

THE LOCAL GOVERNMENT OF PINAWA POLICIES AND PROCEDURES MANUAL			
<i>Policy Name</i>	Municipal Tendering and Procurement	<i>Department</i>	Administration
<i>Approved</i>	December 11, 2012	<i>Resolution</i>	3130-12-12
<i>Revised</i>	September 10, 2013	<i>Resolution</i>	3436-09-13
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<i>Revised</i>	March 14, 2023	<i>Resolution</i>	7025-03-23
<i>Review</i>		<i>Related Bylaw</i>	

PRINCIPLES

The following principles will guide the procurement practices of the Municipality and the process for the sale of municipal assets:

- An open, fair and consistent process for the procurement for all goods, services and construction projects that will ensure the best value for dollars 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.

PREAMBLE

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

DEFINITION

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 personal property (machinery, gravel, office supplies, computer hardware, land, etc.).

Services 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.).

SCOPE

The policy applies to 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.

PROCUREMENT 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 following guidelines will be followed for the purchase of goods and services:

- Up to \$5000 – Discretionary spending is permitted up to \$5000. Funds are to be clearly identified in the municipality's financial plan.
- More than \$5000 and less than \$10,000 – For the acquisition of goods and services with a value of more than \$5000 and less than \$10,000, at least three (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 \$10,000 – For the acquisition of goods and services of more than \$10,000, 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 the local newspaper, if over \$10,000. The bid opportunity will also 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.

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.

METHODS AND PROCESSES OF PROCUREMENT

The Municipality will use the following methods of procurement:

- 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.
- Request 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 three (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.

- Through a written Request for Quotation (RFQ). An RFQ for the procurement of goods or services will be used where the goods or services have specific and detailed requirements, but are not considered

to be “minor” and the cost of the goods or services 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.

Request 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 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.

ADVERTISING BID OPPORTUNITIES

All bid opportunities solicited through a Request for Quotation, Request for Proposal, or a Formal Tender will be posted on the municipal website and advertised at least once in the local newspaper.

All bid opportunities for the procurement of goods or services valued equal to or greater than \$100,000 and construction projects valued equal to or greater than \$250,000 will be advertised on Manitoba’s electronic tendering system (MERX) (<http://www.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 documents. Generally, the municipality will award contracts as follows:

- To the lowest total cost bid, in the case of quotations received from a supplier for goods or services
- 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 form of the contract will be determined by the municipality.

The municipality will withhold 10% of any contracts over \$10,000.00. A penalty clause may be included on any contracts. The LGD employee or designate shall be designated the Project Manager by Council. The Project Manager has the discretion to approve project change orders up to 10% of the contract, to a maximum of \$10,000.00.

DELEGATION OF APPROVALS

Authority to approve procurements of goods or services is as follows:

- Less than \$5000 – designated officer, as long as the expenditure is identified in the municipality’s financial plan.
- Up to \$10,000 – Resident Administrator, as long as the low bid is accepted and the expenditure is identified in the municipality’s financial plan.
- Over \$10,000 or where the low bid is not accepted – Council
- All contracts for professional services – Council

PROCUREMENT ACCOUNTING AND MANAGEMENT

1. Procurement Tracking System

The accountant will prepare accounts payable listings that include the supplier’s name, the goods and/or services 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 authorized by the Resident Administrator or the Assistant Resident Administrator, approved by the Finance Chair and presented to Council for review.

The accountant will issue payment for all accounts payable authorized for payment. The accountant will maintain adequate record of accounts payable listings, the corresponding invoices and cheque registry information.

2. Procurement Reporting System

The Resident Administrator will provide Council with a monthly progress report on contracts awarded under this policy.

The Resident Administrator will provide Council with a monthly progress report for each capital construction project that is underway. A progress report will be provided each month, beginning with the starting month of the project until the completion of the project when all invoices relating to the project have been paid.

Spending Amounts	Delegation of Approvals
Up to \$5000 – Discretionary spending is permitted up to \$5000. Funds are to be clearly identified in the municipality’s financial plan.	Designated officer, as long as the expenditure is identified in the municipality’s financial plan.
More than \$5000 and less than \$10,000 – For the acquisition of goods and services with a value of more than \$5000 and less than \$10,000, at least three (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.	Up to \$10,000 – Resident Administrator, as long as the low bid is accepted and the expenditure is identified in the municipality’s financial plan.
<p>More than \$10,000 – For the acquisition of goods and services of more than \$10,000, the municipality will provide a bid opportunity, using a procurement method identified in Section 6 of this policy.</p> <p>Bid opportunities will be posted on the municipality’s website and advertised in the local newspaper, if over \$10,000. The bid opportunity will also be posted on MERX.</p>	<p>Over \$10,000 or where the low bid is not accepted – Council</p> <p>All contracts for professional services – Council</p>
Methods of Procurement	Processes of Procurement
Sole Source Purchases	<p>will be used in the following circumstances:</p> <ul style="list-style-type: none"> • 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.
Request for Quotation	<p>the Municipality may obtain quotations for provision of goods and services for which there are specific requirements in the following manner:</p> <ul style="list-style-type: none"> • 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. <p>Where possible, written quotations will be obtained from three (3) suppliers. Verbal quotations will be accepted for routine minor purchases.</p>

<p>Formal Tenders – the municipality will formally tender for competitive bids for the procurement of capital projects.</p>	<p>Detailed specifications and requirements will be provided in tender documents. The evaluation of tenders will be against detailed specifications and requirements.</p> <p>A Formal Tender is a formal, competitive sealed bidding process.</p> <p>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.</p>
<p>Through a written Request for Quotation (RFQ)</p>	<p>An RFQ for the procurement of goods or services will be used where the goods or services have specific and detailed requirements, but are not considered to be “minor” and the cost of the goods or services does not warrant the time and level of effort required for a formal tender process.</p> <p>Suppliers will be invited to provide quotations for the sale of goods or services through a public advertisement (bid opportunities).</p> <p>The award of a Request for Quotation will typically go to the lowest total cost bid received from a supplier.</p>
<p>Request for Proposals (RFP)</p>	<p>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.</p> <p>Potential suppliers will be asked to describe how their services, methods, equipment or products can address and/or meet the needs of the municipality.</p> <p>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.</p>

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