Tenders

3. A **request for proposals** is normally used for professional services or when a supplier is invited to propose a solution to a problem, requirement or objective. Negotiations may be conducted with a proponent after the date when proposals have been received, subject to complying with the terms of the request for proposal which shall be drafted to avoid unfair “bid-shopping” by the **Town of Westville**. In order to preserve confidentiality of sensitive commercial information contained in a proposal, a proposal submitted in response to a request for a proposal need not be opened in public but will be opened in the presence of at least two representatives of the **The Town of Westville** and a list of the proponents will be available to the public and the proponents upon request. An award of a contract based upon a request for proposals will be made to the supplier whose proposal is determined to be the most advantageous to the **Town of Westville** based upon criteria set out in the request for proposals and equitably applied to all proposals.

4. When a **request for quotations** process is used, quotations will normally be sought from at least three suppliers but a lesser number of suppliers may be used when three suppliers are not available within a reasonable distance, having regard to the value of the goods and services, the shipping or travel cost and the amount of time available before the goods and services are required to be available. Quotations shall be sought in writing, but when time does not permit the obtaining of written quotations, the quotations may be obtained verbally, except when this Policy stipulates otherwise, provided that a written record of any verbal quotation, including the time, date, supplier, price and description of the goods and services, the person from whom the quotation was obtained and the name of the municipal staff obtaining the quotation is kept on file.

5. In **traditional tenders**, the award is normally made to the lowest total cost bid received from a responsible bidder meeting the requirements of the tender. When circumstances require, a traditional tender may be broken into several phases.

Traditional tenders shall be opened in public.

Procurement Policy Principles

6. All procurement carried out by the **Town of Westville** shall be carried out with a view:

- (1) to ensure equitable, open and transparent process for the acquisition of goods and services by the **Town of Westville**;
- (2) to avoid any temptation towards or appearance of dishonesty, corruption or favouritism in the procurement of goods and services;
- (3) to encourage competitive bidding wherever possible and, in any event, to minimize the **Town of Westville's** cost of acquiring goods and services;
- (4) to utilize suppliers who can be expected to provide satisfactory performance;
- (5) to procure necessary goods and services with due regard to the preservation of the natural environment and therefore to encourage suppliers to supply goods incorporating recycled and/or recyclable materials, where practical;

7. **For Goods and Services Having a Value of Less than [\$500]**

- (1) Goods and services shall be procured under a price agreement or multi-municipal supply program if one exists for the particular goods and services and otherwise shall be purchased from any supplier except if municipal staff has reason to believe that the supplier is not the lowest cost supplier for the item in question or that acquiring the goods and services from that supplier would otherwise not conform with the procurement principles in section [6].

For Goods and Services Having a Value of More Than [\$500] and Less Than [\$5,000]

- (2) Goods and services shall be procured by a price agreement or multi-municipal supply program, if one exists for the particular goods and services, and otherwise by request for quotations;

For Goods and Services Having a Value Between [\$5,000 and \$25,000]

- (3) Goods and services shall be procured either by a price agreement or multi-municipal supply program or by request for quotations except that, in addition to any other requirements for the request for quotations process:

- (a) all quotations shall be obtained in writing;
- (b) all suppliers of the particular goods and services listed in the **The Town of Westville's** Supplier Registry shall be given an opportunity to quote;

For Goods and Services Having a Value of More Than [\$25,000]

(4) Goods and services shall be procured by the public tendering process. Invitations to tender or to submit requests for proposals shall be advertised in one or more publications of appropriate circulation and maybe submitted for posting on the Province of Nova Scotia's procurement webpage.

8. Municipal staff or Council may approve exceptions to the normal purchasing practices outlined in section [7] of this Policy:

(1) when a more competitive process, normally used for goods and services of higher value is used;

(2) when the goods and services are only available from one qualified supplier;

(3) when an emergency requires a more expedited process;

(4) when the goods and services represent in whole or in part a continuation of goods and services supplied under a previously awarded contract, and a change in supplier would result in discontinuity, higher cost, or other problems;

(5) when goods are purchased on a commodity market;

(6) when an existing contractual arrangement or license, copyright or patent right precludes one or more otherwise applicable procurement processes;

(7) when goods are being purchased under exceptionally advantageous or unique circumstances such as a bankruptcy or receivership;

(8) when Council has directed that certain items be purchased from a sheltered workshop program or through another program intended to rectify or ameliorate the circumstances of a disadvantaged group;

(9) when selecting legal counsel or expert witnesses for the conduct of litigation;

(10) when the **Town of Westville** has a standing arrangement for the provision of

legal services from the **Westville** solicitor, accounting or auditing services from the **Westville** auditor or other professional services from an external professional, provided that the professional firm is appointed at an open Council meeting every three (3) years;

(11) where the use of a particular supplier is a condition for settling a legal dispute involving the **Town of Westville**.

Unsatisfactory Suppliers

9. The **Town of Westville** may refuse to purchase goods and services from a supplier or prospective bidder, and may remove a supplier name from the Supplier Registry, if, in the opinion of Council, the supplier has not provided satisfactory performance, satisfactory quality goods or has otherwise provided poor value to the **Town of Westville** in dealings within the preceding seven (7) years. Notice of disqualification will be given to any prospective bidder or proponent who has current litigation, or litigation concluded in the previous seven (7) years against the Municipality relating to previous tenders or proposal calls, or the performance of previous contracts awarded to them by the Municipality.

Authority to Award Contract

10. The following outlines limits on procurement authority within the **Town of Westville**:

Council recognizes that the Operating and Capital budgets are policy documents setting the plans for procurement of goods and services. By process of approving these budgets Council gives approval to proceed with the following:

- (1) Where the value of the goods or services is below [**\$500**] and the purchase is within the **Town of Westville's** budgets, the award or purchase authorization may be made by an applicable supervisor or foreman or an employee designated by one of those persons.
- (2) Where the value of the goods and services is below [**\$5,000**] the award or purchase authorization may be made by an the CAO or manager, department head or an employee designated by the CAO.
- (3) Where the value of the goods and services is greater than **\$5,000** and less than **\$25,000** staff will recommend an award of the contract to Council and Council will make the decision to award the contract.
- (4) Where the value of the goods and services is greater than **\$25,000** for a contract staff will use the traditional tender approach to make a recommendation to Council to award a contract.

(5) Where municipal staff does not have the authority to award a contract, the award will be made by Council, but nothing in this Policy precludes staff from seeking advice or direction from Council in relation to the awarding of any other contract, or from recommending that Council itself award a contract notwithstanding that the contract could be awarded by staff.

(6) In the event of a conflict of interest on the part of a staff member otherwise authorized to award a contract, the award shall be made by the person to whom the conflicted staff member normally reports and the conflicted staff member shall not participate in the process in any manner.

Reporting of Contracts Awarded

11. All contracts awarded for in excess of \$5,000 shall be reported to Council.

Duration of Contracts

12. Contracts for goods and services, including price agreements, shall normally be retendered at least once every five years but may be re-tendered more frequently at the direction of Council.

Lease Arrangements

13. Lease arrangements are subject to the provisions of this Policy, save and except that Council authority shall be obtained for any leases required by the *Municipal Government Act* to be authorized by Council.

Public Tender Terms

14. Public tenders shall normally include specifications or terms as follows:

(1) expressly or by implication outlining the issues or criteria that will be used for selection of a successful bidder or proponent;

(2) a privilege clause stating that the lowest or any bid or proposal will not necessarily be accepted;

(3) the location for delivery of bids or proposals;

(4) the means of delivery of bids or proposals must be identified, e.g., whether faxes or e-mails are acceptable in addition to "hard copy" submissions;

(5) the time and date of closing;

(6) a warning that tendered documents and bids will be open to the public, except to the extent otherwise stated in a call for tenders or a request for

proposals, in which event there shall be included a warning that proposals or bids may be subject to the Freedom of Information and Protection of Privacy provisions of the *Municipal Government Act*.

Approval of Form of Tender

15. Public tendering documents are to be reviewed by the **Chief Administrative Officer** or his or her designate prior to issuance to ensure consistency of tendering documents and practices.

Estimating the Value of Goods and Services

16. Where the value of goods and services governs the procurement process to use under this Policy or governs what party makes the award, staff shall reasonably estimate the value of goods and services where no definitive information is available to determine the total cost of such goods and services. The estimate should provide the basis for the procurement. If there is considerable variance between bids and staff estimate then it may be at the discretion of Council to re-tender.

Date of Passage of Current Policy: JUNE 26, 2017

**I certify that this Policy was adopted by Council
at a duly convened meeting of Council on: JUNE 26, 2017**



Kelly Rice
CHIEF ADMINISTRATIVE OFFICER

June 26/17
DATE