

# TOWN OF VULCAN

## Policy Manual

<u>POLICY NUMBER</u>			<u>TITLE OF POLICY</u>
<b>F-01</b>			<b>Purchasing and Tendering</b>
Approval	D/M/Y	Resolution #	
<b>Amended</b>	<b>08/02/2016</b>	<b>16.038</b>	
<b>From: F-20</b>		<b>To: F-01</b>	
<b>Amended</b>	<b>01/23/17</b>	<b>17.029</b>	

### STATEMENT:

The Town of Vulcan requires a policy to ensure the fair, timely and economical purchasing and tendering of Town supplies and services.

### 1. Definitions

- 1.1 **Bidder** means a person, group of persons, corporation, or agency that submits a bid for the supply of goods and/or services to the Town.
- 1.2 **Local Supplier** means a business having a current Town of Vulcan business license, or a business located within the Town that is exempted from the requirement of having a business license.

### 2. Responsibilities

- 2.1 Municipal Administrator to:
- (a) provide forms and procedures to support the implementation of this policy.
  - (b) hold a public opening of all tenders
  - (c) be the sole signature required on documents for purchases approved by resolution of Council.
  - (d) award the tender and approve purchases in conjunction with the Finance Manager and the appropriate Department Head.
- 2.2 Appropriate Department Head and Finance Manager to:
- (a) ensure that all tendering and purchasing complies with this policy

### 3. Location of Source

- 3.1 Where other factors are equal, the source of goods or services shall be:
- 1<sup>st</sup> Town of Vulcan
  - 2<sup>nd</sup> Vulcan County and locations within 50 km of the Town
  - 3<sup>rd</sup> Alberta
  - 4<sup>th</sup> Canada
  - 5<sup>th</sup> United States
  - 6<sup>th</sup> Global

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### **4. Purchasing – Operation (Goods & Services)**

- 4.1 Refer to Item 3.1 above for preference source of purchasing.
- 4.2 Authority to purchase shall be set as follows;
  - (a) Up to \$250, any permanent Town employee
  - (b) \$250 to \$5,000 Appropriate Department Head
  - (c) Up to \$10,000, Municipal Administrator
  - (d) \$10,001 and up, by Council resolution where not provided for in the Annual Budget.
- 4.3 All appropriate invoices shall be forwarded to the Finance Manager.
- 4.4 All invoices referred to in 4.3 shall be approved by the appropriate department head. This approval should be indicated by initials on the invoice.
- 4.5 In an emergency situation, defined by the Municipal Administrator or the Director of Emergency Management, authority is granted to spend up to \$50,000 without the need to tender on the sole authority of the Municipal Administrator or the Director of Emergency Management. During the emergency, spending in excess of \$50,000 is to be approved by the Mayor or the Deputy-Mayor or, in absence of both, any Councillor and Municipal Administrator or Director of Emergency Management without the need to tender.
- 4.6 Except for an emergency situation, all suppliers shall have a current Town business license, or be exempted from the requirement to have a Town business license.
- 4.7 All purchases must be based on price, and quality of services of goods.

### **5. Tendering – Capital Expenses**

- 5.1 Unless otherwise directed by Council, acquisition of Goods and Services of capital nature shall follow the tendering process, requested from not less than the number of sources listed below.
  - (a) Up to \$5,000, no quotations are required provided that a local supplier is used. If a local supplier is not available, three quotations shall be obtained by phone, if the order is over \$2,500.
  - (b) \$5,001 to \$10,000, three written quotations shall be obtained.
  - (c) \$10,001 to \$20,000, three quotations by sealed tender shall be obtained.
  - (d) \$20,001 and up, quotations by sealed Public Tender shall be obtained.
- 5.2 Where tenders are received that do not comply with Section 5.1, the tenders received will be accepted provided that:
  - (a) tenders have been requested from all local suppliers of the goods or services requested.
  - (b) tenders received are believed to reflect a fair market price based on the conditions of the request for tenders; and
  - (c) the successful bidder is capable of providing the goods or services as per the conditions of the request for tender.

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**5.3** Where the nature of the services requested do not provide the competition necessary for the tendering process, Council may, by resolution, provide for special tendering and award processes. Examples of this are certain legal, architectural, and engineering services.

### **6. Request for Tender Process**

**6.1** Sealed tenders shall be processed in the following manner:

- (a) Sealed tenders to be received in a sealed envelope by 9:30 a.m. on a designated Wednesday.
- (b) The sealed tender will be considered invalid if opened prior to the public opening, if received by fax, or if the contents are disclosed to any member of Town staff prior to the public opening.
- (c) Sealed tenders shall be opened by the Municipal Administrator and the Finance Manager, or a member of Town staff for the department the tender is applicable to.
- (d) The opening shall be opened to the public and held at the Town Office at 10:00 a.m. on the same day that the sealed tenders were to be received.
- (e) Each bid shall be time and date stamped, and initialled as each sealed tender is opened. A summary sheet shall be immediately prepared and shall be signed by the Administrator and staff members.

**6.2** Sealed tenders shall be processed as determined and specified by the appointed Town Engineer when received at their engineering office.

**6.3** Withdrawal of a sealed or written tender will only be accepted prior to deadline for receipt of tenders. The request to withdraw the tender must be received in writing.

**6.4** Seasonal work or work provided through unit pricing shall be tendered based on the total funds to be spent during the award period of the tender.

**6.5** Award of hourly billed services shall be based on requesting service from the lowest bid accepted. If that bidder is not available in the time specified in tender conditions, then the service shall be requested from the second lowest bid, then the third lowest bid, etc.

**6.6** All requests for a sealed tender shall be advertised unless it is determined by the Municipal Administrator 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.

### **7. Information to Bidder**

**7.1** Each request for a sealed tender shall provide a clearly defined description of the goods or services required by the Town, and shall include a statement that the terms of this policy shall apply to each bid.

**7.2** If additional information is developed during the request for sealed tender period due to meetings, questions raised, or changes in specifications, this information shall be forwarded in writing to all bidders.

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- 7.3 Where telephone quotations or written quotes are requested, staff shall ensure that the same information and deadline is given to each person quoting.
- 7.4 Information received from any bidder shall not be revealed to other bidders until the tender deadline has passed.
- 7.5 Any member of the public may, within 7 years of the tender closing date, inspect the tender request and all tenders received.

### **8. Security and Bonding**

- 8.1 If a bid deposit is required, a certified cheque payable to the Town of Vulcan in the amount specified in the tender request, shall be submitted with the tender.
- 8.2 A bid deposit will be forfeited to the Town if the successful bidder fails to accept the award of tender within 30 days.
- 8.3 If a Performance Bond is required, the successful bidder shall submit the bond to the Town following the award of tender, within the time specified. The Performance Bond shall be retained by the Town until the terms of the tender 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.
- 8.4 When required by the terms of the award of tender, an insurance certificate evidencing required insurance coverage, and if required naming the Town as an additional insured, shall be submitted within the time specified.

### **9. Local Supplier Preference**

- 9.1 Local supplier preference shall not be applicable to any purchase of goods or services where the purchase is wholly or partially funded by the Federal or Provincial government, or where any other funding agency provides conditions on the award of tenders.
- 9.2 Local suppliers shall be given a 5% advantage over non-local bids when bids are compared on price.

### **10. Analysis of Tenders**

- 10.1 The following factors, presented without any priority, shall be used to evaluate all bids received.
  - (a) **Price**, based on the same FOB location, same currency, and with discounts applied.
  - (b) **Record** of a bidder's previous performance on quality, service and delivery.
  - (c) **Ability** of the bidder to meet the requirements of the tender regarding quality, specifications, delivery and service.
  - (d) **Standardization** of goods to reduce inventory and future costs.
  - (e) **Bulk Purchasing**, through larger quantities, cumulative quantities or bulk packaging.
  - (f) **Life Cycle Costs** of goods or services.

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**10.2** Use of products that contain recycled material, are recyclable or reusable, is encouraged.

**10.3** The Town reserves the right to reject any and all tenders for any cause, or reject all tenders without cause.

### **11. Contingency Allowances**

**11.1** Contingency allowances may only be spent to meet the costs of unexpected site conditions, which prevent the contractor from meeting the project specifications approved by Council.

**11.2** Contingency allowances and unspent project funds may only be applied to changes in project specifications approved by resolution of Council.

### **12. Term of Services to Be Tendered**

**12.1** **Professional services**, when tendered, will be for a duration of three years. After the duration of the three-year agreement, Administration will have the following options available.

- (a) Tender the services for another three-year term.
- (b) Renew the agreement for another three-year period.
- (c) Renew the agreement annually from year to year.

**12.2** **Contracted services** may be tendered for a one year period. After the duration of the agreement, Administration will have the following options available.

- (a) Tender the services for another one-year term.
- (b) Renew the agreement annually from year to year.

**NOTE:** A list of professional and contracted services forms Schedule “A” of this policy.

**- END OF POLICY-**

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## **Schedule “A”**

The following is a list of the Professional and Contracted services that the Town of Vulcan may offer for Tender in accordance with this policy F-01, as needed, and from time to time.

### **Professional Services:**

Property Assessment

Financial Auditor

Banking

Municipal Engineering

Legal



### **Contracted Services:**

Janitorial

**Town of**  
**Vulcan**  
**ALBERTA**