



## LAC LA BICHE COUNTY POLICY

TITLE: PROCUREMENT	POLICY NO: CS-10-004
RESOLUTION: 16.385	EFFECTIVE DATE: JANUARY 12, 2010
LEAD ROLE: SENIOR MANAGER, FINANCE & GRANTS	NEXT REVIEW DATE: MARCH 22, 2019
SPECIAL NOTES/CROSS REFERENCE: PI-30-012	AMENDMENT DATE: MARCH 22, 2016

### **POLICY STATEMENT:**

Lac La Biche County hereby establishes a policy for consistent and fair purchasing practices while ensuring efficient allocation of available resources of both a financial and non-financial nature, in accordance with the *Municipal Government Act*, the *Agreement on Internal Trade (AIT)*, and the *New West Partnership Trade Agreement (NWPTA)*.

### **PROCEDURE:**

#### **1. Authorization to Purchase**

- i. All purchases shall be included in the current year's budget or as otherwise approved by resolution or bylaw of County Council, or any policy adopted by Council.

#### **2. Scope of Policy**

- i. This policy covers issues dealing with:
  - a. Roles and responsibilities;
  - b. Delegation of purchasing authority;
  - c. Confidentiality of information;
  - d. Acquisition via purchase order;
  - e. Purchase guidelines and approval process;
  - f. Tender, Request for Quotations and Request for Proposal Guidelines;
  - g. Conflict of Interest; and
  - h. Purchasing Procedure Manual.

### **3. Roles and Responsibilities:**

- i. Individual departments are responsible for:
  - a. Identifying specific needs for goods or services;
  - b. Obtaining price quotes for goods or services per established guidelines; and
  - c. Following purchasing procedures for capital, construction or major cost purchase items.

### **4. Delegation of Purchasing Authority**

- i. The Chief Administrative Officer is responsible for delegations of purchasing and expenditure authority unless otherwise approved by Council, or a policy adopted by Council. For further clarity, the Chief Administrative Officer may delegate or revoke, in writing, additional purchasing and expenditure authority to Senior Managers, Managers, Coordinators, Foremen, or other County employees in accordance with the *Municipal Government Act* and good procurement and internal control practices up to a maximum of \$1,000.00.

### **5. Confidentiality of Information**

- i. County employees or County councillors shall not release, to any potential supplier of goods or services, any information that is not intended to be made available to all potential suppliers.
- ii. Requests for information regarding submitted tenders and price quotes shall be handled in accordance with the *Freedom of Information and Protection of Privacy Act* (“FOIP”). Generally, the name of the bidder and total amount of bid is releasable. Details of the tender or quote are not routinely released and are to be referred to the FOIP Coordinator.

### **6. Acquisition via Purchase Order**

- i. In the absence of a contract or service agreement, a purchase order initiates the contractual obligation between the County and the supplier of goods or services to which it is addressed.
- ii. The purchase order authorizes the supplier to supply the specified goods and/or services, subject to the terms and conditions that are specified on the Purchase Order or any attachment thereto.
- iii. The purchase order shall be signed by the CAO, Senior Manager, or Manager where applicable (see “Purchase Guidelines and Approval Process”).

- iv. A purchase order shall only be issued if the purchase meets the limits and criteria established by this policy or any other policy of the County.
- v. Purchase orders shall be issued for all purchases of goods or services over \$2,000.

**7. Purchase Guidelines and Approval Process**

- i. The following table outlines the process required for each type and/or value of purchase:

<b>Types of Purchase</b>	<b>Purchase/Total Contract Value (excluding GST)</b>	<b>Process</b>	<b>Minimum Approval Required</b>
Goods and services (including vehicles and heavy equipment)	Up to \$7,499.99	Direct purchase or discretion of Senior Manager, Designate or Manager	Department Manager
Goods and services (including vehicles and heavy equipment)	Over \$7,499.99 to \$50,000.00	Minimum three quotes (RFQ)	Senior Manager
Goods and services (including vehicles and heavy equipment)	Over \$50,000.00 to \$74,999.99	Minimum three quotes (RFQ), or Formal Tender or Request for Proposal (RFP) (at discretion of Chief Administrative Officer)	Chief Administrative Officer
Goods and services (including vehicles and heavy equipment)	Over \$74,999.99 to \$199,999.99	Minimum three quotes (RFQ), or Formal Tender or Request for Proposal (RFP) (at discretion of Chief Administrative Officer), advertised on the Alberta Purchasing Connection as required by AIT and NWPTA	Chief Administrative Officer
Goods and services (including vehicles and heavy equipment)	Over \$199,999.99	Formal Tender or Request for Proposal (RFP) (at discretion of Chief Administrative Officer), advertised on the Alberta Purchasing Connection as required by AIT and NWPTA	County Council

Construction projects	Up to \$50,000.00	Minimum three quotes (RFQ) or Request for Proposal (RFP), with an executed contract	Senior Manager
Construction projects	Over \$50,000.00 to \$199,999.99	Minimum three quotes (RFQ), or Formal Tender or Request for Proposal (RFP) (at discretion of Chief Administrative Officer), with an executed contract	Chief Administrative Officer
Construction projects	Over \$199,999.99	Formal Tender or Request for Proposal (RFP) (at discretion of Chief Administrative Officer), advertised on the Alberta Purchasing Connection and/or COOLNet as required by AIT and NWPTA, with an executed contract	County Council

- ii. Where practical, purchases shall be collectively tendered to obtain the best purchase price. If quote, RFP or tender is being issued collectively for the purchase of several goods or services, the estimated value of the total purchase shall prevail in applying these guidelines versus individual cost estimates. For goods and services being supplied over a number of years, the estimated value of the total purchases over the entire term (including renewals) shall prevail in applying these guidelines. These guidelines refer to purchases within budget. For purchases or contracts exceeding a budget amount by more than 10% with the approval of CAO, the purchase or contract must be approved by Council, or a policy adopted by Council.
- iii. The Chief Administrative Officer may approve variations to the process when warranted. Variation is also allowed when purchase by negotiation applies.
- iv. Senior Managers may approve purchases up to \$50,000.00. Managers may approve purchases up to \$5,000.00. Approval of items may be given at a higher authority level. The guidelines in (i) listed are the minimum approval authority required.
- v. In addition to the above requirements, draft Requests for Proposal (RFPs) for studies and long - term planning documents must be approved by County Council before the final version is distributed to the marketplace to ensure the document is consistent with County Council's

intentions. These include, but are not limited to, RFPs for transportation or recreation master plans, utility servicing studies, area structure plans, and municipal development plans.

## **8. Tender, Request for Quotations and Request for Proposals Guidelines**

### **i. Requests for Quotations:**

- a. All requests for quotations should be in writing and from a minimum of three suppliers unless noted otherwise in the purchasing guidelines. If a written quote is not obtainable, verbal quotes must be fully documented with any supporting documentation attached. The Chief Administrative Officer may approve purchasing goods and services with less than three quotes on a case – by – case basis.
- b. The processes for Requests for Quotations are detailed in the Purchasing Procedure Manual - Procedure A – “Request for Quotations”. The Purchasing Procedure Manual is attached hereto as Appendix “B”, and forms part of this policy.

### **ii. Request for Tender / Request for Proposal (RFP):**

- a. The formal tendering process is intended to ensure that all interested individuals and organizations are given an equal opportunity of providing goods and services in response to the identified needs of the County.
- b. The process for issuing Tenders/RFPs will be governed by the procedures detailed in Purchasing Procedure Manual - Procedure D – “Request for Tenders” and Procedure C - ”Request for Proposals”.
- c. Responsibility for the preparation of the required specifications, tender/RFP documents and advertising rests with the department requiring the goods and/or services;
- d. The lowest bid tender/proposal will not necessarily be accepted, depending on the goods and services being tendered/requested. Bid evaluation and selection may be based upon quantitative and qualitative criteria, which is to be identified and documented prior to the close of the tender/proposal call. The nature of the evaluation and selection criteria, but not the specific factors or weights, where applicable, can be made known to prospective suppliers to assist in the preparation of bids.
- e. Adequate documentation, to record the evaluation and selection process, will be created and retained.
- f. All Tenders, RFPs, or Requests for Quotations (RFQs) will have the following clause attached (variations may be made at the discretion of the Chief Administrative Officer):

Lac La Biche County reserves the right to accept or reject any and all Tenders/Proposals, and to waive irregularities, informalities and non-compliance at its discretion. The County reserves the right to award a Tender(Proposal) other than the lowest Tender(Proposal) without stating reasons and, without limiting the generality of the foregoing, the County may consider any other factor(s), besides price, capability to perform the work and proposed specifications, in its sole and unfettered discretion. By submitting its Tender(Proposal), the Bidder/Proponent waives any right to claim, in any proceeding or court action, for loss of anticipated profit or for any other damages in excess of the reasonable costs incurred by the Bidder/Proponent in preparing its Tender.

iii. Purchasing Involving other Partners:

- a. The County may jointly tender or request price quotes with other municipalities, municipal organizations (examples are: AAMDC, AUMA, PFA Canada, Federation of Alberta Gas Co-ops, Gas Alberta, etc.), senior governments or other government organizations if there is an opportunity for obtaining goods and/or services at a more cost effective price. Purchasing involving other partners must comply with AIT and NWPTA. Any involvement in joint tendering or price quotes shall be approved by the Chief Administrative Officer.

iv. Request for Tender vs. Request for Proposal:

- a. A Request for Tender shall be issued as per the Purchasing Guidelines and where all of the following criteria apply:
  1. Two or more sources are considered capable of supplying the requirements;
  2. The requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria;
  3. The market conditions are such that tenders can be submitted on a common pricing basis; and
  4. It is intended to accept the lowest priced compliant bid without negotiations.
- b. A Request for Proposal should be issued where one or more of the criteria for issuing a Request for Tender cannot be met, such as:
  1. Owing to the nature of the requirements, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution, including price, rather than on price alone; or

2. It is expected that negotiations with one or more bidders/proponents may be required with respect to any aspect of the requirement. In general, the Request for Proposals process encourages different solutions from vendors and actively searches for better and more creative ideas for supply of goods and services. It provides a process whereby the negotiation and award is based on demonstrated competence, qualifications and the technical merits of the Proposal at a fair price.

v. Award Considerations:

- a. In addition to price, consideration may be given to the following factors in determining the successful bidder/proponent:
  1. The ability and skill of the bidder/proponent to provide the goods or services requested;
  2. The ability of the bidder/proponent to perform the contract or provide the services promptly or at the time specified without delay or interference;
  3. The character, integrity, reputation, judgment, experience and efficiency of the bidder/proponent;
  4. The quality and performance of previous contracts, good or services, provided by the bidder/proponent;
  5. The sufficiency of the financial resources and the ability of the bidder/proponent to perform the contract or provide the goods or services (this includes reviewing the bidder's/proponent's payment history with the County if necessary);
  6. The quality, availability and adaptability of the goods or contractual services to the particular use required, and ability to best meet the County's operational needs;
  7. The ability of the bidder/proponent to provide future maintenance and services for the items acquired;
  8. The number and scope of conditions attached to the bid/proposal; and
  9. Any litigation between the bidder/proponent and affiliated individuals and corporations and the County whether pending, past, threatened or suggested.
  10. The Total Acquisition Cost of the goods and/or services covered by the bid or proposal.

vi. Purchase by Negotiation:

- a. All purchases of goods and services shall be competitive, and in accordance with the guidelines set out in section 7 herein. However, there may be instances where this is not possible and purchase by negotiation is necessary. Refer to the Purchasing Procedure Manual – procedure B for guidance.

vii. Documentation:

- a. All documentation will be filed in accordance with the corporate records structure to ensure legal retention timelines are met.

**9. Conflict of Interest**

- i. No requisition, purchase order, voucher, petty cash funds or any other order, written or verbal, shall be issued for personal goods and/or services for employees of the County, a member of County Council, or the public, unless approved by Council or a policy adopted by Council.

- ii. If a purchase or contract for goods or services is to be placed with:

- a) An employee of the County,
- b) Any company in which an employee of the County has an interest, or
- c) A relative of an employee of the County,

the employee shall declare an interest and that employee shall not be placed in a position to approve the purchase.

**10. Definitions**

- i. The definitions contained in Appendix “A”, attached hereto, apply to this Policy, including the Purchasing Procedure Manual attached hereto as Appendix “B”.



**11. Purchasing Procedure Manual**

- i. The Purchasing Procedure Manual attached hereto as Appendix “B” forms part of this Policy. However, the Purchasing Procedure Manual may be amended from time to time, at the discretion of the Chief Administrative Officer.

“Original Signed”  
Chief Administrative Officer

April 14, 2016  
Date

“Original Signed”  
Mayor

April 14, 2016  
Date

## APPENDIX “A”

1. In this Policy, including the Purchasing Procedure Manual attached hereto as Appendix “B”, the following words shall have the following meanings:
  - 1.1 **AIT** shall mean the Agreement on Internal Trade whose focus is to reduce and eliminate, to the extent possible, barriers to free movement of persons, goods, services and investments within Canada. This includes local preferences in municipal or provincial procurement. Procurement covered by AIT requires national advertising of purchasing opportunities Canada wide via the Alberta Purchasing Connection or COOLNet. AIT specifies exceptions to national advertising requirements for purchases less than a minimum financial threshold amount, as well as procurement of certain types of goods and services, such as legal counsel, utilities, and goods and services offered by a single supplier. Other exceptions are listed in the agreement.
  - 1.2 **Chief Administrative Officer (CAO)** is the person appointed as the Chief Administrative Officer according to the *Municipal Government Act*, or a person delegated responsibilities by the Chief Administrative Officer in this policy in accordance with the *Municipal Government Act*.
  - 1.3 **Construction Project** includes roads and infrastructure construction (water, sewage, landfills, buildings, site improvements, etc.), which would result in a tangible capital asset. Examples include:
    - a) Paving and construction of streets and roads;
    - b) Intersection lighting;
    - c) Fiber optics;
    - d) Gas and utility lines;
    - e) Bridge construction.
  - 1.4 **Direct Purchase** shall mean the direct ordering and purchase of goods and services from a supplier with or without negotiation. This method of purchase will be used primarily for the purchase of low value goods where the cost and administrative burden of other methods of purchase may be equal to or greater than the price or value of the goods purchased. Employees are encouraged to use their own judgment to promote the principles of this policy in any direct purchase.

- 1.5 **Goods and Services** shall mean all non-construction purchases including professional services and operational contracts. Examples include:
- a) Furniture and equipment
  - b) Office supplies;
  - c) Grader blades;
  - d) Fuel;
  - e) Tires;
  - f) Computer hardware and software
  - g) Janitorial services;
  - h) Legal services;
  - i) Engineering services;
  - j) Maintenance agreements
  - k) Vehicles and heavy equipment.
- 1.6 **Goods and Services Tax (GST)** means the Goods and Services Tax or Harmonized Sales Tax as described in the *Excise Tax Act*. All numbers in this policy exclude GST.
- 1.7 **Negotiated Method** shall mean the negotiation of an agreement for the purchase of goods and services from a supplier where there is no open competition. The conditions under which this method of purchase can be utilized are listed in the Purchasing Procedure Manual – Procedure B – Purchase by Negotiation.
- 1.8 **New West Partnership and Trade Agreement (NWPTA)**, formerly the **Trade, Investment, and Labour Mobility Agreement (TILMA)**, is a companion agreement to the **AIT** in Alberta, British Columbia and Saskatchewan. It prescribes financial thresholds where advertising of purchasing opportunities is required for goods and services of \$75,000 and over and construction projects of \$200,000 and over, with some exceptions as described in the agreement.
- 1.9 **Relative** shall be defined as per the definition of councillor’s family, under Section 169(b) of the *Municipal Government Act*, and shall apply to both relatives of County councillors and County employees. For further clarification, this is defined as the councillor’s or employee’s spouse or adult interdependent partner, the councillor’s or employee’s children, the parents of the councillor or employee and the parents of the councillor’s or employee’s spouse or adult interdependent partner.

- 1.10 **Request for Tender** shall mean a competitive method of purchase which may include supplier or contractor pre-qualification. The tender process follows the general procedures set out in the Purchasing Procedures Manual.
- 1.11 **Request for Proposal** shall mean a method of purchase which involves the solicitation of proposals. It may include prequalification. In this method of purchase, some or all of the specifications and contract terms may not be finally determined with sufficient certainty to form the basis of a final contract before proposals are solicited and submitted. It may be expected that there will be some variation in the final specification and contract terms among and between responsive proponents.
- 1.12 **Request for Quotes/Price Quotation (RFQ)** shall mean a competitive method of purchase where the specifications for the goods and services and terms of purchase will be established with sufficient particularity to permit comparable quotations to be made by suppliers. A sufficient number of suppliers are requested to submit quotations on the specifications and terms of purchase. The procedures Request for Quotation process does not require advertising and the receipt of sealed bids.
- 1.13 **Senior Manager** shall mean the Senior Manager responsible for the tender/RFP/RFQ, or a person designated by the Senior Manager.
- 1.14 **Total Acquisition Cost** - includes but is not limited to such factors as repairs, fuel consumption, operating cost per hour (or other unit of measure), staff training, suitability, compatibility, warranty, trade-in values, recycling and disposal concerns.

**APPENDIX “B”**

**PURCHASING PROCEDURE MANUAL**

**OF LAC LA BICHE COUNTY**

**(the “County”)**

**PROCEDURE PURPOSE**

To establish procedures to consistently and fairly apply the guidelines established under the Procurement Policy of Lac La Biche County.

**1. Scope**

1.1 The procedures covered are:

- a) Request for Quotes;
- b) Purchase by Negotiation;
- c) Requests for Proposals;
- d) Requests for Tender; and
- e) Purchase Order Requirements

**2. Procedure A – Request for Quotes**

- 2.1 This method of purchase is a competitive method. The specifications for the goods and services and terms of purchase will be established with sufficient particularity to permit comparable quotations to be made by suppliers.
- 2.2 The department requiring the goods and/or services (requisitioning department) shall develop the relevant specifications, terms and conditions for the purchase.
- 2.3 The requisitioning department shall then prepare a Quotation document which provides parties with clear instructions, specifications, terms and conditions. The Quotation document may include a quotation form on which a bidder can make his/her quotation.
- 2.4 The requisitioning department may give notice of the Request for Quotation in one local newspaper, the County website, or send notice directly to approved vendors. If applicable, the Request for Quotation shall also comply with the Agreement on Internal Trade and New West Trade Partnership Agreement national tendering provisions.

- 2.5 The Quotation document shall clearly indicate the final time and place for the receipt of quotations. The quotations will be received in the requisitioning department. There will be NO formal or public opening of the quotations.
- 2.6 All quotations received will be evaluated by the requisitioning department. At least three quotations should be presented, unless otherwise stated in the Procurement Policy, or if purchase by negotiation applies or if a variation is approved by the Chief Administrative Officer. The quotation will be awarded consistent with the purchasing principles stated in the County Procurement Policy.
- 2.7 A summary or report indicating the selected vendor will be prepared. This report will require approval in accordance with the Purchasing Authority limits found in Section 7 of the County Procurement Policy.

### **3. Procedure B – Purchase by Negotiation**

- 3.1 All purchase of goods and services shall be by a competitive method except where the negotiation method would apply, as follows:
- a) When goods or services are available from only one source, for technical or other reasons;
  - b) Where compatibility within an existing product or process is the overriding consideration;
  - c) When, due to market conditions, goods are in short supply;
  - d) When all acceptable bids exceed the amount budgeted and re-tendering would not be beneficial;
  - e) When the extension or reinstatement of the existing contract would be the most cost effective or beneficial method and is in the best interest of the County;
  - f) When an emergency occurs where goods and services are deemed necessary and time and safety concerns reasonably limit the use of any other prescribed procurement process;
  - g) When no bids are received on a request for quotation, tender or request for proposal;
  - h) When goods are required for resale and thus an important factor in choosing a successful bidder is marketability and profitability;
  - i) Where the best interest of the County would be served through negotiations;
  - j) For work to be performed on or about a leased building or portions thereof that may only be performed by the lessor;

- k) For work to be performed on a property by a contractor according to the provisions of a warranty or guarantee held in respect of the property or original work;
- l) For a contract to be awarded to the winner of a design contest, or for the procurement of original works of art;
- m) For procurement contracts with a public body or a non-profit organization;
- n) For the purchase of real property.

3.2 The authority to incur an expenditure of County funds through the negotiation method shall be subject to the same spending approval levels as outlined in section 7 of the County Procurement Policy.

3.3 In accordance with the negotiation method, the requirements for inviting tenders and quotations will be waived. The methods of negotiation shall be those accepted as standard negotiating procedures that employ fair and ethical practices.

3.4 Notwithstanding the above, all exceptions for formal tender or sole supplier procurement, must comply with the Agreement on Internal Trade and the New West Trade Partnership Agreement.

#### **4. Procedure C – Requests for Proposals**

4.1 A Request for Proposal is issued in cases where the exact specifications are not predetermined. See section 8 of the County Procurement Policy for the criteria to choose between the issuance of a Request for Tender or the issuance of a Request for Proposal.

4.2 Requests for Proposals will follow the general procedures found in Procedure D – Request for Tender Procedure. This includes the overseeing of the process by the requisitioning department.

4.3 The procedures will differ from the Request for Tender procedure as set out in paragraphs 4.4 to 4.10 below.

##### **i) Specifications**

4.4 Exact specifications are not predetermined but the outcomes expected are reasonably stated. By issuance of a Request for Proposal, the County is soliciting creative input and inviting suppliers to propose a solution to a problem, requirement or objective.

##### **ii) Form of Proposal**

4.5 Since the exact specifications are not predetermined, the form of proposal will also be less specific. However, the form of proposal should clearly indicate those needs which have been determined and which will have to be fulfilled by the successful proponent.

### **iii) Opening of Proposal Submissions**

4.6 The opening follows the general procedures for the opening of tenders, except that no prices will be read out. The receipt of the submissions and by whom they were submitted will be read aloud and recorded. Potential suppliers wishing to attend shall be advised of the time and location of the meeting.

### **iv) Evaluation Process**

4.7 The selection of the successful proponent is based on the effectiveness of the proposed solution rather than on the price alone. As the evaluation process will be more complex, the process should be clearly outlined in the Request for Proposal documents. All criteria used to evaluate proposals should be listed.

4.8 A selection committee shall be established by the requisitioning department and shall comprise regular staff with the relevant expertise. The committee will always include a Senior Manager or their designate. The committee will review proposals against the established criteria and reach consensus on the final rating results and ensure that the final rating results with supporting documents are kept in the procurement file.

4.9 In some instances, where the workload to evaluate proposals may be excessive due to their complexity, length, number or any combination thereof, a multi-step procedure may be used that would include a reducing of the proposals to a 'short list'. It is this 'short list' of proposals which would receive the in depth evaluation and rating by the selection committee. The process could then include requests for further clarification or presentations from the short listed proponents. The initial Request for Proposal should indicate the possibility of this multi-step process. It is usual that the evaluation process will encompass a longer time frame than the evaluation process for a tender. For this reason, the Request for Proposal documents should indicate the expected time frame for completion of the process.

4.10 It is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirements. This differs significantly from Request for Tenders where the Form of Tender of the successful bidder becomes the basis of the eventual contract for goods and/or services.

## **5. Procedure D – Request for Tender (Formal Tender)**

5.1 The following is the procedure for issuing, receiving and awarding tenders as issued by the department.

### **i) Tender Limits**

5.2 As outlined in the County Procurement Policy certain purchases require the use of Request for Tender or Request for Proposal Process. The criteria for determining which process to use are contained in s. 8 of the County Procurement Policy.



**ii) General Process**

5.3 In all cases, tenders shall be coordinated by the requisitioning department, which will ensure:

- a) Completeness of documentation;
- b) Advertisements are arranged;
- c) Closing dates and tender opening are scheduled;
- d) Vendor contact information is appropriate.

5.4 In some cases external engineering firms may be engaged to design and oversee the tendering process (i.e. construction projects). The tender process may change slightly from these procedures, based on the standards of the engineering firm, at the discretion of the Chief Administrative Officer.

**iii) Tender Document Preparation**

5.5 Specifications contained within the tender documents are the responsibility of the requisitioning department. If necessary, outside consultants, (i.e. engineers) will be used as a resource for development of specifications.

5.6 Standard construction industry bidding documents will be employed whenever possible.

**iv) Contents of the Tender Document**

5.7 The tender document will consist of a number of sections as described below. When considered in its entirety, the document must contain the appropriate information so that staff evaluating the bids can determine that:

- a) The bidder understands the full scope of the tender for which bids have been invited;
- b) The bidder is capable and willing to perform all of the required work or provide all of the required goods/services;
- c) The bidder is capable and willing to enter into a legal agreement with the County, if required, for the provision of the required goods/services;
- d) The bidder satisfies County requirements regarding liability insurance, worker's compensation, and occupational health and safety for the bidder and its subcontractors, and
- e) The bidder offers financial guarantees that a formal agreement will be executed (if required by the County), and that all goods/services will be provided following the terms of the executed agreement.

5.8 Tender documents will contain at least the following:

- a) A cover sheet with the name of the tender, the closing date and time, and the issuer or contact person within the requisitioning department;
- b) Information to Bidders. This document contains non-technical information that advises the bidder of the general terms and conditions that apply to the tender of goods and/or services. Included as well, will be information related to the *Freedom of Information and Protection of Privacy Act*;
- c) A Performance Guarantee/Finance Guarantee - To ensure proper execution of the work, a performance guarantee in the form of cash, certified cheque, irrevocable letter of credit, or bond (performance, labour, and/or material) may be required. All requirements must be clearly outlined in the Information to Bidders;
- d) Specifications. The specification section will provide details to describe accurately and precisely the nature, scope and extent of the goods and/or services required. As outlined in the policy, specifications may not be structured to exclude certain vendors or manufacturers unless there is justification to warrant exclusion;
- e) A form of Tender. The tender form when properly completed and signed is a legal offer by the bidder to carry out the tendered work. The tender form should include an acknowledgement from the bidder that he has reviewed and understands all of the tender documents, and that he is prepared and capable of carrying out the contemplated work. Proper and clear identification of the bidder as well as clear bid prices must appear on the completed tender form;
- f) A Tender envelope. A standardized tender envelope or envelopes are provided to all bidders where appropriate; and

5.9 Tender documents, advertisements and calls for tender, shall indicate that the County Procurement Policy and related procedures will apply to this tender.

**v) Advertising**

5.10 The requisitioning department will give notice of the Tender in the newspaper and on the County's website. Electronic tendering networks (like Alberta Purchasing Connection and COOLNet), will also be employed if required as described below. All tenders shall be open for bid by vendors for a minimum period of two weeks unless critical or exceptional time constraints limit the period available for bidding. Advertising of contracts for goods and services valued at \$75,000 or greater, and construction valued at \$200,000 or greater shall comply with the Agreement on Internal Trade and the New West Trade Partnership Agreement unless the type of goods, service, or project falls within the exceptions to these agreements. Advertising of

opportunities below the thresholds, although not required, are encouraged when such advertising would benefit the County.

**vi) Pre-qualification**

5.11 Pre-qualification of bidders may be desirable to ensure that prospective bidders have the necessary knowledge, experience, and financial resources to complete the work. If pre-qualification is required for a particular tender, no Form of Tender or Tender Envelope is to be issued to any prospective bidder until he has pre-qualified. However, during the prequalification process, certain of the documents (i.e. specifications) may be made available.

**vii) Release of Information to Prospective Bidders**

5.12 Upon the request of a prospective bidder, the Senior Manager or designate shall supply the following material for each contract:

- a) One copy of the official tender form;
- b) One standard tender envelope, if applicable; and
- c) Tendering materials, including specifications, plans etc.

5.13 In the case of tender documents for Public Works construction contracts the documents will be distributed by the Public Works Department or designated engineering firm.

5.14 A fee may be charged for the specifications. This fee shall be non-refundable.

5.15 A list of prospective bidders shall be maintained by the requisitioning department or designate. Names and addresses shall be recorded when tender documents are released to facilitate distribution of addenda and when necessary to extend or cancel a request for tender under call. However, where a pre-qualification requirement exists and the prequalification process is complete, the release of the Tender documents will be to qualified bidders only.

**viii) Changes to Tenders under Call**

5.16 Addenda will be issued under the following circumstances:

- a) Interpretation of tender documents as a result of queries from prospective bidders;
- b) Revisions, deletions, additions or substitutions to any portion of the tender documents are required. The requisitioning department or designate shall approve the issuance of any addenda.

5.17 A copy of all addenda shall be sent by registered mail, or by fax confirmed by a telephone call or by electronic correspondence when appropriate, to each prospective bidder who obtained tender

documents. The addenda shall also be posted on APC/COOLNet if the opportunity was posted there. All remaining tender documents not yet distributed shall have the addenda appended.

5.18 Where an addendum must be issued later than two days prior to the specified closing date, the closing date may be extended to allow four working days between the issuance of the addendum and the revised closing date. This extension is optional and shall be used as required.

5.19 Closing Date Extension or Tender Cancellation - when it becomes necessary to extend the closing date or to cancel the tender, all prospective bidders who received tender documents shall be notified of the extension using the method for notification of addenda detailed above. When the closing date for receiving tenders has been extended, tenders already received shall be handled as follows:

If the extension of time is two weeks or more, the bidder shall be advised that his tender will be returned upon request.

When a tender is cancelled, no bid will be accepted. All bids received shall be returned unopened to the bidders by hand or by registered mail with a covering letter.

**ix) Submission Requirements**

5.20 All tenders shall be received by the front desk reception. They will be time and date stamped and placed in a secure location until after the closing time. Any tenders received after the closing time and date will not be received and will be returned unopened to the submitting vendor. Tenders are required to conform to the conditions listed below:

- a) The correct Tender Form, as supplied by the County, must be used and in the possession of the Director or his/her duly authorized representative, on or before the tender closing date and time;
- b) The tender must be legible, completed in a non-erasable medium and all items must be bid, unless the tender specifically permits otherwise, with the unit price on every item and other entries clearly shown;
- c) Adjustments by telephone, letter, fax, or electronic correspondence to a tender already submitted will not be considered. A bidder desiring to make adjustments to a tender must withdraw the tender and resubmit. See subsection xii below, for the relevant procedures;
- d) The Tender Form shall be signed in the space provided on the form. All specified signatures and company seals or specified signatures duly witnessed must be provided. A seal need not be provided if the signer indicates authority to bind the County in writing and the signature must be witnessed. If a joint bid is submitted, it must be signed on behalf of each of the bidders and if the signing authority for both bidders is vested in one individual, he shall sign separately on behalf of each bidder;

- e) Erasures, overwriting or strike-outs must be initialled by the person signing on behalf of the bidder; and
- f) Agreement to bonding and/or bid deposits may be required at the discretion of the requisitioning department and the appropriate Senior Manager or his designate. If any of the tender requirements have not been met, the tender shall be considered to be an “Improper Bid” and dealt with as set out in Schedule “A” attached hereto.

**x) Receiving of Tender Bids**

5.21 It is the responsibility of the Senior Manager’s office that all tenders placed in the secure location are clearly identified as to contents and contract number. Should a submission be received without proper contract identification, it will be returned unopened. In the case where the submission was not hand delivered, reasonable efforts will be made to inform the bidder of their error. The tender opening will not be delayed by these efforts as it is the responsibility of the vendor to correctly identify their submission. Fax or electronic submission will not be accepted. Receiving of tenders via the County’s post office box on tender closing day is to be discouraged.

**xi) Time and Date Stamping and Recording of Tenders**

5.22 When a tender is received, the sealed envelope shall be stamped or marked with the time and date of receipt and initialled by the person receiving the tender. Receipt of the tender shall be recorded on a list of tenders received and tenders shall be deposited unopened in a secure location.

5.23 Regardless of the time a bid is received, the envelope shall be time and date stamped or marked. If the bid is received after the time of closing, according to the time stamped or marked on the envelope, it shall be refused and returned unopened to the bidder. If a tender is to be returned by mail, it shall be accompanied by a covering letter stating that the tender could not be accepted due to late arrival. If a late bid is received without a return address on the envelope, it shall be opened and initialled by the requisitioning department and witnessed by any member of staff, address obtained and then returned.

5.24 The covering letter should state why the envelope could not be returned unopened.

5.25 Unless specifically allowed in the tender document, any correspondence pertaining to an adjustment, correction or restriction to a tender, which is received with a tender but outside the tender envelope or is received after a tender has been submitted but prior to closing time, shall not be considered, and the bidder shall be advised by mail or phone of the withdrawal procedures if possible and practical.

**xii) Withdrawal of Tender Bids**

5.26 Prior to opening, the withdrawal shall be allowed if the request is made before the closing time for the tender. Withdrawal request must be directed to the Senior Manager by letter, fax or

electronically. Telephone requests shall not be considered. Tenders confirmed as withdrawn prior to being placed in a secure location shall be returned unopened to the bidder. The withdrawal of a tender does not disqualify a bidder from submitting another tender for the proposed contract. Withdrawal requests received after the tender closing time will not be allowed. The bidder shall be informed that the withdrawal request arrived too late for consideration. However, when the bids are read out at the bid opening, and if it is the lowest bid on a proposed contract, the bidder may then proceed in accordance with the following section titled "During the Opening".

- 5.27 During the opening, at the conclusion of the reading out of bids on a proposed contract, the successful bidder may withdraw any of his remaining tenders on other contracts prior to the opening of bids thereon. He shall attest in writing to his identity and state the contract or contracts on which he desires to withdraw. The Notice of Withdrawal of Tender must be signed by the bidder. This Notice must be handed to the Senior Manager before the opening of the first tender on the proposed contract to which it applies. The Senior Manager shall attach it to the applicable tender. The Senior Manager shall read out the bidder's name and announce that the tender has been withdrawn in accordance with established procedure.
- 5.28 Withdrawn tenders shall not be opened. Tenders withdrawn under this procedure shall not be reinstated. If more than one tender is read out under the same name for the same contract and no withdrawal notice has been received, the tender contained in the envelope bearing the latest date and time stamp shall be considered the intended bid. The first tender received shall be considered withdrawn and returned to the bidder in the usual manner.

**xiii) Opening of Tenders**

- 5.29 Opening of Tenders, wherever possible, must be scheduled immediately after the time of closing in a chamber or meeting room open to all members of the public. Notice of the time and place of tender openings must be provided to County Council and posted on the County website at least 48 hours beforehand. Tenders for budgeted items exceeding \$1,000,000 will be opened publicly at a regular or special County Council or Public Works Committee meeting wherever possible. If tenders were scheduled to be opened during a County Council or Public Works Committee meeting and the meeting was cancelled, postponed, recessed, or adjourned, the tender may still be opened publicly at the scheduled time outside the meeting.
- 5.30 Tenders will be opened publicly by the requisitioning Senior Manager or designate and recorded by an employee of the requisitioning department.
- 5.31 If correspondence is found enclosed with a tender which, in the opinion of the Senior Manager or designate, could qualify the bid in any way, the tender shall initially be considered as an "Improper Bid" and shall be so noted in the record of tenders opened and the tender read out in the normal manner. This correspondence and the tender shall be referred to the appropriate Senior Manager for decision as to acceptance or rejection.

- 5.32 When tenders have been opened and sorted, the Senior Manager shall check the Listing of Tenders received, and the number of tenders opened to ensure that all tenders received, are accounted for. If a discrepancy occurs, the tender opening proceeding shall be delayed until all tenders have been accounted for.
- 5.33 Every tender received within the specified time shall be opened in full view of those attending and each bidder's names and the total tendered amount read aloud by the Senior Manager or designate, and recorded by an employee of the requisitioning department.
- 5.34 Should the reading aloud of all prices be impractical due to a large number of individual prices or options or for reasons where a total price is not stated on the Form of Tender, only the company names of the bidders will be read out at the time of the tender opening.
- 5.35 During the reading out of tenders, staff shall check for more than one tender under the same name (without a notice of withdrawal). If this situation occurs, it shall be dealt with as detailed in subsection xii above. If two tenders for the same contract are received in the same tender envelope, the signed copy or, if both are properly executed and prices differ, the lower price shall be considered the intended bid.

**xiv) Checking Tenders**

- 5.36 The tenders will be checked by the Senior Manager or designate as soon as possible following the public tender opening in order to determine that:
- a) All tender requirements have been met as stated in the tender documents and this policy; and
  - b) All unit prices have been correctly extended and totalled.

- 5.37 Tenders which do not conform to the tender requirements or which require mathematical corrections shall be deemed "Improper Bids" and shall be dealt with as set out in Schedule "A" attached hereto.

**xv) Improper Bids**

- 5.38 Following completion of the checking procedures any bids deemed "Improper bids" shall be so noted on the Record of Tenders Opened. This notation shall clearly state the reason the bid has been considered improper. The appropriate Director shall then decide on the acceptance or rejection of all tenders noted as improper pursuant to the provisions in Schedule "A" attached hereto. Evaluation of the bids will be made by the Director or designate.

**xvi) Recommendation to Award**

- 5.39 Any recommendation to award will be in favor of a bidder meeting specifications, terms and conditions, whose tender or offer or bid offers the lowest cost considering Total Acquisition Cost

as defined herein, and who, in the County's absolute discretion, best fulfils the County's expectations and requirements having regard to those factors specified in section 8 of the County Procurement Policy. Approvals to award will be in accordance with section 7 of the County Procurement Policy. If County Council approval is required, a written report will be forwarded through the Chief Administrative Officer for approval and then forwarded to Council for ratification. If the lowest bid is not accepted the report must clearly so state, with reasons or explanation.

**xvii) Award**

5.40 When the necessary approvals have been received, the Senior Manager or his designate may use the appropriate documents to contract for the supply of the tendered goods and/or services.

**xviii) Disposition of Deposit Cheques**

5.41 Following the recommendation to award of the contract to a specific bidder, bid deposits of all bidders other than the successful bidder and the next lowest bidder shall be returned to the applicable bidders by registered mail to the last known place of business. The bid deposit cheque of the successful bidder and the next lowest bidder shall be held until the contract is executed.

**xix) Action when Successful Bidder does not finalize Contract**

5.42 If a contract has been awarded and the successful bidder fails to sign the contract or provide the necessary security within the time specified in the tender documents, the requisitioning department may grant additional time to fulfill the necessary requirement or may recommend one of the following:

- a) That the contract shall be awarded to the next qualified bidder as determined by the requisitioning Senior Manager or designate, and ratified by Council if applicable pursuant to the County's Procurement Policy; or
- b) That the contract shall be cancelled.

5.43 In either case, the Tender Bid Deposit of the successful bidder shall be forfeited.

**6. Procedure E – Purchase Order Requirement**

6.1 A tender for the purchase of goods shall be confirmed by the issuing of a Purchase Order. All other tenders shall be confirmed by executed contract and/or letter of award.



## SCHEDULE “A”

### Acceptance or Rejection of Improper Bids

1. Extreme care shall be exercised to ensure that Improper Bids are handled in a manner which is fair to other bidders as well as the public.
2. The decision as to whether an improper bid shall be accepted or rejected shall be based upon the following general considerations:
  - a) Is the intention of the bidder clear; and
  - b) Has the bidder made a conscientious attempt to comply with the submission requirements?
3. The following are guidelines only, intended to illustrate some of the discretion allowed. The requisitioning department will review each case.

	<b>Irregularity</b>	<b>Response</b>
1	Late bids	Automatic rejection
2	Unsealed Envelopes	Automatic rejection
3	Not completed in non-erasable medium	Automatic rejection
4	Incomplete/partial bids or item not bid	Automatic rejection except where the tender form clearly states that an award may be made for individual items or in the opinion of the Senior Manager, the incomplete nature is insignificant
5	Qualified bids / qualified or restricted by an attached statement	Automatic rejection except where the change is requested by the County and where in the opinion of the Senior Manager, the change is insignificant
6	Financial Security, if required, not submitted or insufficient	Automatic rejection
7	Bid not properly signed	Automatic rejection

	<b>Irregularity</b>	<b>Response</b>
8	Mathematical errors	May be accepted if corrected in the checking procedure. Unit prices shall ordinarily be used to correct extensions
9	Agreement to bond, if required, not submitted or insignificant	Automatic rejection
10	Bids received on documents other than those provided by the County	Automatic rejection unless, in the opinion of the Senior Manager, the breach is trivial or insignificant
11	<p>Erasures, Overwriting or Strikeout not initialled:</p> <p>a) Changes which are minor, i.e., clerical error in address:</p> <p>b) Unit prices have been changed but not initialled and the contract totals are consistent with the price as amended</p> <p>c) Unit prices have been changed but not initialled and the contract totals are not consistent with the price as amended</p>	<p>a) May be accepted, with time limit to initial specified by the Senior Manager</p> <p>b) May be accepted, with time limit to initial specified by the Senior Manager</p> <p>c) Automatic rejection</p>
12	Minor clerical errors	May be accepted, with time limit to initial at the specified by the Senior Manager

	<b>Irregularity</b>	<b>Response</b>
13	Documents which have financial implications, and in which all necessary addenda have not been acknowledged	May be accepted only if omission of the acknowledgment is significant, as determined by the Senior Manager
14	Other minor irregularities	May be accepted. The Senior Manager shall have the authority to waive.
15	Correspondence related to an adjustment, correction or restriction to a tender outside of a tender envelope or received after a tender is submitted	Rejection however, may be accepted if specifically allowed in the tender document or addenda and received prior to tender deadline.