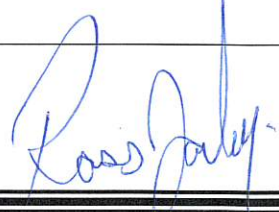


The Rural Municipality of Elton

REFERENCE:	Finance	AUTHORITY:	Council
SUBJECT:	Procurement Policy	EFFECTIVE DATE:	October 9, 2018
ADOPTED BY RESOLUTION NO. & DATE:	2012-040 January 10, 2012	NUMBER OF PAGES:	7
AMENDED BY RESOLUTION NO. & DATE:	2018-302 October 9, 2018	REEVE'S SIGNATURE FOR APPROVAL	

POLICY DESCRIPTION:

Purpose:

The Rural Municipality of Elton (Elton) has adopted this policy to ensure that all supplies, equipment or services are acquired in a consistent manner that provides Elton with the greatest possible value. Elton will purchase supplies, equipment or services and undertake 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 Elton requires;
- c) To promote fairness and goodwill;
- d) To encourage competitive bidding;
- e) To protect the interests of Elton.

2) Purchasing Methods – Generally

- 2-1) Four purchasing method options are available, to be determined based on judgement of which option will fit best. Each has its own procedure based on anticipated cost(s).
 - a) Request for Proposals (RFPs)
 - b) Tenders
 - c) Quotations
 - d) Requests
- 2-2) The following procedures will guide employees of Elton 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 (RFPs, Tenders, Quotations and Requests) 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) Procurements Generally

- 3-1) Procurements that may be made by the CAO (or designate) without a competitive process are as follows:
 - a) General items for less than \$1,000.00; and
 - b) Transportation category items for less than \$5,000.00.
- 3-2) Procurements of technologically related goods and services may be made using methods designed to help Elton ensure it is purchasing a product that best meets the needs of Elton such as photocopying equipment, computer software programs and computer support services. In circumstances where it is deemed that such a special procurement method should be implemented, the procurement must be included in the Financial Plan or authorized by Resolution of Council.
- 3-3) In the interest of freedom of access to information, Elton will disclose the names of all bidders as well as the total bid price, excepting those items that are subject to a confidentiality requirement such as banking RFPs.
- 3-4) Procurements not identified within the Financial Plan and exceeding the guidelines in Clause 3-1 above must be authorized by resolution of Council.
- 3-5) Procurements identified within the Financial Plan may be authorized by the CAO if accepting the low bid meeting specifications.

- 3-6) The term "within the Financial Plan" is used in the context of the entire municipal Financial Plan including but not limited to general, reserve funds and utility funds.
- 3-7) Elton's usual practice is to award to the low bid that meets specifications unless there are extenuating circumstances that are in the best interests of Elton such as but not limited to non-quantifiable issues, service availability and past performance.
- 3-8) All information contained in the bids received will remain in confidence until the specified closing date and time. No bids will be accepted after the closing date and time specified in the document.

4) Agreement on Internal Trade – MASH Sector digital advertising

- 4-1) 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 and updated effective November 30, 2018 to advertise "electronically" as follows:
 - a) all items and services for estimated values of \$75,000.00 and up; and
 - b) all construction projects estimated values of \$200,000.00 and up.
- 4-2) Elton establishes its threshold effective November 30, 2018 as follows:
 - a) all items and services for estimated values of \$75,000.00 and up; and
 - b) all construction projects estimated values of \$200,000.00 and up.Elton has chosen the MERX Cebra Electronic Advertising System.
- 4-3) All advertisements meeting the parameters in Clause 4-2 will be sent to MERX Cebra. Elton has the option of arranging that MERX distributes any tender documents, or Elton may distribute them. Elton must allow two (2) - four (4) 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 (1) week before the closing deadline. The bids are to be submitted to Elton's administrative office as identified in the document.
- 4-4) Exceptions for advertising for procurements in this section may be granted under the New West Partnership Trade Agreement (NWPTA), which include but are not limited to:
 - a) Goods required to respond to an unforeseeable situation of urgency.
 - b) Goods intended for resale to the public.
 - c) Water, and services and investments pertaining to water.
 - d) Regulated rates established for the public good or public interest.
 - e) Social policy, including labour standards and codes, minimum wages, employment insurance, social assistance benefits and worker's compensation.

5) RFPs

5-1) Characteristics

- a) No dollar value guidelines apply.
- b) Are usually for items for which there are not quantifiable specifications and/or where there may be more than one method of satisfying the purchase requirement.
- c) May require an agreement or contract.
- d) RFPs will be circulated as per usual practice directed by Council or as required under the NWPTA.
- e) Must be submitted as specified in document.
- f) The successful bidder must meet the minimum required specifications as identified in the document.

Authorization Levels and Recommendation Process for RFPs:

- 5-2) For procurements for goods and services in excess of one year in duration or exceeding \$10,000 in value, the Council of the Rural Municipality of Elton may appoint a selection panel and the panel may be comprised entirely of Council members or of employees or a combination thereof. Upon appointment, the selection panel is authorized to make a selection and commit Elton to the expenditure provided the expenditure is within Financial Plan.
- 5-3) For procurements by RFP for goods and services for less than one year in duration or not exceeding \$10,000.00 in value, the CAO is authorized to make the procurement if the purchase is included in the Financial Plan. The CAO may make the purchase on the basis of a selection panel where there are rating criteria.
- 5-4) Elton's usual practice for RFP' is to recommend award to the low tender that meets specification unless there are extenuating circumstances which are in the best interest of Elton, such as but not limited to non-quantifiable issues, service availability and past performance.

6) Tenders

6-1) Characteristics

- a) Usually large purchases over \$10,000.00 but may be for lesser amounts.
- b) May be advertised in the local newspaper.
- 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 Tender, Surety and Performance Bonds (the fixed value or percentage to be established in each instance).
- g) May require an agreement or contact.

- 6-2) Prior to making the award recommendation, Elton must ensure that the vendor/supplier is capable of meeting their obligations and can provide the supplies, equipment or services required.

Authorization Levels and Recommendation Process for Tenders:

- 6-3) Tenders, where it is recommended that a tender be accepted that is not the low submission meeting specifications, or where the purchase is not within the Financial Plan, must be authorized by Council.
- 6-4) Tenders can be authorized by the CAO if accepting the low tender which meets specifications and the purchase is within the Financial Plan.
- 6-5) Elton's usual practice for tenders is to recommend award to the low tender that meets specification unless there are extenuating circumstances which are in the best interest of Elton, such as but not limited to non-quantifiable issues, service availability and past performance.
- 6-6) In the interest of freedom of access to information, Elton will disclose the names of all bidders as well as the total bid price.

7) Quotations

7-1) Characteristics

- a) Are for smaller dollar value items between \$5,000.00 and \$10,000.00.
- b) The specification requirements should be specific and clearly listed.
- c) Elton requires that a minimum of three (3) quotes be obtained where a sufficient number of suppliers is known.
- 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.

Authorization Levels and Recommendation Process for Quotations:

- 7-2) Quotations, where it is recommended that a quote be accepted that is not the low quote meeting specifications, or where the purchase is not within the Financial Plan, must be authorized by Council.
- 7-3) Quotations under \$10,000 can be authorized by the CAO if accepting the low quote which meet specifications and the purchase is within the Financial Plan.
- 7-4) Elton's usual practice for quotations is to recommend award to the low quote that meets specification unless there are extenuating circumstances, such as non-quantifiable issues, service availability, past performance, etc., which are in the best interest of Elton.

- 7-5) In the interest of freedom of access to information, Elton will disclose the names of all bidders as well as the total bid price.

6) Requests

6-1) Characteristics

- a) Are for dollar value ranges up to \$5,000.00.
- b) Elton requests that a minimum of three (3) quotes be obtained where a sufficient number of suppliers is known.
- c) Elton will forward the specifications by fax, mail or email to the potential suppliers. Elton should advise the supplier of the following:
 - i) the time and date the prices must be submitted to Elton;
 - ii) that the prices must be FOB to the desired location (freight and shipping cost inclusive);
 - iii) that pricing must detail all applicable taxes (GST & MB PST) to be included in the total quote price;
 - iv) the manner in which they may submit their prices.

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

- 6-3) Letters of notification are not sent out. Elton will notify the successful supplier.

Authorization Levels and Recommendation Process for Requests:

- 7-1) Requests can be authorized by the CAO if accepting the low request which meets specifications and the purchase is within the Financial Plan.
- 7-2) Where it is recommended that a request be accepted that is not the lowest submission which meets specifications, or where the purchase is not within the Financial Plan, the purchase must be authorized by Council.
- 7-4) Elton's usual practice for requests is to recommend award to the low request that meets specification unless there are extenuating circumstances which are in the best interest of Elton, such as but not limited to non-quantifiable issues, service availability and past performance.
- 7-5) In the interest of freedom of access to information, Elton will disclose the names of all bidders as well as the total bid price upon request.