

General

The procurement of goods and services will be facilitated by the appropriate department according to this policy.

Departments and purchasing authorities shall when possible combine the purchasing of common goods and services to achieve the most economic benefit to the Town. This may include cooperative purchases with other public sector agencies or trade programs.

The purchasing authorities shall when all factors are comparable choose a local supplier of goods and services.

The Town of Three Rivers will not be under any obligation to accept the lowest bid or any bid received in response to a verbal or written request.

Purchasing Process Thresholds

Purchase Orders

Purchase Orders shall be generated for all purchases of goods and services in excess of \$750.00 (before tax) at the time of purchase duly signed by authorized personnel except when an emergency deems otherwise, in which case a purchase order(s) will be generated immediately following the purchase by duly authorized personnel. The following are exceptions: tendered items, contract services, professional services, and utilities. All other purchases between \$0-\$749.99 shall require a signature of an approved department manager on the invoice that will be processed for payment.

FPEIM Trade Program

The Town of Three Rivers shall use the FPEIM Trade Program when applicable. This program allows for the leverage of group buying to secure preferential pricing and service. The program administers the administrative and procurement process on behalf of the Town.

Low Value Purchasing

Any one good or service with a purchase price of \$1,000 or less shall be reviewed upon receipt of the invoices, purchase order and monthly statements from suppliers to verify price, receipt of good or performance of services.

Request for Quotation

Where the value of any one good or service is between \$2,501 and \$10,000 then a request for verbal quotations shall be sought from suppliers. A recommendation of at least two quotations is suggested where it is feasible to attain for such good or service required.

Bid by Invitation

Where the value of any one good or service is between \$10,001 and \$24,999 then three written quotations shall be sought, unless the number of suppliers of that good or service is fewer than three, in which case, all suppliers will be invited to bid.

Public Tender

Where the value of any one good or service is \$25,000 or in excess then a public tender shall be solicited through public advertisement, in accordance with the "Public Tender Process" as defined below.

a) Specifications

The purchasing authorities shall prepare specifications for the goods and services to be acquired by tender.

b) Tender Documents

Tender documents shall include the following:

- i. Form of "Instructions to bidders",
- ii. Form of "Tender",
- iii. Form of "Contract Agreement",
- iv. Form of "General Conditions".
- v. Project drawings and/or specifications where required.

The above documents shall include, at least, the closing date and time, and the fact that all tenders must be in sealed envelopes clearly marked with the purpose of the tender.

c) Privilege Clause: A statement shall be included in the advertisement "The Town reserves the right to reject any or all tenders, not necessarily accept the lowest tender, or to accept any tender which it may consider to be in its best interest. The Town also reserves the right to waive formality, informality, or technicality in any tender. Every attempt shall be made to obtain competitive pricing; however, a sole source supplier may be used in the following instances.

- i. There is a lack of responsible competition for a product or service which is vital to the operation of the Community.
- ii. The product or service is unique and established as one of a kind.
- iii. The end use cannot be modified so that competitive products may be used.
- iv. There are patented or proprietary rights.
- v. A feature providing a superior use is not obtainable from similar products; and/or
- vi. the product is available from only one prime source, and not merchandised through wholesalers, jobbers or retailers where competition exists.

d) Tender Openings:

All tenders solicited by the Town shall close on Thursday at 2:00 PM. All tenders shall be received by an employee in the Town Office, who shall stamp the time and date received on the envelope and place the tender in a Tender Box. Tenders will be accepted by the email provided in the tender document. No original tender will be accepted by fax, however, due to time constraints the Town will accept amendments to tenders via fax if the tendered price is not revealed in the fax.

At the appointed time for opening, the Purchasing Authority, and one other person selected by the Purchasing Authority, shall meet in the Town Office. The Purchasing Authority will bring the tender box to a selected room for public opening. The public is permitted to view the tender opening in that room. The Purchasing Authority shall ensure that a recorder records the proceeds at the opening, including the names of those persons in attendance and the amounts of the bids. Tenders received after the closing shall be returned unopened to the bidder.

Auction Purchase

Where it has been identified for the town that it may be economically feasible to purchase goods or services by auction, the prior approval of Council is required.

Credit Card Purchase

All Managers, CAO and Mayor may be assigned and shall have authority over, subject to compliance with this policy, the use of corporate credit cards. The corporate credit cards shall have a combined limit as set by Town Council from time to time. Credit card purchases shall be based upon the following guiding principles:

1. All expenditures shall correspond to an approved budget line item and shall be charged to the appropriate ledger account
2. All expenditures shall be accompanied by receipts and other supporting documentation where appropriate
3. All expenditures shall be restricted to Town business purposes only

Professional Services

Notwithstanding any provision of this policy, contracts for professional services such as legal, accounting, planning and engineering may be extended by Town Council without issuing a tender or request for proposals if Council believes the benefit of the knowledge and expertise of the Town and its operations that is accumulated by the professional service provider outweigh any potential cost saving through a competitive bidding process.

Emergency Acquisition

An emergency purchase may occur where goods and services must be acquired but it is not reasonable to fulfill the appropriate procurement function. These may include but are not limited to;

- a) a lack of supplies or services may adversely affect the function of the municipal government, threaten public or private property, or jeopardize the health and safety of public, or
- b) interim contract agreements following the expiration of contract, breach of contract, or receipt of unacceptable bids.

Emergency purchases are to be completed using the most expedient method by the department manager or their designate. The CAO will be notified as soon as possible, and a report will be presented to Council.

Awarding of Goods and Services from Tenders or Quotes

The following guidelines should be used when evaluating quotes and tenders:

- a) Price of the good and service although the Town is not under any obligation to take the lowest bid or quote
- b) Past performance of supplier to provide satisfactory goods and services and meet required deadlines
- c) Environmental consideration and selecting environmentally beneficial goods and services where practical
- d) Complying with regional, national, and international trade agreements.

All purchases valued at \$24,999 or less shall be approved in accordance with the purchasing authorities stated in this policy. A record shall be kept of the verbal quotations and invitations to bid, where required under Purchasing Process Thresholds.

All tenders valued at \$25,000 or more shall require a report from the Purchasing Authority, including recommendation, to the Council. The Council shall consider the recommendation of the Purchasing Authority in making its decision.

If all bids received exceed the budgeted appropriation the Purchasing Authority shall report this to Council. Council shall do one of the following:

- a) Cancel the project
- b) Award to the lowest acceptable bidder based on the budget overrun, the significance and priority of the proposed project.
- c) Undertake negotiations in the scope of the work with the bidder submitting the lowest acceptable tender to reduce or alter the scope.

After approval, a formal contract shall be prepared for the total amount of the goods and services which is to be signed by the appropriate authority and the successful bidder.

Request for Proposals

When seeking professional services or goods that cannot be rigidly defined under Tender specifications, the Purchasing Authority shall prepare a Request for Proposal (RFP). Professional services include but are not limited insurance, auditing, banking, legal and engineering services. Generally, professional services will be subject to an RFP process on a three-year basis.

The RFP prepared by CAO or designate shall generally describe the scope of work or goods entailed and would invite written proposals from prospective suppliers which detail the methodology to be utilized, the time frame for completion and an estimated cost for completion of the outlined work. The Purchasing Authority may stipulate an amount for the service to enable a fairer evaluation of the proposals.

The selection of the successful bidder shall be based on consideration of the scoring of several relative factors and shall not be selected based on price alone. The authority is then authorized to negotiate a final contract with the selected bidder.

Receipt of Goods and Services

Immediately upon receipt of goods, authorized staff shall ascertain that the goods are received as ordered, relating to quality and condition. The authorized staff will forward the purchasing invoice, purchase order and receiving report to the accounting department for approval. The purchasing authority's signature on the receiving report or invoice shall signify that the good and/or service has been provided in an acceptable manner.

Rejection of delivery or receipt of goods in unacceptable condition shall be reported to the purchasing authority and accounting staff. The supplier and carrier shall be notified of this situation.

Payment for Goods and Services

Accounting staff shall verify that all appropriate steps and approvals for the acquisition are in place. Payments will be approved by the signing authority after reviewing the corresponding supplier invoice, purchase order and receiving report approved by the purchasing authority.

Disposal of Assets

As established in the Disposal of Assets policy.