Tendering Policy
Rural Municipality of Dundurn No. 314
Policy: 04-2020
Approved by Council: September 15, 2020
Resolution No. 2020-9-21
Responsible Office: Administration

Purpose:

To provide a guideline for staff and council with regards to the purchase of goods and services. In this policy a vendor is any provider of goods or services. For the purposes of this policy an agreement for lease/rental shall be subject to the same process. This policy is to encourage and stimulate competitive purchasing. IT IS THE RESPONSIBILITY OF ALL WHO HAVE BEEN DELEGATED THE AUTHORITY TO COMMIT FUNDS THROUGH THE PURCHASING FUNCTION TO ADHERE TO THIS POLICY.

1. Purchasing personnel are to:
   a. seek to obtain and purchase all goods and services at the lowest possible total cost considering the guidelines of prices, service, quality, operating costs, delivery and vendor's past performance.
   b. formulate specifications for use in bid requests to allow for the maximum number of bidders, recognizing the occasional need for purchasing items of a specific nature.
   c. maintain consistent purchasing practices and make the determination as to the most effective method of procurement depending on value, time and circumstances involved.
   d. validate the reasonableness of all prices paid for goods and services considering market conditions

2. Unless an employee has approval authority, he/she is required to obtain appropriate approval of each purchase transaction in advance of the purchase.

3. The Administrator/Chief Administrative Officer (hereinafter referred to as the CAO), is responsible for designating those who have purchasing authority, their purchasing limits and keeping and maintaining an accurate list of such. The CAO may delegate their purchasing limit to other staff/council as needed, keeping accurate records of such. The CAO may suspend the purchasing limit of anyone under this policy subject to review within seven (7) days by the Finance Committee.

4. Fragmentation of purchases shall not be used to circumvent approval limits or limits requiring quotations and tenders. (i.e. If a project requires several items totaling over $1000, you may not order each item individually in order to avoid the requirement for competitive bidding).

5. Competitive bids are to be solicited for all supplies, materials, equipment and services (with the exception of personal or professional services) over $25,000 (excluding taxes, delivery and/or mileage). This policy recognizes the occasional need for purchasing items of a specific nature or in emergency situations. The CAO will determine which of the following methods will be used based on the circumstances and magnitude of the required purchase.
   a. Projects/Purchases under $25,000
      • Estimated total cost (without tax or shipping/mileage) under $25,000

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b. Projects/Purchases $25,000 and over
  • Estimated total cost (without tax or shipping/mileage) $25,000 and over
  • Minimum# of bids/quotations: Two (2); unless specified or unless only one (1) received in required time.
  • Hardcopy/Telephone/Fax/Email quotations/bids accepted
  • Time for vendor to provide price: One working week.
c. Projects/Purchases $50,000 to $75,000
  • Estimated total cost (without tax or shipping/mileage) $50,000 to $75,000
  • INVITATIONAL TENDER
  • Minimum# of tenders: Two (2); unless specified unless only one (1) received in required time.
  • Hardcopy/Fax/Email quotations/bids accepted
  • Time for vendor to provide price: One working week.
d. Projects/Purchases $75,000 and over
  • Estimated total cost (without tax or shipping/mileage) $50,000 and over
  • OPEN PUBLIC TENDER
  • Minimum# of tenders without having to re-tender: Three (3)
  • Hardcopy/Fax/Email quotations/bids accepted
  • Time for vendor to provide price: Two working weeks unless only one (1) received in required time.
  • Formal tender process may involve consulting engineers.

6. The CAO will submit purchases to Council for prior approval in the following instances:
  a. Purchases in excess of $1,000.
  b. Purchases where other than Low Total Cost is recommended.
  c. Purchases where the budgeted amount is exceeded by more than 10%.

7. During the bid, quotation, tendering process all information with respect to competitor prices and services is confidential. Thereafter all such information is available to the public upon request.

8. The municipality/administration may maintain a list of firms/vendors/consultants qualified to undertake products and services for the municipality. The list to be kept up to date and maintained on a regular basis. This may include sending out an annual call/letter requesting information from multiple service providers.

9. In considering vendors, the following criteria may be considered:
  a. Technical expertise of the vendor for the task required
  b. Availability of proper/preferred equipment for the task
  c. Capability to execute contract within the timeframe required
  d. Past performance in municipal activities
  e. Availability for follow-up
  f. Local knowledge
  g. Scale of rates to be charged
  h. Other relevant factors

10. For proposals/tenders/quotations going to Council for consideration, they are to be first evaluated by the CAO and any appropriate department heads and a short list to be prepared and given to Council with recommendations.

11. Purchasing Limits
      a. CAO may directly authorize purchases under $1,000 unless the purchase will put a budgetary item more than 10% over budget, in which case additional approval from the Finance Committee will be required prior to approval.
      b. Acting Foreman may directly authorize purchases under $1000 unless the purchase will put a budgetary item more than 10% over budget, in which case additional approval from administration is required prior to purchase.
      c. Reeve may directly authorize purchases under $1000 unless the purchase will put a budgetary item more than 10% over budget, in which case additional approval from the Finance Committee is required prior to purchase.