

# Mountain View Regional Waste Management Commission Policy

	Policy No: 23-16
Policy Title: PURCHASING & TENDERING	Effective Dates: December 19, 2016
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## **PURPOSE:**

This purchasing policy is a guide to the Mountain View Regional Waste Management Commission purchasing methods. The policy will enable the Commission to obtain needed materials, equipment, supplies, and services efficiently and economically and provides the foundation for sound purchasing Procedures.

## **POLICY:**

### **Policy Guiding Principles**

1. Ensure a high level of accountability is maintained;
2. Procure the necessary quality and quantity of goods and services in an efficient, timely and cost effective manner, while maintaining the controls necessary for a public institution;
3. Encourage an open bidding process practicable for the acquisition of goods and services;
4. Recognize the value of supporting local businesses wherever possible, subject to the terms and conditions of this policy;
5. Ensure the maximum value of an acquisition is obtained by determining the total cost of performing the intended function over the lifetime of the task, including, but not limited to: acquisition cost, training cost, maintenance cost, operating cost, quality of performance and environmental impact;
6. Be subject to all applicable Commission policies and by-laws, any specific provisions of the Municipal Government Act, or other relevant legislation;
7. Promote positive vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

## Definition of Responsibilities

8. The CAO is responsible for the overall oversight of all operations and staff under the direction of the Board, as per the approved budget, policies and procedures of the Mountain View Regional Waste Management Commission.
9. The CAO, or his designate, is responsible for all aspects of the financial operations of the Mountain View Regional Waste Management Commission in accordance with the Municipal Government Act and all related Bylaws. In addition, the CAO is responsible, as follows, to:
  - a. Ensure accounts for authorized expenditures are paid in accordance with the Commission Bylaws, policies and contracts;
  - b. Oversee the formal bid process, including advertising for bids, notifying vendors, accepting bid proposals, opening bids, tabulating bids, and serving as a resource for questions from vendors and staff.
10. The CAO is responsible to:
  - a. Ensure that all contractual obligations are supported by an appropriation that authorizes the expenditure;
  - b. Comply with all Commission purchasing procedures covering procurement and disposal;
  - c. Establish guidelines for maintaining appropriate levels of inventory supplies;
  - d. Ensure the maintenance of adequate purchasing records, including a database of vendors established in an accessible vendor file;
  - e. Upon request, assist staff in locating the best source for supplies, materials, and equipment;
  - f. Assist staff in conducting negotiations with vendors concerning prices, bids, terms, deliveries, and adjustments;
  - g. Ensure all purchases are made by personnel in accordance with this policy;
  - h. Write all correspondence to salespersons and vendors, except when technical details can be better written by other staff;
  - i. Keep on file vendor information, catalogs, samples, price quotes, etc. to be used by all employees;

- j. Conduct the formal bid process, including advertising for bids, notifying vendors, accepting bid proposals and serving as a primary resource for questions from vendors.
11. All Commission employees and board members are responsible to comply with all the rules and regulations set forth herein and to conduct business with vendors in a professional manner that promotes honesty and fairness:
- a. Requisition goods and services in such a way as to allow time for competitive bidding, ordering, and delivery of materials.
  - b. Obtain these goods based upon competitive bids and to give consideration to product price, value, quality, performance, and delivery.

### **Prohibitions**

- 12. No employee shall accept any gift, favor, loan, service, promise, or thing of value that may tend to influence that employee in the discharge of their duties.
- 13. No employee shall grant any improper favor, service, or thing of value in the discharge of duties.
- 14. Gratuities shall be refused by all Commission officials and employees.
- 15. No employee shall benefit personally from purchases made on behalf of the Commission.
- 16. Violations of the purchasing policy may result in disciplinary action, up to and including dismissal.

### **Purchasing Requirements**

- 17. Where a required expenditure exceeds the approved budget. The individual requesting approval must identify available funds for the required expenditure and submit a budget adjustment change form to reallocate budget dollars in accordance with the budget adjustment policy.
- 18. Expenditures must be coded to the budget line item to which it belongs.
- 19. Award of Contracts shall be made for equipment, supplies and services that will give the greatest value based on quality, specifications, service, price, and timely delivery.
- 20. The Commission is not obligated to accept the lowest or any tender or bid.

## Authority to Purchase Thresholds

21. Acquisition value thresholds are based on the premise that the expenditure has been budgeted for. All unbudgeted expenditures are to be approved by the Board unless they satisfy 23 (Exclusions).
  - a. Purchases up to \$500 - all employees may make purchases less than \$500 as authorized by their supervisor.
  - b. Purchases between \$500 and \$5,000 - may be made by the Landfill Foreman as authorized by their supervisor.
  - c. Purchases between \$5,000 and \$10,000 - may be made by the CAO.
    - Purchases may be made by informal bids (verbal, fax, email, written) for goods or services and shall be obtained from a minimum of three firms. The verbal bids will be documented with the firm contacted, firm representative name, and the price quoted.
  - d. Purchases in excess of \$10,000 - require approval of CAO and Board Chair, or their designates.
    - Purchases will require a formal bid by tender or proposal prices awarded by the CAO.
22. In a situation for purchases over \$10,000, where it is not possible to obtain three bids or quotes, reasons for the lack of sufficient bids have to be documented and attached to the Invoice. The Invoice with less than three bids and the supporting documentation needs to be reviewed and countersigned by the CAO.

## Exclusions

23. Purchasing methods are excluded from the acquisition value thresholds when:
  - a. The arrangement or purchase is an extension of an existing contract where the extension is less than 10% of the value of any part of the program or contract as long as the total cost of the contract or project is within the approved budget for the contract or project; or
  - b. Any extension of an existing contract for either work performed or provision of services must be authorized by the Commission's representative through the appropriate approval procedures prior to the contractor performing the work or providing the service. Failure to do so may mean that the work or service will not be eligible for payment; or
  - c. The expense has otherwise been approved by the Board; or

- d. In the case of emergency (see 51-54 emergency purchases).

#### **Competitive Bid Process**

24. The formal competitive process is intended to ensure that all interested vendors are given equal opportunity to provide the Waste Commission with goods or services in response to identified need. In this process all vendors will be supplied with the same information. If additional information is developed during a competitive bid process this information must be forwarded in writing to all bidders.
25. The process is expected to create a competitive environment within which the Waste Commission will acquire goods or services at the lowest net cost, unless otherwise identified (all things being equal) under conditions which maximize the corporation's resources.
26. The selection of the appropriate competitive process is relative to the knowledge of the product or service being acquired and the award processes.
27. The "Tender" process should be used when price or cost is the sole award factor and specifications, terms and conditions are clearly defined. The tender process is intended to lead to a contract at the end of the process for which little flexibility is required. There is to be no negotiation after closing.

#### **Request for Quotation (RFQ)**

28. The "Request for Quotation" process is normally used where cost and other factors are considered in the award. Specifications may not be conclusive and an element of review is required to ascertain lowest net cost and appropriate quality prior to award. Quotations are open to review with the vendor.

#### **Request for Proposals (RFP)**

29. The "Request for Proposals" process may be used for goods or services of any dollar value where requirements or specifications are not clearly defined. This method provides the vendor with an opportunity to bid on work or service using their unique skills. An RFP is a formal invitation to suppliers to describe how their services, methods, equipment or products can address and/or meet specific needs of the Waste Commission. The selection of the successful vendor is based on the Waste Commission's appreciation of the proposal and the vendor's ability to complete the project or provide the service.

## Supply Contracts

30. Supply contracts may be established through the competitive process where there is a frequent need, on a regular basis, for the supply of goods or services. Supply contracts may only be established for three years, or less.
31. Where a competitive market exists, all vendors shall have equal opportunity to supply the goods or services.
32. The prior success of any particular vendor shall not be the sole determining factor in the selection of a vendor of goods and/or services.
33. A supply contract may be created with high transaction-volume vendors established through the competitive process and if they are term specific. The supply contract permits progressive payment of invoices, normally, on a monthly basis.
34. Supply contracts must include the maximum amount expendable against the order, not to exceed approved budget limits; all terms and conditions and are subject to all approval processes.
35. A standing offer agreement is not a contract. It shall be used at the discretion of the Waste Commission to allow the acquisition of standard goods and services that are used on a regular basis by the Waste Commission in an expedited manner without having to receive price quotes for those goods and services.
36. A pre-Tender meeting must be held for all Tenders, Proposals or Quotations estimated at greater than \$500,000.
37. Letters/Expressions of Interest may be used to establish a list of potential bidders who has the ability to complete an expected future project or service.
38. Sole Source Purchases may be used when there is only one available supplier of a required product or service that meets the needs of the Waste Commission, subject to regular review. Negotiation should be used to complete the terms and conditions for this purchase. A sole source purchase may be used:
  - a. where an item is purchased for testing or trial use;
  - b. where the compatibility of a purchase with existing equipment, facilities or service is a paramount consideration and the purchase must be made from a single source;
  - c. where the Waste Commission purchases supplies for resale;
  - d. where the Waste Commission has a rental contract with a purchase option and such purchase option could be beneficial to the Waste Commission;

- e. where purchase from another vendor would violate warranties and guarantees where service is required; or
  - f. for matters involving security or confidential issues a purchase may be made in a manner that protects the confidentiality of the contractor or the Waste Commission.
39. Negotiation can be used with one or more suppliers for the supply of goods and/or services when any of the following conditions exist:
- a. goods and/or services are in short supply due to market conditions;
  - b. there is only one source of the goods or services;
  - c. efforts at reaching a determination between identical bids have been unsuccessful;
  - d. all bids received are not acceptable or exceed the amount budgeted for the purchase; or
  - e. the extension or reinstatement of an existing contract(s) would be more cost effective or beneficial to the Waste Commission.

#### **Advertising and Notifying Potential Vendors**

40. Effort must be made to ensure the Waste Commission's requirements are known to the broadest market possible for acquisition of goods or services via competitive processes in accordance with relevant legislation, legal requirements and trade agreements. This may include, but not be limited to, the following:
- a. advertising in local and regional newspapers;
  - b. posting on Alberta Purchasing Connection (APC) website;
  - c. distribution of competitive bid/proposal notices to potential
  - d. posting of notices in conspicuous locations.

#### **Receipt of Competitive Bids, Proposals or Quotations**

41. All tenders, proposals or quotations received are to be date and time stamped upon receipt at the location specified and remain unopened until the closing time for that competition has passed.
42. Fax or other electronic submissions received at the Waste Commission office will be accepted providing all conditions of the competition are satisfied and the original submission documents are received within twenty four hours after the closing date and time.
43. Any submissions which are received after the closing date and time are to be returned unopened to the originator. Such submissions may be opened solely to determine the return address of the submission. It is the responsibility of the vendor to ensure that their bid, proposal or quotation has been received into competition without exception.

44. A vendor may only withdraw their bid prior to the deadline. The request must be received in writing.

#### **Tender, Proposal or Quotation Opening**

45. All competitions may be subject to public opening. The time, location and conditions of the public opening shall be made known in advance and shall be contained in the competition documentation provided potential vendors.
46. Only the name of the vendor and the total cost or price in the submission is to be released during a public opening. All vendors are to be instructed that there will be no award at public openings and all submissions will be subject to further review and analysis prior to award.

#### **Tender, Proposal or Quotation Evaluation and Selection**

47. Evaluation and vendor selection shall be based on quantitative criteria which must be identified and included in the competition information provided vendors.
48. The Waste Commission reserves the right to reject any and all bids for any cause or reject all bids without cause.
49. The successful vendor shall be notified as soon as possible after analysis and selection.
50. Upon completion and award of all purchase transactions where the formal bid or tender process has been used, the unsuccessful vendors in the competition are to be notified. Only the name of the successful vendor and the total cost paid are to be released.

#### **Emergency Purchases**

51. Occasionally purchases need to be made on an emergency basis. Emergency purchases means the purchase of goods, materials, supplies or services which are required to remedy a situation where the health, safety, welfare or quality of welfare of the public or public property is endangered or severely reduced if immediate corrective or preventive action is not taken. The CAO shall be notified of an emergency at the earliest opportunity.
52. If the CAO determines an emergency exists the competitive bidding requirements for purchases may be waived within budget availability. For items outside budget availability, the CAO may recommend to the Board Chair that the competitive bidding requirements be waived and to approve, by signature, the emergency request.

- 53. Immediately following the procurement, the CAO shall prepare and submit a Request for Decision together with supporting documentation to the Board for ratification at its next Board Meeting.
- 54. Board approval and a record of all such purchases must be maintained for audit purposes.

**Review**

- 55. The CAO shall be responsible for the review, update and bringing any changes of this Policy to the Board.

	DATE:	RESOLUTION
APPROVED	December 19, 2016	#246-16
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