

Municipality of WestLake-Gladstone



Tendering & Procurement
Administration & Finance
No. 2016-001

Adopted By:	Date Adopted:	Reviewed by Council:	Amended:
Resolution No.16	08/16/2016	07/21/2021	
Resolution No.34	02/19/2025	Res. No. 2021-224 02/19/2025	February 19, 2025

Purpose:

The purpose of this policy is to establish guidelines for the purchasing of goods and services to ensure the financial resources of the Municipality are managed effectively and that purchases are made in the most cost-effective manner.

Through this policy, Council delegates to administration the authority to incur expenditures in accordance with the current year’s Financial Plan (budget) through the processes set out in this policy. The objectives of the procurement policy are:

- 1) To ensure that Goods, Services and Construction are acquired through fair, open, transparent and competitive process that uniformly balances the interests of the taxpayer with the fair and equitable treatment of suppliers.
- 2) To promote the most cost effective and efficient use of Municipal funds and resources by acquiring Goods or Services at the optimum quality, quantity, price, delivery and performance.
- 3) To produce Goods or Services only as approved in budgets unless otherwise authorized by Council, in the case of Emergency Purchase, or if required by law.
- 4) To encourage competitive bidding for the supply of all Goods and Services and disposal of assets where applicable.
- 5) To consider Environmental Factors, Fair Trade and Ethical Procurement where practical.

Definitions:

Goods: Materials, equipment, fixtures, and structures to be delivered, installed or constructed.

Services: Any type of service provided, including but not limited, to labour, maintenance, professional, engineering, architectural and consulting.

Definitions Cont'd:

Construction: means new construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

Scope:

This policy applies to the procurement of goods, services and construction through purchase, lease, rental or other agreement, by the Municipality for both operating and capital expenditures.

During a state of local emergency where due to immediate need and time constraints normal procurement methods identified in this policy may not be able to be followed.

Process Integrity:

In order to maintain the integrity of the Procurement process and to protect the interests of the Municipality, the public, and persons participating in the Procurement process, the following shall be adhered to:

a) **Open Process:** The needs of the User Department are clearly communicated in the Bid Opportunity. The method of evaluating the Bid and the Evaluation Criteria are provided to Bidders in the Bid Opportunity. The method and format of submitting Bids is addressed in the Bid Opportunity.

b) **Fairness:** Utilize standard documents whenever practical (Instructions to Bidders, Terms of Reference/Conditions, Supplemental Conditions and Bid Forms) to ensure consistency of content and format within documents issued by the Municipality. Specify clearly all details regarding the Closing Time Opportunity for Bids and apply the rules of Bid acceptance consistently. Treat all Bidders and Bids equally and without bias or favoritism at all times.

c) **Open Competition:** Develop Specifications and Bid Opportunities that whenever possible are not restrictive and allow for Open Competition. Advertise the competitive Bid Opportunities electronically where practicable to further promote competition.

d) **Accountability:** Ensure that all Bids are kept secure prior to the Closing Time, during the evaluation period, and following Contract award. Handle all proprietary information and Bids submitted in confidence in accordance with the Freedom of Information and Protection of Privacy Act (FIPPA). Ensure that Requests for Proposals (RFP's) are evaluated by an Evaluation Committee to allow for various perspectives and opinions when reviewing and evaluating

proposals prior to Contract award. Ensure that all Bids, final rating results, and related supporting documentation are kept on file in accordance with The Municipal Act's Retention Requirements for future reference, audit, or examination. Ensure that Procurement policies and procedures are reviewed on a regular basis.

e) **Conflict of Interest:** No elected official or employee of the Municipality shall knowingly cause or permit anything to be done or communicated to anyone, which could cause any potential Bidder to have an unfair advantage or disadvantage in obtaining a Contract for supply of Goods, Services, or Construction to the Municipality.

f) **Obligations and Duties:** To comply with public sector Procurement rules, the Municipality must abide by the following duties which create specific obligations that must be adhered to:

- I. Duty of disclosure;
- II. Duty to award as tendered;
- III. Duty to reject non-compliant bids; and
- IV. Duty of fairness.

g) **Co-operative Group Purchasing:** The Municipality endorses the principle of cooperative group purchasing with other municipalities, school divisions or other quasi-government agencies. The Municipality may join these agencies or participate in the Association of Manitoba Municipalities purchasing program in respect of purchases in common demand.

Responsibilities:

1. All Goods Services and Construction shall be acquired in accordance with this policy.
2. All employees are responsible for:
 - a. Maintaining high legal, ethical, managerial and professional standards in the management of the resources entrusted to them, as a publicly funded institution;
 - b. Using appropriate purchasing techniques including negotiating contractual terms and conditions, cost reduction techniques and cooperating buying processes;
 - c. Using a fair and transparent process when calling for, receiving and evaluating quotations and proposals;
 - d. Securing expense authorization prior to any purchases; and
 - e. Ensuring a supplier of Goods, Services or Construction holds a valid business license where required.
3. Management is responsible for:
 - a. Ensuring all purchases are performed in accordance with this policy; and

- b. Continuously reviewing the department's use of Goods, Services and Construction to ensure the Municipality is receiving the Best Value based on considerations including but not limited to best quality, quantity, service and price
4. The Chief Administrative Officer shall provide support to Municipal staff and act as the Municipality's agent authorized to form contractual agreements with vendors. Administrative staff is responsible for:
- a. Issuing purchase orders and agreements
 - b. Maintaining records of business transactions;
 - c. Disposing of assets as required through established methods;
 - d. Ensuring all business transactions are conducted ethically and professionally and
 - e. Ensuring that Bid Opportunities are circulated to **all** qualified suppliers.

Procurement Guidelines:

Purchases in accordance with this policy may be made with a Municipal credit card by an authorized Municipal employee from an authorized vendor. Purchases are to be made on for general expenses for municipal business and travel for municipal business. Any other use must be immediately reported to the Chief Administrative Officer or Assistant C.A.O. Any charges incurred unrelated to Municipal business or unauthorized charges must be repaid immediately and employees may be subject to disciplinary action. The value of goods and services is the total financial commitment resulting from the procurement, including any shipping costs and applicable taxes The following guidelines will be followed for the purchase of Goods, Services and Construction:

- a) Up to \$5,000: No formal quotes required but may be requested by the C.A.O. and/or Public Works Foreman. No additional approval is required so long as the purchase is included in the annual budget and the budget for that particular expense category for the specified year has not been exceeded.
- b) \$5,001-\$65,000: Written quotes must be requested by the Chief Administrative Officer but are not required for procurement if the purchase is included in the annual budget, Public Works Foreman must request written authorization from Chief Administrative Officer for expenditures of this amount if included in the annual budget, otherwise approved by resolution of Council.
- c) \$ \$65,001-74,999: A minimum of three written quotes must be obtained and the purchase must be included in the annual budget, otherwise procurement requires approval by resolution of Council.
- d) Over \$75,000: Must be tendered or purchased through a competitive bid process, which includes request for quotes. This requires Council approval regardless of budget planning.
- e) Service Agreements exceeding 2 years - must be approved by resolution of Council with the exception to:

- I. miscellaneous operational service contracts valuing less than \$2,000 per year.
- f) Subject to recommendation from the Chief Administrative Officer, Council may at its discretion exempt the requirements for direct purchases that do not require competitive pricing and are authorized to avoid non-efficient use of resources. Non efficient use of resources occurs when the value of the time consumed obtaining pricing exceeds the money saved on the purchase. Direct purchasing requirements must still comply with the MASH Annex 502.4.

Methods and Process of Procurement:

The Municipality will use the following methods of procurement:

1. Sole Source

Sole Source awards are permitted in the following circumstances:

- a. In an emergency where Goods, Services or Construction are urgently required and delay would be injurious to the public interest, provided:
 - i. The Municipality Manager has so determined this to be the case; and
 - ii. The sole source award is signed by both the Municipality Manager and Chief Financial Officer;
- b. When one of the following applies:
 - i. there is only one available supplier that meets the requirements of the Bid Opportunity. For Purchases Subject to NWPTA, reasonable efforts must be made to identify potential suppliers;
 - ii. the Goods, Services or Construction to be provided are the subject of a patent, copyright, or exclusive license or distributorship. For Purchases Subject to NWPTA, a sole source is only permitted if it is not possible to hold an open competition requesting the item in question "or equivalent"
 - iii. the Goods, Services or Construction to be provided are components or replacements parts for which there are no substitutes; or
 - iv. there is a need for standardization or compatibility with existing product, facility, or service. and this has been determined to be operationally or economically beneficial to the Municipality and the Purchasing Manager has determined that workarounds to the above restrictions that would achieve open procurement are not possible; or
- c. Where the Municipality is able to 'piggyback' a new purchase on a supplier's existing agreement with another public entity, or another contract within the Municipality, and there would be a significant mobilization cost to retain another supplier.

2. Request for Quotation (RFQ)

The Municipality may obtain an RFQ for Goods, Services or Construction valued between \$5,000 and \$65,000, typically of low complexity and low risk to the Municipality, in the following manner:

- a. By directly contacting known suppliers. This method will be used for the procurement of minor goods and services such as standard office supplies, repairs or small tools. Where

possible, written quotations will be obtained from three suppliers. Verbal quotations will be accepted for routine minor purchases; or By a written RFP where the cost of the item does not warrant the time and level of effort required for a tender. Suppliers will be invited to provide quotations through public advertisement.

The award will typically go to the lowest total cost bid received for items that have a low dollar value and are routine commercial goods.

3. Request for Proposal (RFP)

An RFP may be used to acquire professional services such as auditors, planning consultants and engineering consultants purchases.

- a. Potential suppliers will be asked to describe how their services, methods, equipment or products can address the needs of the Municipality; and
- b. In the case of Purchases Subject to NWPTA, the professional services (other than legal services) will be acquired by Invitation to Tender.

4. Invitation to Tender

The Municipality shall issue an Invitation to Tender for Purchases Subject to NWPTA and for purchases greater than \$75,000.

- a. Detailed terms and conditions will be provided in the Bid Opportunity;
- b. A tender is a formal, competitive sealed bidding process with legal requirements
- c. Purchases Subject to NWPTA will be tendered using MERX; and
- d. A Public Opening of the Bids will be completed at Municipality Hall on the advertised date. An equivalent process will be followed for Bids processed through MERX.

5. Price Request

The CAO or designate may issue a solicitation to obtain pricing for low dollar value acquisitions with a budget between \$5,000 and \$65,000.

- a. The Price Request is not publicly advertised;
- b. An invitational bid is sent to a minimum of three (3) bidders; and
- c. The basis for award is the lowest evaluated bid.

6. Firm Price List

The purchasing department may issue a request to obtain rates for Goods, Services, or Construction to be used on a short term basis only.

- a. Pricing may be submitted for hourly, weekly or monthly rates;
- b. No Award is made. A list of Bidders' pricing is provided internally for a use on an 'as required' basis; and
- c. Firm price list may be made available for viewing by a Bidder for a specified project upon written request to Procurement services.

Miscellaneous Materials, Works, and Fuel Purchases:

Receipts for all purchases; including fuel, shop supplies, office supplies, etc. must be signed or initialed by the employee indicating the vehicle, equipment, project, or general use of the purchase in which it should be charged to.

The Finance Clerk shall compare purchases to monthly invoices, and/or statements before payment is issued.

Exceptions to Tendering Requirement:

- a. Procurement made through the AMM Municipal Trading Company;
- b. Procurement made for Water and Sewer Service Connections and Incidental Mainline Extensions;
- c. Procurement conducted through the Manitoba Water Services Board;
- d. Procurement made during a time of emergency; and
- e. Professional services, including but not limited to engineering, auditing, or banking.

Litigation Exclusion:

The Municipality exercises its right to refuse to deal with a contractor who has commenced legal proceedings against the Municipality or is otherwise engaged in a dispute with the Municipality. Tenders may not be accepted by the Municipality for any person, corporation or other legal entity (the "Party") if the Party, or any officer or director of the corporate Party is, or has been within a period of two years prior to the tender closing date, engaged whether directly or indirectly through another corporation or legal entity in a legal proceeding initiated in any court against the Municipality, or is otherwise engaged in a dispute with the Municipality in relation to any contract with, or works or services provided to the Municipality, and any such Party may not eligible to submit a tender.

Community Advantage Allowance:

Purchasing under the lowest thresholds stated by trade treaties, (CFTA, NWPTA) may be entitled to a community advantage allowance of 15% of the lowest bid for award consideration. Such allowance shall be applied at the discretion of the Committee of the Whole or individual to bidders that bring value to the community if their bid was awarded. Entitlement for the discretion must be stated in the bid solicitation.

Lowest applicable procurement threshold is set by MASH Sector NWPTA.