

TOWN OF CHURCHBRIDGE'S PURCHASING POLICY

This policy is established in accordance with Section 184 of *The Municipalities Act*.

1. PURPOSE

The purpose of this policy is to establish general guidelines for expenditure of municipal funds and to delegate certain authority with regard to the approval and execution of certain contracts and agreements for the purchase of goods, services and work.

2. DEFINITIONS

Acquisition Method – the process by which goods, equipment, or services are procured and may include requests for Quotations, invitations to bid, requests for proposals, tenders, and direct negotiations.

Bid – Offer to supply services and goods under stated terms and conditions.

Contract – A written document containing all terms and conditions, signed by both parties to the contract for goods and services to be delivered. Example of contracts can include leases, service contracts, and public private partnerships.

Consultant – includes individuals and firms who provide professional services, reports, opinions and recommendations in areas that the Town has limited or no existing resources in. For the purpose of this policy, consultant will not include those who perform day to day functions as an extension of in-house resources or those who are retained for on-going municipal operations.

Emergency Purchase – Any purchase made that is required to maintain operations, safety, and reduce the service level impact due to equipment or plant failures.

Request for Proposal – A request to Vendors to submit a proposal to a scenario that is innovative and provides options that are otherwise not readily available.

Multiple Party Acquisition – Whereby multiple outside organizations participate in procuring goods or services together to achieve larger economies of scale for pricing.

Public Tender – A process requiring documents which contain the Specifications and conditions on which the Town will enter into a contract with the bidder to be publicly advertised and opened at the close of the tender.

Quotation – The process of securing price Quotations from selected Vendors for required goods or services verbally or via telephone, email, and/or fax. All verbal quotes shall be appropriately documented.

Purchasing Authority – Authority to which employees can acquire or can enter into or sign on behalf of the Town for purchases made.

Related Party Vendors - Any Vendors that supplies products or services for use in the Town's operations that is non-arms length to any Town official that has the ability to exercise management control over Town resources.

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Sole Source – When there are very limited suppliers capable of supplying the required goods or services to meet the Town’s demands in a timely fashion, an agreement with one company may be struck for work that is not advertised or Quotations have not been received from more than one Vendors.

Specifications – Detailed description of construction workmanship, materials, equipment, and performance required from a product or service.

Technology – All items that are currently being used by the Town in the day to day operations such as, but not limited to: Cell Phones, Desktop and Laptop Computers, Servers, and Software.

Vendors – Seller/supplier of goods and services.

3. ACQUISITION OF PRODUCTS AND SERVICES

When the Town decides to purchase goods or services, it shall be done through a competitive Acquisition Method. The monetary amounts for the acquisition process is as follows:

- a. All purchases greater than \$3,000 and less than \$5000 shall have a minimum of two verbal Quotations from Vendors that provide the necessary services and products;
- b. All purchases between \$5,000 and \$15,000 shall have a minimum of three written or facsimile or email Quotations from Vendors that provide the necessary services and product;
- c. A Public Tender, Request for Proposal or requests for a Quotation shall be used for all purchases exceeding \$15,000 and shall be advertised on readily available and affordable advertising mediums;
- d. A Public Tender on provincial websites such as www.sasktenders.ca shall be used for all purchases that exceed the following amounts:
 - a. \$200,000 and higher for any and all construction activities;
 - b. \$75,000 and higher for goods;
 - c. \$75,000 and higher for services;
- e. Sole Source contracts can be awarded for all acquisitions where deemed in the best interests of the Town to do so with Council approval. Further, Sole Sources may be used under the following circumstances:
 - I. Where there is no response to a competitive process;
 - II. To ensure compatibility with existing products and services, to recognize exclusive rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
 - III. To purchase an item for testing or trial use;
 - IV. Where goods or services are in short supply due to market conditions, including geographic limitations and lack of competition;
 - V. To purchase an item directly for resale;
 - VI. To exercise a purchase option under a rental contract;
 - VII. Where a situation of urgency exists and competitive methods of purchasing would result in the Town’s inability to obtain the goods or services in time; or

- VIII. Where goods and services relating to matters of a confidential or privileged nature are required and disclosure of these matters could reasonably be expected to compromise confidentiality, cause economic disruption, or otherwise be contrary to the public interest;
- f. Quotations, Public Tenders, and Requests for Proposals shall be obtained from local suppliers where a supplier exists locally;
- g. Minimum advertising period for all Public Tenders, Request for Proposals and all other Contracts shall be 10 business days unless stated differently in provincial legislation;
- h. Wherever possible the Administrator or his/her designate shall endeavor to maximize the purchasing power of the Town through centralized purchasing, multiple party acquisition, and any other reasonable means;
- i. The Administrator or his/her designate may identify and implement procedures around the centralized acquisition of various services or products within Town operations that is in accordance with Section j;
- j. Multiple Party Acquisition of goods and services is permitted under this policy providing:
 - a. The lead party to the procurement process acquires the goods and services in a manner similar to Section 3;
 - b. The procurement process is in compliance with provincial and federal legislation.

4. ACQUISITION AUTHORIZATION LEVELS

The Town Administrator and employees shall ensure that all purchases are properly documented, are within approved budget and conform to the spending authorization levels detailed below.

- i. Employees – Up to \$500 per event or transaction;
- ii. Town Foreman- Up to \$2,500 per event or transaction;
- iii. Town Administrator- Up to \$10,000 or 2% of contract price (whichever is less) per event or transaction for contract change orders and \$5000 for all other events or transactions;**
- iv. Council – for any amount over \$2500 per event or transaction.

The Town Administrator may expend up to a maximum of \$30,000 on emergency purchases, when, due to the nature and timing of a situation, it is not practicable to acquire goods, services or work through the normal Acquisition Method.

Where unexpected or unforeseen events occur that cause significant impairment to the Town's ability to deliver safe and reliable service to residents, the Town Administrator may make the necessary purchases outside of the normal purchasing process to ensure the safety of employees, residents, and any other stakeholder.

** Administration has the authority to approve a contract change order for the amounts provided above without a Council resolution. Administration shall consult with the Mayor and designated Councillors from a specific committee before a decision is finalized. For example, for a Water Treatment Plant contract change order, the Mayor & the two Councillors responsible for the Utilities Committee would be consulted for expertise. After the consultation, Administration would inform the applicable contractor of the contract change order and the direction that is to be enacted.

The acquisition of all goods, services or works must be provided for in the current operating or capital budgets unless otherwise approved by Council and a source of funding is identified.

5. SPECIFICIATIONS

Staff shall be responsible for preparing Specifications, and any changes thereto.

Staff shall ensure that such Specifications, or changes thereto, are as broad as practicable to assure competitive bids.

Criteria that will be considered and analyzed in the award of a tender, other than and/or in addition to lowest qualified bid meeting the Town's Specifications, shall be clearly set out in the Public Tender document.

6. TENDER ACCEPTANCE CRITERIA

In all cases, the Town reserves the right to refuse any or all tenders, bids or proposals.

Where the Town decides to accept a tender or bid, it shall accept the lowest qualified tender or bid meeting its Specifications, unless the tender documents set out additional and/or other acceptance criteria.

Qualified means that in the opinion of the Town, the tenderer or bidder has the expertise and ability, physically and financially, to supply or perform the goods, services or works tendered or bid, and whose past performance or references are satisfactory to the Town.

In the case of Requests for Proposals, the Town may accept the proposal which, in the opinion of the Town, best meets the requirements of the Town, or may negotiate additional specifications or criteria.

7. WITHDRAWING OR AMENDING BIDS

Any tender or bid may be withdrawn or amended by the bidder prior to the close of tenders or bids.

Any unopened or invalid tender submission shall be returned unopened to the address provided on the submission and recorded as withdrawn from the tender competition.

8. AWARDING OF CONTRACTS

The Town Administrator may award a Contract where funds have been provided for in the approved budget and where the Contract is to be awarded to the lowest qualified bidder meeting all criteria and Specifications and the Contract is less than \$15,000.00.

Town Council may award contracts where:

- (a) the contract is less than \$15,000.00

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- (b) the lowest recommended bid would exceed the approved budget;
- (c) sufficient funds have not been provided for in the approved budget, with the exception of purchases outside of the normal purchasing process to ensure the safety of employees, residents, and any other stakeholder;
- (d) the contract award is of a controversial nature;
- (e) the Town Administrator, for any reason, refers the award of the Contract to Town Council.

9. CONFLICT OF INTEREST

No Town employee shall place himself/herself or another in a position of advantage or conflict when acquiring goods and services on behalf of the Town. Potential conflicts should be referred to the Town Administrator in advance for clarification.

All employees shall endeavor wherever possible to reduce the use of a Related Party Vendor. If such a Related Party Vendor is unavoidable, the employee must fully disclose the nature of the transaction and seek approval of the Town Administrator or his/her designate.

10.0 SOURCES OF SUPPLY

The Town shall endeavor to ensure that as many Vendors as possible are given the opportunity to quote with respect to Town purchases, and shall attempt to obtain the minimum number of Quotations as defined in Section 3.

Wherever possible, employees should avoid specifying exclusive products and should provide for equivalents and/or approved alternates, in an effort to increase competition.

The Town may decide not to consider Vendors whose past performance has been unsatisfactory.

Where no competitive supply markets exist, employees may employ whatever value analysis and negotiation methods, consistent with the intent of the overall policy, they deem appropriate to obtain acceptable products at the lowest possible price.

11.0 CONTRACT LENGTH

The Town Administrator may enter into long term service and purchase contracts providing it is in the best interest of the Town to do so due to price stability, increased cost savings, or any other means that provides advantages to the Town.

The maximum length of any initial Contract with any Vendors shall be no longer than 3 years, with the overall vendors partnership term not exceeding 5 years with Contract renewals.

12.0 EXCEPTIONS

The procedures set out in this policy shall not apply to the following recurring expenditures:

- (a) Refundable Employees Expenses
 - a. advances,
 - b. meal allowances,
 - c. travel;
- (b) Employer General Expenses
 - a. employee wages,
 - b. employee training & education,
 - c. memberships,
 - d. medical & group benefits,
 - e. vehicle licenses,
 - f. debenture payments,
 - g. insurance,
 - h. grants to agencies,
 - i. economic development,
 - j. legal claims,
 - k. petty cash replenishments,
 - l. tax remittances,
 - m. sinking fund payments,
 - n. indefinite software;
- (c) Special Services
 - a. committee fees,
 - b. temporary help,
 - c. utility relocations;
- (d) Utilities
 - a. postage,
 - b. water,
 - c. power,
 - d. gas,
 - e. telephone,
 - f. communications;
- (e) RCMP Contract;
- (f) Professional services
 - a. legal,
 - b. audit,
 - c. consultants,
 - d. architects;
- (g) Ongoing operating and service contracts in force;
- (h) Land sales and land purchase contracts;
- (i) Entertainment services.

13.0 GENERAL

The use of any Town name or right in any purchasing activity by employees or a third party Contractor acting on behalf of the Town shall receive prior approval from the Town Administrator or his/her designate.

A listing of all cheques shall be reported back to Council as part of the regular meeting reporting.