

POLICY NUMBER – 26
Policy Subject/Title – Purchasing

GENERAL STATEMENT OF POLICY

26.01 To establish purchasing guidelines that provide for the procurement of goods, services and construction by the Region of Queens Municipality in a fair, open, consistent and transparent manner ensuring the best value is received.

APPLICATION

26.02 All personnel who have responsibility for the procurement of goods, services, construction, or facilities must adhere to this policy.

26.03 Chief Administrative Officer (CAO) is responsible for ensuring compliance with this policy and has the authority to award or purchase all goods, services, construction and facilities that are within the budgets approved by Council.

GUIDING PRINCIPLES

26.04 The following principles will guide the procurement practices of the Region of Queens Municipality:

- (a) encourage competitive bidding for the supply of goods, services, construction and/or facilities wherever possible and, in any event minimize the Municipality's cost of acquiring goods and services while obtaining best value;
- (b) utilize vendors, who provide satisfactory performance, based on, but not limited to:
 - Performance
 - Previous contracts
 - Credentials/experience on similar contracts;
- (c) integrate where practical, in the selection process, sustainable procurement;
- (d) ensure that qualified vendors have equal opportunity to bid on the Region's procurement activity;
- (e) respect applicable regional, national and international trade agreements, obligations and other applicable legislation;
- (f) comply with the *Public Procurement Act*, and *Regulations* made pursuant to the *Act*.
- (g) Method of procurement based on the value of the goods and services (plus taxes):
 - i) Negotiation – on purchases of less than \$10,000
 - ii) Quotation – by invitation, on purchases of \$10,000 to \$25,000
 - iii) Public Tender – by advertising, normally on purchases for goods over \$25,000, services over \$50,000 and construction over \$100,000

EXCEPTIONS TO PROCUREMENT PRACTICES

26.05 Personnel may use procurement practices for purchases described below for the procurement of goods, services, construction or facilities, with no threshold restrictions:

- (a) Where an unforeseeable situation of urgency exists and the goods, services or construction cannot be obtained in time by means of open procurement procedures. Personnel must ensure that inadequate planning does not lead to inappropriate use of this exemption.
- (b) Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest.
- (c) Where compliance with the open tendering provisions set out in this Policy would interfere with the Municipality's ability to maintain security or order or to protect human, animal or plant life or health.
- (d) The absence of tenders in response to an open or selective tender, or when the tenders submitted have been collusive, or not in conformity with the essential requirements in the tender.
- (e) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that shall be maintained by the manufacturer or its representative.
- (f) Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
- (g) For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
- (h) For the purchase of goods on a commodity market.
- (i) For work to be performed on or about a leased building or portions thereof that may be performed only by the lesser.
- (j) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- (k) For the procurement of a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- (l) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership.

- (m) For the procurement of original works of art.
- (n) For the procurement of subscriptions to newspapers, magazines or other periodicals.
- (o) For the procurement of real property.
- (p) For the procurement of goods intended for resale to the public.
- (q) For procurement from philanthropic institutions, persons with disabilities, sheltered workshop programs or through employment equity programs.
- (r) For procurement from a public body or a non-profit organization.
- (s) For the procurement of services of expert witnesses, specifically in anticipation of litigation or for the purpose of conducting litigation.
- (t) For procurement of goods or services where required to provide continuous and seamless service delivery, especially during capital project construction or for emergency purchases
- (u) For the procurement of Professional Services.

METHODS OF PROCUREMENT

Standing Offers

- 26.06 A standing offer is a source of supply available to the Municipality either through a standing price agreement with a supplier or as a member of a larger group of purchasers, and includes:
- (a) a standing agreement between the Municipality and a supplier in which the supplier commits to providing specified goods or services at a specific price for a specified period of time. Such standing agreements should themselves be the subject of a competitive tender process;
 - (b) equipment leading programs through the Government of Nova Scotia;
 - (c) Nova Scotia Provincial “standing offers” administered by the Nova Scotia Government;
 - (d) supplies and services available from the Government of Nova Scotia;
 - (e) a procurement program administered by the Nova Scotia Federation of Municipalities or the Association of Municipal Administrators;
 - (f) any other program available to several municipal units and other public sector entities such as hospitals and school boards.

Request for Quotations

- 26.07 A request for quotations process involves informally obtaining price quotations from a number of different suppliers;
- 26.08 Quotations shall be sought from at least three suppliers, except when fewer than three suppliers are available within a reasonable distance, having regard to the value of the goods and services, the shipping or travel cost and the amount of time available before the goods and services are required to be available. When it is determined to obtain fewer than three quotations, the person responsible for the decision shall document their reasons for doing so;
- 26.09 Quotations shall be obtained in writing, except when time does not permit the obtaining of written quotations, the quotations may be obtained verbally, except when this Policy stipulates otherwise. If quotations are obtained verbally, the person responsible shall document the quotation, including the time, date, supplier, price and description of the goods and services, the person from whom the quotation was obtained and the name of the municipal personnel obtaining the quotation.

Tender

- 26.10 Tenders can be in the form of “traditional tenders,” “requests for proposals,” “two- phase bids” or “pre-qualified tenders.”

Traditional Tender

- 26.11 A traditional tender is a formal invitation to suppliers to submit a bid to supply specified goods or services;
- 26.12 A traditional tender should be used when the procurement requirements of the Municipality can be clearly and completely specified;
- 26.13 Traditional tenders are not required to be opened in public, but shall be opened in the presence of at least two representatives of the Municipality the name of each bidder and the amount of their bid shall be made available to each bidder or the public, upon request;
- 26.14 The Municipality shall not negotiate with any bidders, but shall award the procurement contract to the bidder that meets the tender requirements and provides best value, where at least one bid is acceptable to the Municipality.

Request for Proposals

- 26.15 A request for proposals is a formal invitation to suppliers to describe how their services, methods, equipment or products can address and/or meet the needs of the Municipality;
- 26.16 A request for proposals may be used when the Municipality is unable to clearly or completely specify the goods or services required, and suppliers are therefore asked to provide a solution to the problem, requirement or objective. Requests for proposals may also be used for professional and consulting services;

- 26.17 In order to preserve confidentiality of sensitive commercial information contained in a proposal, proposals submitted in response to a request for proposal need not be opened in public, but shall be opened in the presence of at least two representatives of the Municipality, and a list of the proponents shall be made available to the public and the proponents upon request;
- 26.18 The Municipality shall award the procurement contract to the supplier whose proposal is determined to provide best value to the Municipality based upon the evaluation criteria set out in the request for proposals and equitably applied to all proposals, where at least one proposal is acceptable to the Municipality.

Two Phase Bids

- 26.19 A two phase bid process invites suppliers to submit bids as follows:
- 26.20 a) Phase One: one or more steps in which bidders submit proposals for evaluation, either with or without prices in a separate submission;
- b) Phase Two: only those bidders whose bids were determined to be acceptable will be entitled to submit priced bids for consideration or, where prices are submitted separately in Phase One, the prices are opened;
- 26.21 A two phase bid process may be used when detailed specifications are not available or it is impractical to prepare a specification based on price. This form of procurement has the advantages of a request for proposals in Phase One and a traditional tender in Phase Two.
- 26.22 Phase One submissions need not be opened in public, but shall be opened in the presence of at least two representatives of the Municipality and a list of the proponents will be available to the public and the proponents upon request. Phase Two bids shall be opened in public.
- 26.23 The Municipality shall not negotiate with any bidders, and shall award the procurement contract to the supplier whose proposal is determined to provide best value to the Municipality based upon the evaluation criteria set out in the Phase One request for submissions equitably applied to all proposals, and the prices in Phase Two, where at least one bid/proposal is acceptable to the Municipality

Pre-Qualified Tenders

- 26.24 Pre-qualified tenders are a form of two phase bids where only pre-qualified suppliers on a list of qualified suppliers are asked to participate.

Lease Arrangements

- 26.25 Lease arrangements are subject to the provisions of this Policy, save and except that Council's authority shall be obtained for any leases required by the *Municipal Government Act* to be authorized by Council.

Vendor Poor Performance

26.26 A vendors name may be removed from consideration for a contract based on poor performance or non-performance on a contract, as determined by the CAO.

Expenditures

26.27 Expenditures for goods and services made pursuant to this Policy shall be made in compliance with the Municipality's standard operating procedures for expenditures.

a) Every purchase of goods shall be covered by a purchase order. Department heads shall be authorized to sign purchase orders as long as they are within approved departmental budgets. In the absence of the department head, the Chief Administrative Officer or designate shall authorize the purchase order.

b) All orders for goods and services are to be made on the authorized purchase order form established for use by the Municipality.

c) Where purchase price and all other factors are equal, preference will be given to suppliers in the following order:

- i) Queens County manufacturers and suppliers
- ii) Provincial manufacturers and suppliers;
- iii) Atlantic Canadian suppliers; and
- iv) National manufacturers and suppliers.

Posting of Policy

26.28 A copy of this Policy shall be posted on the Municipality's website.

Code of Ethics

26.29 Municipal staff and Council members must ensure their conduct in relation to procurement activity is consistent with the duties of public sector entity employees in the Public Procurement Act. This includes a request for removal from a procurement activity when a personal conflict of interest may be perceived.

Compliance with Policy

26.30 All municipal personnel and council members shall act in good faith to comply with this policy; however, failure to comply with this policy does not invalidate any procurement decision or act of the Municipality, nor is the Municipality liable to any supplier or prospective supplier for failing to comply with this policy.

Effective Date and Repeal

26.31 Policy 26 "Purchasing Policy" approved on July 15, 1996, is hereby repealed.

Approved by Council: April 9, 2019