



Clear Hills County

Effective Date: **March 29, 2011**

Policy Number: **1221**

Title: **TENDERING AND PURCHASING**

1. Policy Statement

1.1. Clear Hills County will provide guidelines for the tendering and purchasing of goods and services.

2. Definitions

2.1. Bidder: means a person, groups of persons, corporation or agency that submits a bid for the supply of goods and/or services to the County.

2.2. Local Supplier: means a business located within the boundaries of Clear Hills County.

3. Responsibilities

3.1. Chief Administrative Officer to:

3.1.1. Provide forms and procedures to support the implementation of this policy.

3.1.2. Be the sole signature required on documents for purchases specifically approved by resolution of Council.

3.2. Controller to:

3.2.1. Provide procedures for the recording of purchases into inventory.

3.2.2. Provide procedures for the processing of invoices and statements.

3.3. Directors and Coordinators to:

3.3.1. Ensure that all tendering and purchasing complies with this policy.

4. Location of Source

4.1. Where other factors are equal, the source of goods or services shall be:

- 1st Local suppliers
- 2nd Village of Hines Creek
- 3rd Locations within 200 km of the County
- 4th Alberta
- 5th Canada
- 6th Elsewhere

5. Tendering

- 5.1. Tenders shall be requested from not less than the number of sources listed below:
 - 5.1.1. Up to \$1,000 no quotations are required.
 - 5.1.2. Over \$1,000 and up to \$2,500, three (3) quotations shall be obtained by phone, internet Website, or catalogue prices, and recorded on the form provided.
 - 5.1.3. Over \$2,500 and up to \$10,000, three (3) written quotations including printed internet Website pricing, copies of catalogue pricing, or quotes obtained by email shall be obtained, and recorded and attached to the purchase documentation.
 - 5.1.4. Over \$10,000, three (3) quotations by sealed tender shall be obtained, and recorded on the form provided.
- 5.2. Where tenders or quotes are received that do not comply with Section 5.1, or where three (3) tenders cannot be obtained, the tenders received will be accepted provided that:
 - 5.2.1. Tenders have been requested from all local suppliers of the goods or services requested,
 - 5.2.2. Tenders received are believed to reflect a fair market price based on the conditions of the request for tenders, and
 - 5.2.3. The successful bidder is capable of providing the goods or services as per the conditions of the request for tender.
- 5.3. Where the nature of the services requested does not provide the competition necessary for the tendering process, Council may by resolution, or the Chief Administrative Officer in writing, provide for special tendering and award processes. Examples of this are invitational tenders and legal, architectural and engineering services and accommodations.
- 5.4. Standing quotations may be obtained and used to satisfy the requirements in 5.1 for the time period the vendor agrees to honour the quotation.

6. Request for Tender Process

6.1. Sealed tenders shall be processed in the following manner:

6.1.1. When sealed tenders are received, each tender must be time and date stamped and initialled upon receipt. Sealed tenders will be received clearly marked, for the specified project prior to the designated tender opening.

6.1.2. The sealed tender will be considered invalid if opened prior to the public opening, or if the contents are disclosed to any County staff member prior to the public opening. Faxes or e-mails will not be considered.

6.1.3. The tender opening shall be open to the public during a Council meeting and be held at the Clear Hills County Office.

6.1.4. A summary of the tender opening shall be prepared and retained in the County filing system and a copy forwarded to each Councillor.

6.1.5. Awarding of tenders will be accordance with Section 10 Authority to purchase below.

6.2. Withdrawal of a sealed or written tender will only be accepted prior to tender opening. The request to withdraw the tender must be received in writing.

6.3. An award of hourly or unit billed services shall be based on requesting service from the most favourable bid to the County that was submitted and accepted. If that bidder is not available in the time specified in tender conditions, then the service shall be requested from the 2nd most favourable bid, then the 3rd most favourable bid, etc. Location and travel costs will be considered when hiring equipment.

6.4. Where quotations are obtained by phone information regarding the time and date of each call, the person spoken to, price offered, and any terms stated shall be recorded and retained on file.

7. Information to Bidder

7.1. Each request for a sealed tender shall provide a clearly defined description of the goods or services required by the County, and shall include a statement that the terms of this policy shall apply to each bid.

7.2. If additional information is developed during the request for sealed or written tenders, due to meetings, questions raised, or changes in specifications, this information shall be forwarded in writing to all bidders.

- 7.3. Where telephone quotations or written quotes are requested, staff shall ensure that the same information and deadline is given to each person quoting.
- 7.4. Information received from any bidder shall not be revealed to other bidders until the tender deadline has passed.
- 7.5. One contractor will not be awarded more than two (2) grader beat contracts.

8. Security and Bonding

- 8.1. If a bid deposit is required, a letter of credit, or a certified cheque, payable to Clear Hills County, in the amount specified in the tender request, shall be submitted with the tender and will be returned to unsuccessful bidders by ordinary mail within 30 days after award of tender.
- 8.2. A bid deposit will be forfeited to Clear Hills County if the successful bidder fails to accept the award of tender within 15 days after award of tender, unless otherwise specified in the tender document.
- 8.3. When Security is required the successful bidder shall submit to the County, within the time specified, the documentation required in 8.1, prior to work commencing. The Security will be forfeited to the County if the successful bidder fails to comply with the terms and conditions of the award. The County will retain Security until such time as the project is completed to the satisfaction of the contract.
- 8.4. When required by the terms of the award of tender, an insurance certificate evidencing required insurance coverage, and if required naming the County as an additional insured, shall be submitted within the time specified.

9. Tender Opening over \$10,000.

- 9.1 Tenders shall be opened during a Regular Council Meeting and the Bidder name(s) and total tender cost from the Tender Form will be announced and recorded.
- 9.2 For multi-year grader beat tenders, each bid year hourly rate, shall be announced and recorded from the Tender Form.

10. Analysis of Tenders

- 10.1. Analysis of Tenders over \$10,000 shall be completed by the Tender Evaluation Committee, which will consist of:
 - 10.1.1. Department Manager (or its designate) of the originator of the Tender
 - 10.1.2. Department Manager (or its designate) of Corporate Services
- 10.2. The following factors, presented without any priority, shall be used to evaluate all bids received, unless otherwise specified in the tender document;

- 10.2.1. **Price**, based on the same Freight on Board, (FOB) location, same currency including goods and services tax, and with discounts applied.
 - 10.2.2. **Record** of a bidder's previous performance on quality, experience, service and delivery.
 - 10.2.3. **Ability** of the bidder to meet the requirements of the tender regarding quality, specifications, delivery and service.
 - 10.2.4. **Standardization** of goods to reduce inventory and future costs.
 - 10.2.5. **Bulk Purchasing**, through larger quantities, cumulative quantities or bulk packaging.
 - 10.2.6. **Life Cycle Costs** of goods or services.
- 10.3. Use of products that contain recycled material, are recyclable or reusable is encouraged.
- 10.4. The County reserves the right to reject any and all tenders for any cause, to award tenders based on conditions other than price, or to reject all tenders without cause.
- 10.5. Clear Hills County shall not accept tenders, quotations or the supply of services from contractors or suppliers of services who have initiated litigation against the County, for a period of one year after the litigation is resolved.

11. Authority to Purchase

- 11.1. Authority to award tenders, subject to funding being previously approved within the budget, shall be set as follows;
- 11.1.1. Up to \$10,000, any Director level position,
 - 11.1.2. \$10,001 to \$25,000, Chief Administrative Officer, and
 - 11.1.3. \$25,001 and up, by Council resolution and the signature of the Chief Administrative Officer.
- 11.2. Employees are only authorized to spend within their departments approved annual budget.

12. Purchase Orders

- 12.1. Purchase orders shall be issued for all purchases greater than \$1,000 except where letters of agreement or contracts exist. Chief Administrative Officer or Director must forward purchase order and copies of tender documents and the successful bid to the Controller.
- 12.2. Where a purchase consists of a periodic rental or lease, the purchase order/agreement shall be reviewed and initialled as required to authorize continuance of the rental or lease.

12.3. In an emergency situation, defined by the Chief Administrative Officer or the Director of Disaster Services, authority is granted to spend up to \$50,000 without the need to tender on the sole authority of the Chief Administrative Officer or the Director of Disaster Services. During the emergency, spending in excess of \$50,000 is to be approved by Reeve or Deputy Reeve, or in absence of both, any Councillor, and the Chief Administrative Officer or Director of Disaster Services without the need to tender.

13. Contingency Allowances

13.1. Contingency allowances may only be spent to meet the costs of unexpected site conditions, which prevent the contractor from meeting the project specifications approved by Council.

13.2. Contingency allowances and unspent project funds may only be applied to changes in project specifications approved by resolution of Council.

End of Policy

ADOPTED: Resolution #C194-03 Date: March 25, 2003

AMENDED: Resolution #C379-03	Date: May 27, 2003
Resolution #C876-03	Date: November 25, 2003
Resolution #C244-04	Date: March 23, 2004
Resolution #C557-04	Date: June 22, 2004
Resolution #C388(05/10/05)	Date: May 10, 2005
Resolution #C213(04/10/07)	Date: April 10, 2007
Resolution #C419(05/26/09)	Dated May 26, 2009
Resolution #C159(02/22/11)	Dated: February 22, 2011
Resolution #C245(03/29/11)	Dated: March 29, 2011