

Rural Municipality of Riding Mountain West

Box 110

Inglis, Manitoba R0J 0X0

Ph: 204-564-2589

Fax: 204-564-2643

Email: [info@rmwest.ca](mailto:info@rmwest.ca)

Website: [rmwest.ca](http://rmwest.ca)

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| Policy No. ADM 04                            | Reference: General Administration |
| Policy Title: Tendering & Procurement Policy | Pages: 6                          |
| Policy Effective: October 2, 2012            | Policy Amended: May 13, 2020      |

### Purpose

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.

### **SECTION 1: PRINCIPLES**

The following principles will guide the procurement practices of the Rural Municipality of Riding Mountain West and the process for 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 the dollar 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.

### **SECTION 2: DEFINITIONS**

**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 or verbally requested 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 property including machinery and gravel, etc.

**Services** mean all types of services including construction and auditing, etc.

### **SECTION 3: 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.

### **SECTION 4: PROCUREMENT GUIDELINES**

The value of the goods and services is the total financial commitment resulting from the procurement.

The following guidelines will be followed for the purchase of goods and services including any premiums, fees, commissions, interest, duty, freight and applicable taxes.

- **Up to \$2000.00** – Goods and services must be purchased in the most economical and efficient manner. For expenditures up to \$2,000.00, shall be purchased without estimates or quotes at the judgement of the CAO or designated officers is considered sufficient to obtain the best value for the money for the Municipality.
- **More than \$2,000.00 and less than \$10,000.00** - at least 2 quotes must be requested. 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 \$10,000.00** - the Municipality will provide a bid opportunity, using a procurement method identified in Section 6 of this policy.

Bidding opportunities will be posted on the municipality's website and advertised in local papers.

The bid opportunity will also be posted on MERX and/or another system which is low cost, easy to use and readily acceptable 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.

### **SECTION 5: 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.
  - where supplier has working knowledge of the existing infrastructure.
- **Requests for Quotation** -the Municipality may obtain quotations for provision of the 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 goods and services.
      - Written quotations are always preferable, but a verbal quotation is generally adequate for purchases. If verbal quotes are provided, care is to be taken to keep accurate documents of the quotation.
      - The Municipality may contact only local suppliers if it has been determined that sufficient competition exists.
    - **by preparing 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.
  - **Request for Proposals (RFP)** - a RFP will be used to acquire professional services, such as auditors regardless of the amount of anticipated procurement.
    - Potential suppliers will be provided with the details and requirements to be met for the needs of the Municipality.
    - An award of 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 assets and will provide detailed specifications that permit the evaluation of tenders against clearly stated criteria and specifications. This formal competitive process will be used for capital assets and construction projects. The formal tender may be both advertised and requested.

## SECTION 6: ADVERTISING BID OPPORTUNITIES

All bid opportunities solicited through a Request for Quotations, Request for Proposals, or a Formal

Tender will either be posted locally, verbally requested or advertised on the municipal website and in local newspapers.

All bid opportunities for the procurement of goods and 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 systems (MERX) and/or another system which is low cost, easy to use and readily accessible across Canada.

#### **SECTION 7: 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 a good or service.
- To the bidder whose proposal has met established evaluation criteria, in the case of proposals submitted to the Municipality in response to Request for Proposal.
- To the lowest cost bid received from a supplier meeting 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.

#### **SECTION 8: DELEGATIONS OF APPROVALS**

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

- **Up to \$2000.00** – CAO or designated officer, as long as the expenditure is identified in the Municipality's financial plan
- **More than \$2,000.00 and less than \$5,000.00** - CAO as long as the low bid is accepted, and the expenditure is identified in the Municipality's financial plan
- **More than \$5,000.00** - or where the low bid is not accepted - Council
- All contracts for professional services - Council

## **SECTION 9: PROCUREMENT ACCOUNTING AND MANAGEMENT**

**Procurement Tracking System** -The CAO will prepare accounts payable listings that include the supplier name, the goods and/or services provided and the amount payable to each supplier.

The accounts payable listing, supported by invoices that have been signed by the appropriate department head(s), are to be submitted to Council at the regular meeting of Council each month for approval of payment by resolution of Council.

The CAO 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.

**Procurement Reporting System** - The CAO will provide Council with a monthly report on any contracts awarded under this policy.

The CAO 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.

## **SECTION 10: PROCESS FOR SELLING SURPLUS CAPITAL ASSETS**

Surplus capital assets will be disposed of utilizing a competitive process through a Request for Quotations or public auction.

Invitations to bid on capital assets offered for sale by the Municipality will be advertised and posted.

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 decides not to proceed with the sale, for example if bids are too low. The highest or any bid may not be accepted.

The CAO may, with the approval of Council award surplus capital assets without competition or auction to any municipality in limited circumstances, as determined and approved by Council