



**Policy Title: Purchasing, Consulting, & Publicly Tendered Contracts**

**Policy #: 03-06**

**Section: FINANCE – GENERAL**

**Initially Approved: July 25, 2011**

**Last Reviewed:**

**Scheduled to be Reviewed;**

**POLICY:**

This document defines the purchasing and tendering policy for the City of Rossland in compliance with the Community Charter, Local Government Act and the City’s Delegation Bylaw. City staff involved in the procurement of goods and/or services on behalf of the City must comply with the guidelines set out in this policy.

**PURPOSE:**

In general, it is the policy of the City to buy in the open market and to seek the best value for its money. Value for money does not always mean the lowest acquisition cost.

**PROCEDURES:**

**1. Budget Authority**

All goods and services must have received approval in the City’s Five Year Financial Plan and the Annual Budget. Each department is responsible for obtaining bids/tenders for all goods and services with the dollar limit stated herein.

**2. Local Preferences**

Local suppliers are those operating within the East End of the Regional District of Kootenay Boundary and having a valid business license. The local preference policy must be disclosed in all tendering/proposal call documents and advertising where the City intends to give a pre-determined percentage premium to the local supplier. The pre-determined percentage premium payable for local preference must be approved by Council prior to the tendering process.

**3. Best Value (Best buy)**

The City will buy in the open market and will seek best value based on stipulated specifications, quality, quantity, replacement parts, maintenance, standards, safety, continued dependable services after the sale, timely delivery, warranty and support services for all purchase of goods and services. Best value does not always mean the lowest pricing.

#### **4. Authorization levels**

Authorized staff must approve all expenditures before any purchase is made within the authorization levels as follows:

Chief Administrative Officer / City Manager or designate (countersignature of CFO & Department Head required)	\$75,001 to \$100,000
Manager of Finance / CFO (countersignature of Department Head required)	up to \$75,000
Department Heads (countersignature of Manager of Finance / CFO required)	up to \$75,000
Other staff (with approval of the supervisor)	up to \$5,000

#### **5. Purchases below \$10,000**

Purchases of up to \$10,000 may be done without quotations, however, every effort should be made to obtain the best value for the goods and services.

##### **Purchases between \$10,000 and \$25,000**

Purchases between \$10,000 and \$25,000 require verbal or written quotations from at least three suppliers.

##### **Purchases between \$25,000 and \$75,000**

Purchases ranging from \$25,000 to \$75,000 require formal written quotations from a minimum of three suppliers.

#### **6. Formal Quotation format**

Each formal written quotation must be submitted on a formal quotation form in a sealed envelope addressed to the designated department or if it is in an electronic format, it must be addressed to designated employee who is not designated to “open the tender”.

#### **7. Lowest bid**

In general, tender/proposal call may be awarded to the lowest bidder meeting the best value (section 3) and specifications unless the tender/proposal call has specified other criteria for the basis of awarding tender.

#### **8. Maintenance and recurring expenditures**

Quotations/tenders may not be required; however, these expenditures must be reviewed and approved by Department Heads or by staff authorized to approve such expenditures provided at all times the purchases for goods and services have been allocated and approved in the Five Year Financial Plan and the Annual Budget.

## **9. Exemptions**

The following goods and services shall be exempt from tendering and approved under the City's Delegation Bylaw:

- a) all purchases of goods and services that are of routine nature that have been approved in the annual budget;
- b) general engineering fees other than for a major project under the Five Year Capital Program;
- c) professional memberships;
- d) fees and charged for services;
- e) general consultant's fees;
- f) legal fees;
- g) licensing and permits;
- h) payment to any local, provincial and federal government under an agreement, permit, license, penalties, fines and remittances under any act and regulation.

## **10. Authorization to proceed**

Staff may proceed with the purchase of goods and services based on quotations received providing the following criteria have been met:

- a) The expenditure has been allocated and approved as part of the annual budget; and
- b) the quotation has met the criteria and specifications for the purchase of goods and services.

## **11. Authority of Chief Administrative Officer**

The Chief Administrative Officer or his designate may award contracts based on the authority provided in the City's Delegation bylaw and the purchases of goods and services approved in the annual budget, up to purchases of \$100,000. The CAO may seek approval of Council where it is in the public interest to do so. All CAO approved tenders shall be part of the Council Agenda.

## **12. Vendor invoices**

Vendor invoices must be forwarded to Department Heads for review, to ensure that the goods have been received, for coding to appropriate expenditure account and for approval of payment. Approved invoices must be forwarded to the Finance Department for payment processing and filing into accounts payable vendor files.

## **13. Calls for Tenders**

Tenders must be solicited from at least three suppliers, that are competitive and representative of the market place, where feasible and practical. The tendering process must be in compliance with TILMA and AIT procedure and regulations.

#### **14. Exception to Calls for Tender**

##### **a) Contingencies/Emergencies:**

The CAO or his designate, in consultation with Management, shall have authority to bypass the purchasing procedures in the event of natural disaster, labour dispute and other public emergencies to secure goods and services, provided a report is issued on the purchases authorized under this section.

##### **b) Special Qualifications:**

Where there is clearly only one qualified supplier of goods and services, a report shall be made for audit purposes for verification by the external auditor.

#### **15. Receiving Tenders**

Each tender must be submitted in a designated tender form according to the instructions provided in the tender. All tenders will be date and time stamped upon being received by the designated department. Any tenders received after the specified closing time must be returned to the tenderer, with date and time stamp, unopened. All tenders must contain the full name and address of the person or firm tendering, and tenders must be signed in the spaces provided. Tenders must be in compliance with the instructions issued in the tender documents unless waived for any minor discrepancies that have no material impact on the tender process or other bidders.

#### **16. Public Opening**

All tenders will be opened immediately following the closing time and this process will be open to the public. During the public opening, the tenders will be tabulated and the resulting list of bidders and total bid prices made available to the public. The public opening of the tender is not to be considered an award of the tender.

#### **17. Evaluation and Award of Tenders**

The City reserves the right to accept other than the low bid, provided the tender documents have indicated such a statement and the selection criteria. The City also reserves the right to waive minor discrepancies that have no material impact on the tender process or other bidders.

#### **18. Publicly tendered contract - Receipt of a single tender submission**

A single tender may be accepted and evaluated. The City reserves the right to either award or reject the single tender. The award or rejection shall be made in a regular scheduled Council Meeting.

#### **19. Notification of Bid Prices**

At the public opening, the bidder and the amount of the bid shall be read aloud. Other details will be released in accordance with the B.C. Freedom of Information and Privacy Act, which protects the business interest of vendors and the “negotiating” techniques of the City. The City will not disclose separate unit prices of the bidding parties.

**20. Documentation**

All documentation related to awarded tenders must be electronically filed in the City Filing System and in accordance with the Records Retention and Destruction Bylaw .

**21. Gifts and Gratuities**

City employees are expressly prohibited from soliciting or accepting any rebate, money or costly entertainment gift or gratuity from any person, company, firm or corporation to which any purchase contract is or could be awarded. Employees in contravention of this policy shall be disciplined or terminated depending upon the severity of the contravention.

**22. Requesting Department Responsibilities**

In the case of either a Public Call for Written Proposals or Invitations from Selected Proponents, the requesting department shall:

- a) provide specific details of the project, together with all the necessary elements, criteria or specifications;
- b) disclose the purpose for the works or services to be provided;
- c) define the overall objectives and goals to be accomplished;
- d) direct the prospective proponent to define or include in their return submission, a formal method for determining the scope of the project: measurement of the project; and a final evaluation to establish criteria for contract payments;
- e) outline the evaluation methods on which a proponent selection will be made.