



TOWN OF PINCHER CREEK POLICY



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| Reference: Resolution #95-07 | Revision Date/by: Council-November 13, 1995 Resolution #95-636 Council-January 26, 1998 Resolution #98-48 Council-June 23, 2001 Resolution #01-264 Council-June 24, 2002 Resolution #02-257 Council-November 25, 2002 Resolution #02-460 Council-January 9, 2006 Resolution #06-009 Council-July 16, 2008 Resolution #08-240 | |
| Title: | PROPOSAL, TENDERING AND PURCHASING POLICY | |

Policy Statement

The Town of Pincher Creek will provide guidelines for the tendering and purchasing of goods and services.

1. Definitions

- 1.1 Bidder means a person, group of persons, corporation or agency that submits a bid or proposal for the supply of goods and/or services to the Town.
- 1.2 Material Labor Payment Bond in the amount required as stated in the project specifications, certified by a bonding agent registered as such in the Province of Alberta.
- 1.3 Performance Bond, in the amount required as stated in the project specifications, certified by a bonding agent registered as such in the Province of Alberta.
- 1.4 CAO shall mean the Chief Administrative Officer as appointed pursuant to the Municipal Government Act.
- 1.5 Council shall mean the Council of the Municipality of the Town of Pincher Creek and shall include the Mayor.
- 1.6 Directors shall mean the Directors of Operations, Community Services and Corporate Services.

2. Responsibilities

2.1 CAO to:

- 2.1.1 provide forms and procedures to support the implementation of this policy.
- 2.1.2 be the sole signature required on documents for purchases approved by resolution of Council.
- 2.1.3 decide whether to issue a formal tender or a Request for Proposal.

2.2 Directors to:

- 2.2.1 ensure that all tendering, call for proposals and purchasing complies with this policy.

2.3 Director of Finance & Human Resources to:

- 2.3.1 provide procedures for the recording of purchases into inventory and for insurance purposes.

3. Location of Source

- 3.1 In compliance with the Agreement on Internal Trade, goods in excess of \$100,000 and services in excess of \$250,000 shall be electronically advertised on a national basis.

4. Tendering

- 4.1 Tenders and proposals shall be requested from not less than the number of sources listed below:

- 4.1.1 Up to \$2,500, no quotations are required.
- 4.1.2 \$2,501 to \$10,000, every effort will be made to obtain 3 written quotations.
- 4.1.3 \$10,001 and up, every effort will be made to obtain 3 quotations by sealed tender or a formal Request for Proposal to be issued at the direction of the CAO.
- 4.1.4 Where, in an attempt to patronize local businesses and three local suppliers are not available, the CAO may deem it is appropriate to accept tenders from two local suppliers rather than go outside of the Town of Pincher Creek.

- 4.2 Where tenders or proposals are received that do not comply with Section 4.1 the tenders or proposals received will be accepted provided that:
 - 4.2.1 tenders or proposals received are believed to reflect a fair market price based on the conditions of the request for tenders or proposals, and
 - 4.2.2 the successful bidder is capable of providing the goods or services as per the conditions of the request for tender or proposal.
- 4.3 Where the nature of the services requested do not provide the competition necessary for the tendering or call for proposal process, Administration shall provide to the Procurement Review Committee a detailed explanation of why there was not a competitive bidding process. Certain services such as the specialty cleaning of arena boards is only done by one firm in Southern Alberta and would make it extremely difficult to obtain competitive quotations. Consideration may be given for availability of repairs, parts and services. Other examples of this are certain specialty legal, architectural and engineering services.
- 4.4 The Town may consider the following factors when making its decision to award tenders or proposals:
 - 4.4.1 Any past experience with the Bidder, or lack thereof;
 - 4.4.2 The results of any reference check done by the Town;
 - 4.4.3 Information relating to the financial state of the Bidder, however obtained.
- 4.5 The Town, at its sole discretion, may invite specified bidders to bid on the providing of any services or goods to be supplied to the Town and restrict the bidding to those that have been invited.
- 4.6 The Town shall not be required to accept the lowest or any tender or proposal, and its decision shall be final and binding. This applies to any tender or proposal requested.

5. Request for Tender or Proposal Process

- 5.1 Sealed tenders or proposals shall be processed in the following manner:
 - 5.1.1 sealed tenders or proposals to be received by a designated time and day;
 - 5.1.2 the sealed tenders or proposals will be considered invalid if opened prior to the public opening if the contents are disclosed to any member of Town staff prior to the public opening;

- 5.1.3 sealed tenders or proposals shall be opened by at least two members of Town staff;
 - 5.1.4 the opening shall be open to the public and held at the Town Office on a designated day and time;
 - 5.1.5 the time and date shall be written on each tender or proposal and initiated as each sealed tender or proposal is opened. A summary sheet shall be immediately prepared and shall be signed by members of Town staff.
- 5.2 Withdrawal of a sealed or written tender or proposal will only be accepted prior to deadline for receipt of tenders or proposals. The request to withdraw the tender or proposal must be received in writing.
 - 5.3 Requests for sealed tenders or proposals may be advertised or by invitation to specified bidders.
 - 5.4 Seasonal work or work provided through unit pricing may be tendered based on the total funds to be spent during the award period of the tender.
 - 5.5 Award of hourly billed services shall be based on price, availability to complete work required, past history, and experience in the area requested dependent upon complexity of issues.
 - 5.6 All requests for sealed tenders shall be advertised unless it is determined by the CAO that invitational tenders will be beneficial to the community. This may occur when there are a number of local companies providing a service and the Town does not wish the work to be awarded outside of the community, or where the work is of a specialized nature.

6. Information to Bidder

- 6.1 Each request for a sealed tender or proposal shall provide a clearly defined description of the goods and/or services required by the Town, and shall include a statement that the terms of this policy shall apply to each bid.
- 6.2 If additional information is developed during the request for sealed tender or proposal period, due to meetings, questions raised, or changes in specifications, this information shall be forwarded in writing to all bidders.
- 6.3 Where telephone quotations or written quotes are requested, staff shall ensure that the same information and deadline is given to each person quoting.
- 6.4 Information received from any bidder shall not be revealed to other bidders until the tender or proposal deadline has passed.

- 6.5 Any member of the public may, within 3 years of the close of tender date, inspect the tender request and all tenders received.
- 6.6 Call for tenders or proposals shall state:
 - 6.6.1 That requests for additional information must be made in writing, and that the Town will provide a written response to all registered Bidders.
 - 6.6.2 The Town reserves the right to accept or reject any or all tenders or proposals and to waive irregularities and informalities at its discretion. The Town reserves the right to accept a tender or proposal other than the lowest tender without stating reasons.

7. Security and Bonding

- 7.1 If a bid deposit is required, a cheque payable to the Town of Pincher Creek, in the amount specified in the tender or proposal request shall be submitted with the tender or proposal.
- 7.2 A bid deposit will be forfeited to the Town if the successful bidder fails to accept the award of tender or proposal within 30 days.
- 7.3 If a Performance Bond is required the successful bidder shall submit it to the Town following the award of tender or proposal, within the time specified, and the Performance Bond shall be retained by the Town until the terms of the tender or proposal are complete. The Performance Bond will be forfeited to the Town if the successful bidder fails to comply with the terms and conditions of the award. If a Performance Bond is not submitted within the time specified, the award of tender or proposal will be considered withdrawn.
- 7.4 If a Material and Labor Payment Bond is required the successful bidder shall submit it to the Town following the award of the tender or proposal, within the time specified, and the Material and Labor Payment Bond shall be retained by the Town until the terms of the tender or proposal are completed. The Material and Labor Payment Bond will be forfeited to the Town if the successful bidder fails to comply with the terms and conditions of the award. If a Material and Labor Payment Bond is not submitted within the time specified, the award of tender or proposal will be considered withdrawn.
- 7.5 When required by the terms of the award of tender or proposal an insurance certificate evidencing required insurance coverage, and if required naming the Town as an additional insured, shall be submitted within the time specified.

8. Analysis of Tenders or Proposals

- 8.1 The following factors, presented without any priority, shall be used to evaluate all bids received:
 - 8.1.1 Price, based on the FOB location, same currency, and with discounts applied.
 - 8.1.2 Record of a bidder's previous performance on quality, service and delivery.
 - 8.1.3 Ability of the bidder to meet the requirements of the tender regarding quality, specifications, delivery and service.
 - 8.1.4 Standardization of goods to reduce inventory and future costs.
 - 8.1.5 Bulk Purchasing, through larger quantities, cumulative quantities or bulk packaging.
 - 8.1.6 Life Cycle Costs of goods or services.
- 8.2 Use of products that contain recycled material, are recyclable or reusable is encouraged.
- 8.3 The Town reserves the right to reject any and all tenders or proposals for any cause, or reject all tenders or proposals without cause.

9. Authority to Purchase/Contract

- 9.1 CAO and Directors: up to \$20,000 excluding GST, provided the expenses fall within the current approved budget amount and, in the case of a multi-year commitment, that the entire committed amount does not exceed \$20,000, excluding GST.
- 9.2 CAO: between \$20,001 and \$200,000 excluding GST, upon recommendation of one or more directors, provided the expenses fall within the current budget amount and, in the case of a multi-year commitment, that the entire committed amount does not exceed \$200,000, excluding GST.
 - 9.2.1 Council will be made aware of all purchases made pursuant to Section 9.2 before the next regular council meeting. This report will include the rationale for the selection and make reference to the budget in which the purchase was approved.
- 9.3 \$200,001 and above by Council resolution

- 9.4 Staff shall forward copies of tender or proposal documents and the successful bid to the Municipal Treasurer.
- 9.5 In an emergency situation, defined by the CAO or the Director of Disaster Services, authority is granted to spend up to \$50,000 without the need to tender or call for proposal on the sole authority of the CAO or the Director of Disaster Services. During the emergency, spending in excess of \$50,000 is to be approved by Mayor or Deputy Mayor, or in absence of both, any Councillor, and CAO or Director of Disaster Services without the need to tender or call for proposals.
- 9.6 Except for an emergency situation, all suppliers shall have a current Town business license.

10. Contingency Allowances

- 10.1 Contingency allowances for the specific purchase or project, may only be spent to meet the costs of unexpected site conditions, which prevent the contractor from meeting the project specifications approved by Council.
- 10.2 Contingency allowances and unspent project funds may only be applied to changes in project specifications approved by resolution of Council.

11. Government Grants

- 11.1 If provincial or federal government grants form part of the financing required for a project, the following shall apply:
 - 11.1.1 Administration to check the requirements of the grant and funding agreements and ensure call for tenders or proposals reflect any special requirements.
 - 11.1.2 If the Town does not want to proceed with the project unless the grant funds are secured:
 - 11.1.2.1 tender or proposal acceptance should state that acceptance subject to grant approval, or
 - 11.1.2.2 tender or proposal should not be accepted until grant funds are confirmed.

12. End of Policy