

| POLICY AND DIRECTIVES | | |
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| Procurement Policy | | |
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PURPOSE

To establish the parameters for the acquisition of goods and services by the City of Thompson. The policy establishes the basic direction, philosophies, climate and values upon which the purchasing function must operate. The objectives of the procurement policy are:

1. To ensure that Goods, Services and Construction are acquired through a fair, open, transparent and competitive process that uniformly balances the interests of the taxpayers with the fair and equitable treatment of suppliers.
2. To promote the most cost effective and efficient use of City funds and resources by acquiring Goods or Services at the optimum quality, quantity, price, delivery and performance.
3. To procure Goods or Services only as approved in budgets unless otherwise authorized by Council, in the case of an Emergency Purchase, or if required by law.
4. To encourage competitive bidding for the supply of all Goods and Services and disposals of assets where applicable.
5. To consider Environmental Factors, Fair Trade and Ethical Procurement where practical.

SCOPE

This policy governs the acquisition of Goods, Services and Construction, by purchase or lease, with City funds from all sources including both operating and capital expenditures and disposal of surplus capital assets. The Purchasing Department has overall responsibility for administering this policy under general direction of the Chief Financial Officer.

POLICY

Process Integrity

In order to maintain the integrity of the Procurement process and to protect the interests of the City, the public, and persons participating in the Procurement process, the following shall be adhered to:

- a. **Open Process:** The needs of the User Department are clearly communicated in the Bid Opportunity. The method of evaluating the Bid and the Evaluation Criteria are provided to Bidders in the Bid Opportunity, and the Evaluation Criteria are specific and measureable. The method and format of submitting Bids is addressed in the Bid Opportunity.
- b. **Fairness:** Utilize standard documents whenever practical (Instructions to Bidders, Terms of Reference/Conditions, Supplemental Conditions and Bid Forms) to ensure consistency of content and format within documents issued by the City. Specify clearly all details regarding the Closing Time Opportunity for Bids and apply the rules of Bid acceptance consistently. Treat all Bidders and Bids equally and without bias or favoritism at all times.
- c. **Open Competition:** Develop Specifications and Bid Opportunities that whenever possible are not restrictive and allow for Open Competition. Advertise the competitive Bid Opportunities electronically where practicable to further promote competition.
- d. **Accountability:** Ensure that all Bids are kept secure prior to the Closing Time, during the evaluation period, and following Contract award. Handle all proprietary information and Bids submitted in confidence in accordance with the Freedom of Information and Protection of Privacy Act (FIPPA). Ensure that Requests for Proposals (RFP's) are evaluated by an Evaluation Committee to allow for various perspectives and opinions when reviewing and evaluating proposals prior to Contract award. Ensure that all Bids, final rating results, and related supporting documentation are kept on file in accordance with *The Municipal Act's* Retention Requirements for future reference, audit, or examination. Ensure that Procurement policies and procedures are reviewed on a regular basis.
- a. **Conflict of Interest:** No elected official or employee of the City shall knowingly cause or permit anything to be done or communicated to anyone, which could cause any potential Bidder to have an unfair advantage or disadvantage in obtaining a Contract for supply of Goods, Services, or Construction to the City.

- b. **Local Preference:** In accordance with applicable Trade Agreements,,there will be no local preference for the acquisition of Goods, Services, or Construction. The City believes in a fair, open, and transparent Procurement process. All Bidders, regardless of their location, are permitted to compete solely on the basis of their ability to provide Best Value. The City will follow the *Guidelines to the Procurement Obligations of Domestic and International Trade Agreements* published by the parties to the NWPTA dated February 2014, as amended from time to time.

- e. **Obligations and Duties:** To comply with public sector Procurement rules, the City must abide by the following duties which create specific obligations that must be adhered to:
 - i. Duty of disclosure;
 - ii. Duty to award as tendered;
 - iii. Duty to reject non-compliant bids; and
 - iv. Duty of fairness.

- h. **Co-operative Group Purchasing:** The City endorses the principle of co-operative group purchasing with other municipalities, school divisions or other quasi-government agencies. The City may join these agencies or participate in the Association of Manitoba Municipalities purchasing program in respect of purchases in common demand.

DEFINITIONS

Addenda means written correspondence issued by the purchasing department in order to provide notification of a proposed change or explanation.

Best Value means the Bid which meets Specifications and all other requirements of the Bid Opportunity, and is evaluated as offering the best value to the City based on consideration of all of the Evaluation Criteria in the Bid Opportunity.

Bid means a potential supplier's proposal to supply Goods, Services or Construction in response to a Bid Opportunity . A Bid may consist of a binding legal tender, or another type of submission as requested in the Bid Opportunity.

Bid Security means a surety bond or other financial instrument submitted by a Bidder to the City, upon request, which obligates the bidder to honour their submitted Bid or forfeit the bid security value

Bid Opportunity means an invitation from the City to potential suppliers to submit Bids for the provision of Goods, Services or Construction. It may be in the form of an Invitation to Tender, Request for Proposal, Request for Quotation, Price Request, Firm Price List, Sole Source, for sale by Tender/ Disposal, Request for Information, Request for expression of interest, or any other form determined appropriate by the purchasing agent, all as described in greater detail below under the heading Methods and Processes of Procurement.. All documents attached to or incorporated by reference in a Bid Opportunity are considered part of the Bid Opportunity.

City means The City of Thompson.

Closing Time means the date and time set forth within the Bid Opportunity for receipt of Bids.

Compliant Bid means a Bid that meets all of the terms and conditions in the the Bid Opportunity.

Construction means construction, re-construction, demolition, or a building, structure, or civil engineering work, which may include site preparation, drilling and the supply and installation of products/ materials.

Contract means a formal agreement to supply Goods, Services or Construction including a Contract arising out of a Bid Opportunity.

Emergency Purchase means a situation where immediate acquisition of Goods, Services or Construction is required,

- a. to protect the environment, the life, safety, health and or welfare of the general public, or property of the residents of the City,
- b. to prevent serious damage, disruption of work, or
- c. to restore or to maintain essential service at a minimum level.

Evaluation Criteria means the criteria that are used to evaluate Bids and select a successful Bid.

Goods means all types of personal property including but not limited to machinery, gravel, office supplies and computers.

Instruction to Bidders means a component of the Bid Opportunity that sets out the specific instructions to the bidders on procedures, explanations, disclaimers, and other necessary information in the preparation of the Bid.

MERX means Manitoba's electronic tendering system (<http://www.merx.com/>) and any equivalent system that may in future be prescribed by the Government of Manitoba.

Purchase Subject to NWPTA means a purchase by the City that falls within the scope of The New West Partnership Trade Agreement, typically because a purchase of Goods has an estimated Total Bid Price of \$75,000 or more, a purchase of Services has an estimated Total Bid Price of \$75,000 or more, or a purchase of Construction has an estimated Total Bid Price of \$200,000 or more.

Services means all types of services including but not limited to consulting, engineering and design, accounting and auditing services, legal services, maintenance, and the operation and repair of buildings, machines or equipment.

Sole Source means the purchase of Goods, Services or Construction from a single supplier without a competitive process.

Specifications means a component of a Bid Opportunity that sets out a clear, complete, and precise description of the Goods, Services or Construction required, including pertinent technical details.

Total Bid Price means the total cost proposed by a potential supplier in response to a Bid Opportunity, including but not limited to any premiums, fees, commissions, interest, duty, freight and applicable taxes.

Trade Agreement means any of the following: New West Partnership Trade Agreement (NWPTA); Canadian Free Trade Agreement (CFTA); Canada-European Union Comprehensive Economic Trade Agreement (CETA); Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) or World Trade Organization Agreement on Government Procurement (WTO GPA).

RESPONSIBILITIES

1. All Goods Services and Construction shall be acquired in accordance with this policy.
2. All employees are responsible for:
 - a. Maintaining high legal, ethical, managerial and professional standards in the management of the resources entrusted to them, as a publicly funded institution;
 - b. Using appropriate purchasing techniques including negotiating contractual terms and conditions, cost reduction techniques and cooperating buying processes;
 - c. Using a fair and transparent process when calling for, receiving and evaluating quotations and proposals;
 - d. Securing expense authorization prior to any purchases; and
 - e. Ensuring a supplier of Goods, Services or Construction holds a valid City of Thompson business license where required.

3. Managers are responsible for:
 - a. Ensuring all purchases are performed in accordance with this policy; and
 - b. Continuously reviewing the department's use of Goods, Services and Construction to ensure the City is receiving the Best Value based on considerations including but not limited to best quality, quantity, service and price

4. The purchasing department shall provide support to City staff and act as the City's agent authorized to form contractual agreements with vendors. The purchasing department is responsible for:
 - a. Issuing purchase orders and agreements;
 - b. Maintaining records of business transactions;
 - c. Disposing of assets as required through established methods;
 - d. Ensuring all business transactions are conducted ethically and professionally; and
 - e. Ensuring that Bid Opportunities are circulated to all qualified suppliers.

PROCUREMENT GUIDELINES

Purchases in accordance with this policy may be made with a City credit card by an authorized City employee from an authorized vendor. Purchases are to be made only for general expenses for city business and travel for city business. Any other use must be immediately reported to the Chief Financial Officer and/or the City Manager. Any charges incurred unrelated to City business or unauthorized charges must be repaid immediately and employees may be subject to disciplinary action.

The following guidelines will be followed for the purchase of Goods, Services and Construction:

Total Bid Price

| | |
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| Less than \$1,000 | Direct purchases do not require acquisition of competitive pricing and are authorized to avoid non-efficient use of resources. Non-efficient use of resources occurs when the value of the time consumed obtaining pricing exceeds the money saved on the purchase. |
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| \$1,000 to \$5,000 | Verbal or written quotation from more than one vendor whenever time permits, with the exception of standardized supplies where a verbal quotation would be considered acceptable. Purchase order must be issued by the purchasing department. |
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| \$5,000 to \$50,000 | Written quotation from more than one vendor. Item must be requisitioned by the user department and approved by the Department Head as well as the Chief Financial Officer. Purchase order must be issued by the purchasing department. |
| \$50,000 and over | A written Request for Proposal or Invitation to Tender must be used. Purchase must be advertised on the City website and in other media as appropriate, a minimum of 5 days prior to the close of bids, and for a period of 15 to 30 days for Purchases Subject to NWPTA. A comprehensive assessment of the proposals or tenders will be undertaken. A purchase order will be created and a contract drawn up if required. Purchases Subject to NWPTA are subject to additional requirements below. |

METHODS AND PROCESSES OF PROCUREMENT

The City will use the following methods of procurement:

1. Sole Source

Sole Source awards are permitted in the following circumstances:

- a. In an emergency where Goods, Services or Construction are urgently required and delay would be injurious to the public interest, provided:
 - i. The City Manager has so determined this to be the case; and
 - ii. The sole source award is signed by both the City Manager and Chief Financial Officer;
- b. When one of the following applies:
 - i. there is only one available supplier that meets the requirements of the Bid Opportunity. For Purchases Subject to NWPTA, reasonable efforts must be made to identify potential suppliers;
 - ii. the Goods, Services or Construction to be provided are the subject of a patent, copyright, or exclusive license or distributorship. For Purchases Subject to NWPTA, a sole source is only permitted if it is not possible to hold an open competition requesting the item in question "or equivalent";
 - iii. the Goods, Services or Construction to be provided are components or replacements parts for which there are no substitutes; or
 - iv. there is a need for standardization or compatibility with existing product, facility, or service. and this has been determined to be operationally or economically beneficial to the City;

and the Purchasing Manager has determined that workarounds to the above restrictions that would achieve open procurement are not possible; or

- c. Where the City is able to 'piggyback' a new purchase on a supplier's existing agreement with another public entity, or another contract within the City, and there would be a significant mobilization cost to retain another supplier.

2. Request for Quotation (RFQ)

The City may obtain an RFQ for Goods, Services or Construction valued between \$1,000 and \$50,000, typically of low complexity and low risk to the City, in the following manner:

- a. By directly contacting known suppliers. This method will be used for the procurement of minor goods and services such as standard office supplies, repairs or small tools. Where possible, written quotations will be obtained from three suppliers. Verbal quotations will be accepted for routine minor purchases; or
By a written RFP where the cost of the item does not warrant the time and level of effort required for a tender. Suppliers will be invited to provide quotations through public advertisement.

The award will typically go to the lowest total cost bid received for items that have a low dollar value and are routine commercial goods.

3. Request for Proposal (RFP)

An RFP will be used to acquire professional services such as auditors, planning consultants and engineering consultants purchases, regardless of price.

- a. Potential suppliers will be asked to describe how their services, methods, equipment or products can address the needs of the City; and
- b. In the case of Purchases Subject to NWPTA, the professional services (other than legal services) will be acquired by Invitation to Tender.

4. Invitation to Tender

The City shall issue an Invitation to Tender for Purchases Subject to NWPTA and for purchases greater than \$50,000. The City may also issue an Invitation to Tender for any purchase valued at \$15,000 or greater where the level of risk or complexity warrants a more formal process than an RFQ or RFP.

- a. Detailed terms and conditions will be provided in the Bid Opportunity;
- b. A tender is a formal, competitive sealed bidding process with legal requirements;
- c. Purchases Subject to NWPTA will be tendered using MERX; and
- d. A Public Opening of the Bids will be completed at City Hall on the advertised date. An equivalent process will be followed for Bids processed through MERX.

5. Expression of Interest

The City may issue an Expression of interest to identify suppliers who are interested in an item or project.

- a. The Expression of interest will be posted on the City's website and advertised at least once in a local paper;
- b. The opening is NOT PUBLIC. The responses will be opened on the specified date; and
- c. The user department will prepare specifications to pursue with the respondents to the expression of interest.

6. Price Request

The purchasing department or a user department may issue a solicitation to obtain pricing for low dollar value acquisitions with a budget between \$1,000 and \$5,000.

- a. The Price Request is not publicly advertised;
- b. An invitational bid is sent to a minimum of three (3) bidders; and
- c. The basis for award is the lowest evaluated bid.

7. Firm Price List

The purchasing department may issue a request to obtain rates for Goods, Services, or Construction to be used on a short term basis only.

- a. Pricing may be submitted for hourly, weekly or monthly rates;
- b. No Award is made. A list of Bidders' pricing is provided internally for a use on an 'as required' basis; and
- c. Firm price list may be made available for viewing by a Bidder for a specified project upon written request to Procurement services.

8. Request for Information

The purchasing department may issue a publically advertised request as a general market research tool to determine what Goods or Services are available to meet the City's operational needs and identify acquisition strategies from potential Bidders.

- a. This is not a Bid Opportunity or Bidder Pre-Qualification Tool; and
- b. Intent is to source technical data, budget information and options for execution of a follow-up Bid Opportunity.

9. Request for Expression of Interest

The purchasing department may issue a publically advertised request to determine interest from potential bidders.

- a. This may be used as a pre-condition to submitting a bid or as a bidder pre-qualification process; and
- b. Intent is to create a short-list of bidders who will received a subsequent private Bid Opportunity.

EXCEPTIONS

Purchase orders are normally not issued for the following items:

1. Registration fees for conferences and other events
2. Travel arrangements such as hotels, rental cars, airline, etc.
3. Subscriptions
4. Memberships in professional, trade or other organizations
5. Utilities
6. Grants/ transfers
7. Taxes
8. Payroll requisitions
9. Debt Payments
10. Postage
11. Legal services
12. Mileage allowance

ADVERTISING BID OPPORTUNITIES

All Bid Opportunities solicited through a Request for Proposal or an Invitation to Tender will be posted on the City website.

All Bid Opportunities for Purchases Subject to NWPTA will be advertised on MERX.

PRE-QUALIFICATION OF BIDDERS

A Bid Opportunity may specify that only pre-qualified bidders are eligible to bid. When that process is used, the Purchasing Manager will ensure a fair and transparent process to screen potential bidders based on legitimate factors such as, but not limited to, experience, ability, past performance, and financial capability.

For Purchases Subject to NWPTA, a notice will be published on MERX setting out the criteria that will be used to prequalify suppliers, and a statement that only the suppliers on the prequalified list will receive further notices of procurement covered by the list. The notice will be re-published on MERX annually.

FAIRNESS TO BIDDERS

1. Purpose of Procurement

All Bid Opportunities will clearly explain the purpose of the procurement.

2. Evaluation Criteria

All Bid Opportunities will specify the Evaluation Criteria to be used to select a successful Bid. Evaluation Criteria can include but are not limited to the following:

- a. Ability, capacity, and skill of the Bidder to provide the requested Goods, Services, or Construction;
- b. Ability of the Bidder to perform the Contract or provide the Good, Services, or Construction promptly or at the time specified without delay or interference;
- c. The character, integrity, reputation, judgement, experience, and efficiency of the Bidder;
- d. The past performance on similar projects with similar characteristics, including the quality, innovation and life-cycle value of the outcomes;
- e. The sufficiency of the financial resources of the Bidder to perform the Contract or provide the Goods, Services, or Construction;
- f. The quality, availability, and adaptability of the Goods, Services, or Construction to the particular use required;
- g. The ability of the Bidder to provide future maintenance, service and warranty for the items required;
- h. The number and scope of conditions imposed by the Bidder that are attached to the Bid;
- i. Price and other cost factors;
- j. Technical merit;
- k. The equivalency of Goods or Services proposed by a Bidder as being "equivalent" to the stated requirements;
- l. Terms of delivery;
- m. Transitioning implications;
- n. The Bidder's professional competence, managerial ability, and corporate stability;
- o. The calibre, experience and availability of staff proposed; The ability to meet site, climatic, public safety, code, design, permitting and other project related requirements; and
- p. Preferences for Responsible Procurement, such as Environmental (Green) Procurement, Fair Trade and Ethical Procurement.

3. Weighting

For Invitations to Tender, and Purchases Subject to NWPTA, the Bid Opportunity will list the weighting that will be applied to each of the Evaluation Criteria.

4. Performance-Based

For Purchases Subject to NWPTA, Specifications and technical requirements in a Bid Opportunity will be expressed in terms of performance and functional requirements, rather than design or descriptive characteristics, and will be based on on recognized standards where these exist.

5. Treatment of Bids

All Bid Opportunities will clearly indicate to bidders the following:

- a. The lowest or any Bid need not be accepted by the City. Bids will be selected based on the Best Value to the City.
- b. The City is not required to accept any Bid if the City decides not to proceed with the purchase.

The following does not apply to Invitations to Tender or Purchases Subject to NWPTA:

The City shall have the right to evaluate competing Bids in accordance with its own criteria for evaluation applied to specific item or work being tendered, whether or not such criteria has been expressly related to the bidders. In all cases, the City will endeavor to be fair to all bidders. For example, in a small dollar purchase of routine office supplies the City would not necessarily disclose its Evaluation Criteria, but it would not mislead a supplier about the Evaluation Criteria.

RESPONSIBLE PROCUREMENT

1. Environmental (Green) Procurement

The acquisition of environmentally responsible Goods or Services may be given preference during the evaluation stage of a Bid when the Bid Opportunity documents either directly call for "green products" or where "green products" are requested as an option. These Goods or Services are defined as those having lesser or reduced effect on human health and the environment when compared to other Goods, Services, or Construction that serve the same purpose. Bid Opportunities will include, unless otherwise justified, environmentally responsible Goods or Services that:

- a. Use recycled materials;
- b. Are durable, reusable, or designed to be recycled;
- c. Consume fewer resources in their manufacture and/or their use; and
- d. Use environmentally responsible practices.

2. Fair Trade

In support of maintaining status as a Fair Trade Town, the City commits to acquiring only Fair Trade certified coffee and sugar for all meetings and in its offices.

3. Ethical Procurement

Ethical Procurement includes, but is not limited to, the following considerations with respect to labour practices:

- a. Bidders will be required to declare in their Bid and in the Contract: That they and conduct their respective business in accordance with established international codes as they relate to child and forced labour embodied in United Nations (UN) and International Labour Organization (ILO) conventions as ratified by Canada; and That the Bidder shall forfeit all claims under the Contract as well as refund to the City any monies paid, beyond actual proven expenses for work done, if this declaration is shown to be false;
- b. Bidders will be required to disclose in their Bid and in the Contract the sources (by company and country) of the raw materials used in apparel and a description of the manufacturing environment (labour unions, minimum wages, etc.); and
- c. The Bidder shall supply a statement of confirmation that the labour standards of Canada have been adhered to in their processes irrespective of special status granted to a company, worksite, or geographical area that permits the organization to compromise applicable standards.

RISK MANAGEMENT DOCUMENTS

All Bid Opportunities shall clearly indicate the insurance and other requirements listed in this section to be satisfied by the successful Bidder.

1. Insurance and Risk Management

The project manager shall request from the successful Bidder a Certificate of Insurance. The certificate shall be in a form satisfactory to Risk Management prior to any work being performed, for no less than the minimum amounts stated in the Bid Opportunity and in force for the entire Contract period and any subsequent warranty period.

The project manager must ensure that all documentation has been received prior to contacting the contractor to commence the work and that the Certificate has been sent to the City's Records Department to be filed electronically in the Procurement File.

The City shall be added as an "Additional Insured". The City shall be indemnified from any and all claims, demands, losses, costs or damages resulting from the performance of a Bidder's obligation under the Contract.

The minimum insurance to be specified in a Bid Opportunity, shall be:

- a. **Commercial General Liability Insurance**
Broad form Commercial General Liability policy for a limit of not less than \$2,000,000 per occurrence basis with respect to third party liability claims for bodily injury, property damage, and personal injury. This policy may be required to include such endorsements as: Premises and Operation Liability, Blanket Contractual Liability, Products and Completed Operations, Tenant's Legal Liability, Non Owned Automobile Liability, Owner's and Contractor's Protective Liability, Contingent Employers' Liability, Breach of Conditions clause, Aircraft and Watercraft, Property and Boiler and Machinery.
- b. **Owned Automobile Liability Insurance**
The contractor shall obtain and keep in force Owned Automobile Insurance with a liability limit of not less than \$2,000,000 on forms meeting statutory requirements covering all licensed vehicles owned or leased by the contractor used in any manner in connection with the performance of the terms of this Contract.
- c. **Contractor's Equipment Insurance**
"All Risks" Contractor's Equipment Insurance covering owned and non-owned machinery and equipment used by the contractor in the performance of the work for the replacement value of any such machinery and equipment.

2. Workers Compensation

Prior to the commencement of work, the successful Bidder shall deliver to the Contract Administrator a Certificate of Clearance from the Workers Compensation Board of Manitoba (WCB) stating that they are in good standing with the WCB as of the current date and every sixty (60) days thereafter ensuring ongoing good standing with the WCB.

3. Occupational Health and Safety

- a. Where applicable, unless specifically stated otherwise by written Contract, the successful Bidder is and shall be the prime contractor and shall serve as, and have the duties of the prime contractor in accordance with *The Workplace Safety and Health Act, C.C.S.M. c.W210*.
- b. The successful Bidder may be bound by further Workplace Safety and Health requirements specific to a particular project as expressly outlined in the Bid Opportunity.
- c. The designated prime contractor is required to provide insurance and shall ensure that this is applicable to any and all sub-contractors.

4. Business License

All successful Bidders, whether Thompson based or otherwise, must obtain a City of Thompson Business License, in accordance with Business Licensing Bylaw 1717-2006.

5. Guarantees of Contract Execution and Performance

a. Bid Security

The purchasing agent may require the provision of Bid Security as part of the Bid Opportunity, and may specify that it should be included in the envelope containing the Bid Submission. Bid Security shall be a minimum of 10% of the total value of the Bid, or a fixed dollar amount, as determined by the Chief Financial Officer .

b. Bonding

The purchasing agent may require the provision of one or more of the following as part of the Bid Opportunity, to be provided by the successful Bidder prior to commencement of the work:

- i. A performance bond to guarantee the performance of the Contract;
- ii. A labour and materials bond to guarantee the payment for labour and materials to be supplied in connection with a Contract;
- iii. An irrevocable letter of credit; or
- iv. A certified cheque, money order, or bank draft.

BIDDING PROCESS

1. Addenda

- a. All changes to the Bid Opportunity document and all communications to Bidders changing or clarifying items after issuance of a Bid Opportunity must be conducted/communicated through Addenda. Responses to Bidder questions/inquiries/clarifications shall be issued through Addendum. All Addenda must be issued in the same manner as the Bid Opportunity;
- b. It is essential that all contact during the Bid process be through the single, designated contact person as disclosed in the Bid Opportunity;
- c. All questions received from Bidders will be collected and reviewed by the designated contact person to ensure each enquiry is addressed;
- d. An Addendum that contains new information about, changes or clarifies the Bid Opportunity will be shared with all Bidders;
- e. If an Addendum containing significant new information is released within three (3) business days of the Closing Time, it will be at the Purchasing Agent's discretion whether an extension is required in order to allow Bidders sufficient time to review and incorporate the changes; and
- f. Receipt of Addenda shall be acknowledged by the Bidder on the Bid Form or as otherwise specified.

2. Receipt of Bids

The following applies to all Bids other than those processed through MERX:

- a. All Bids must be received centrally at City Hall (226 Mystery Lake Road), except in instances where the User Department is managing its own Invitational Bid Opportunity, in which case, Bids can be received directly by the User Department;
- b. Closing Time for each Bid Opportunity is listed in the Bid Opportunity, generally in Section 2 under Methods;
- c. Physically submitted Bids must be date/time stamped by the clock displayed in City Hall, even if received after the Bid Submission Closing Time;
- d. In situations where Bids are accepted via facsimile, they are considered to be received as of the time set forth in the City's fax transmission report; and
- e. Faxed submissions must be followed up with the original documents within three (3) business days.

3. Withdrawal of Bid

- a. A Bidder who has submitted a Bid may request the Bid be withdrawn prior to the Closing Time;
- b. The withdrawal request must be submitted in writing to the Purchasing Agent, and the person making the withdrawal request must match the name of the person that submitted the Bid. If this information matches, the Bid will be considered by the City as withdrawn and returned to the Bidder; and
- c. A withdrawal request received by the City after the Closing Time will not be accepted by the City, and any such Bidder shall be responsible for, and liable to the City for, damages which, at a minimum, will involve an administration charge (the amount to be determined at the discretion of the City) and include any and all other legal and equitable remedies available to the City.

4. Bid Irregularities

The following non-exhaustive list is a summary of certain Bid irregularities and the resulting actions:

| Irregularity | Action |
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| Late Bid | Automatic rejection; Bid returned unopened to the Bidder with letter advising of such |
| Insufficient Financial Security (Bid Security, agreement to bond, or consent of surety) | Automatic rejection |
| Bid containing minor, obvious clerical errors (unit price, addition, or tax calculation) | Clarification sought in writing by the Purchasing Agent |
| Bid which is incomplete, conditional, obscure, or which contain additions not called for, erasures, alterations, or irregularities of any kind | Automatic rejection |
| Bid which does not meet mandatory requirements | Automatic rejection |
| Bid not completed in non-erasable medium or signed in ink | Automatic rejection |
| Bid not submitted in sealed envelope | Automatic rejection |
| Failure to attend mandatory site visit | Automatic rejection |
| Failure to submit documentation in accordance with the Bid Opportunity | Automatic rejection |
| Erasures, overwriting, or strikeouts not initialed | Automatic rejection |
| Bid Form, pricing, or signature page missing | Automatic rejection |
| Form(s) not completed or submitted in their entirety | Automatic rejection |
| Bid Form not witnessed | Automatic rejection |
| Any other irregularities | The Purchasing Agent shall have the discretion and authority to waive other Irregularities or minor non-compliance where determined by the Purchasing Agent to be trivial or insignificant. |

5. Evaluation Process

- a. Bids are first reviewed for compliance with the mandatory requirements in the Bid Opportunity (pass/fail);
- b. Compliant Bids are then reviewed/evaluated by the User Department or Evaluation Committee in accordance with the Evaluation Criteria set out in the Bid Opportunity, to determine which Bid provides the Best Value to the City;

- c. The User Department or Evaluation Committee prepares a recommendation for review and authorization by the Finance Department; and
- d. The City may award a Contract to the successful bidder. The form of Contract will be determined by the City.

6. Cancellation

The Purchasing Agent shall have the authority to cancel a Bid Opportunity at any time during the Procurement process. Cancellation is warranted when:

- a. The Total Bid Price exceeds the funding approval;
- b. A change in scope of work is required and therefore a new Bid Opportunity is warranted;
- c. All Bids received are non-compliant or do not meet Specifications; or
- d. In the opinion of the Purchasing Agent, the integrity of the process has been compromised.

The City further reserves the right to award or to cancel a Bid Opportunity if it deems that to be in the best interest of the City.

AWARD PROCESS

1. Role of Council

In accordance with best practices in municipal procurement, Council recognizes the need for clear separation of political and administrative functions in relation to the procurement process. It is the role of Council to establish policy and approve expenditures through the City's budget approval process. Through this policy, Council delegates to administration the authority to incur expenditures in accordance with the current year's Financial Plan through the processes set out in this Policy.

To avoid the potential appearance of bias or political influence in the procurement process and procurement decisions, members of Council will not be involved in Bid Opportunities from the time a project has been initiated through the evaluation process until a project has been awarded, except where Council is required to approve the award in accordance with this policy.

2. Council Approval

Council approval is required in the following situations:

- a. The contract value cannot be accommodated within the current year's Financial Plan;
- b. The expenditure is equal to or greater than \$50,000 and is not identified in the current year's financial plan;

- c. The project is eligible for funding from a senior level of government and requires a council resolution for approval;
- d. The user department is not recommending the lowest evaluated bid for Tenders of quotations;
- e. The City Manager or Chief Financial Officer deem it is in the City's best interest to obtain Council approval; or
- f. Council requests that the project come before Council for approval.

3. Reporting

On a monthly basis, Council will be provided with a report summarizing the projects awards for items contained in the annual capital budget. The report will contain at a minimum the following information:

- a. Bid Opportunity;
- b. Award date;
- c. Number of bids received;
- d. Successful bidder;
- e. Award value;
- f. Estimated project cost; and
- g. Approved budget.

4. Approvals

The award recommendation will be reviewed by the Purchasing Agent or Chief Financial Officer to determine if they are in agreement and to review the financial details. If Council approval is required, the Council report must be signed by the Chief Financial Officer.

5. Letter of Notification

A letter of notification will be prepared by Procurement Services and sent to all Bidders that submitted a Bid. The letter will indicate the successful Bidder's name, Total Bid Price and any other pertinent information (Contract term, options acquired, etc.). The letter of notification will indicate whether a Contract or a Purchase Order will be initiated. The Purchasing Agent may elect not to issue a letter for price requests.

6. Posting of Award

Procurement Services is responsible for posting the results of the tenders and Request for Proposals on the City's website www.thompson.ca.

7. Confidentiality

The City will ensure that in accordance with applicable laws, all Bid information submitted in confidence is adequately protected.

8. Procurement, Accounting and Management

The Chief Financial Officer will, through delegation from the City Manager, ensure that accounts for authorized expenditures are paid.

The Chief Financial Officer will ensure that adequate records are maintained including accounts payable invoices and cheque registry information.

BIDDER DEBRIEFS AND PROTESTS

1. Bidder Debrief

Bidders (successful or unsuccessful) may request a debrief on their Bid submission. Debriefs must be scheduled with and conducted by the Purchasing Agent. The Purchasing Agent may request that members of the Evaluation Committee be in attendance or provide details prior to the scheduled time. The content of the debriefing shall be limited to the requesting Bidder's submission and any information related to other Bidders' submissions or scores will not be disclosed.

For Purchases Subject to NWPTA, the Purchasing Agent will provide an explanation of the reasons why the Bidder's tender was not selected and the relative advantage of the successful supplier's tender. This will be done without prejudicing the commercial position of the successful supplier or any other party.

2. Bid Protest Procedures

- a. An unsuccessful Bidder may contest the outcome of the Bid Opportunity or process. The Bidder must first request and receive a Bidder debrief. If the Bidder still wishes to challenge the outcome of the Bid Opportunity or process, the Bidder must protest the outcome, in writing, to the attention of the Purchasing Agent.
- b. For Purchases Subject to NWPTA, the process is as follows: The City shall make arrangements for the arbitration of the protest by an impartial third party in accordance with *The Agreement Among the Parties to the New West Partnership Establishing the Bid Protest Mechanism* effective January 1, 2019, as amended from time to time.
- c. For all other purchases, the Purchasing Agent shall review the written protest and promptly advise the Bidder, in writing, of the outcome of the review. The Purchasing Agent's decision is final.

PROHIBITIONS

The following activities are prohibited, unless specifically approved by Council:

1. The division of purchases to avoid the requirements of this policy by any method.
2. Purchase by any employee or member of Council of any Goods and Services for personal use.
3. An employee shall not accept a gift, favour or service from any individual, organization or corporation, other than: the normal exchange of gifts between friends; the normal exchange of hospitality between persons doing business together, tokens exchanged as part of protocol; or the normal presentation of gifts to persons participating in public functions.
4. Purchases by the City from any member of Council or City employee or their immediate families or other source except when the purchase is at competitive prices and the Supplier is a dealer in those goods and services and which purchase is incidental or in the ordinary course of the business of the Supplier.

PROCESS FOR SELLING SURPLUS CAPITAL ASSETS

If any materials or equipment owned by the City are declared by the department head having control over them to be surplus to present and future department requirements, and are approved by the City Manager to be surplus to present and future corporate requirements, the Purchasing Agent may either dispose of the materials or equipment by public auction, online auction or request for quotations as deemed appropriate by the Purchasing Agent in the circumstances. Assets may also be traded in on a new or replacement capital asset.

1. Detailed listing and specifications will be in the bid document;
2. Will be posted on the City Website;
3. Site visits or pictures may be made available;
4. The City may set a reserve bid for each item sold. If the reserve bid is not met, the City may chose not to sell the item;
5. The highest or any bid will not necessarily be accepted. The City is not required to accept a bid if City Council decide not to proceed with the sale, for example, if all the bids are too low;
6. Surplus assets traded-in on new or replacement assets will not be advertised for public sale.

Funds received for the disposal of surplus materials and equipment will be credited back to the equipment reserve for future equipment purchases.

In exceptional circumstances, surplus assets may be transferred gratuitously to a not-for-profit organization or public agency or sold at less than fair market value when, in the

opinion of the City Manager, such action serves the public interest better than sale on the open market, provided always that the contract transferring the asset is signed by the City Manager

Surplus assets will be segregated for reuse or recycling and those, which are classified as electronic waste, will be recycled according the appropriate governing guidelines for e-waste and in a manner that ensures that toxic products are not sent to landfill

Attachments

- None

Related Items

- *The Municipal Act, C.C.S.M. c. M225*
- *Freedom of Information and Protection of Privacy Act, C.C.S.M. c. F175*
- *The Workplace Safety and Health Act, C.C.S.M. c.W210*
- Canadian Free Trade Agreement (CFTA) – Article 504 – 3.(b)
- New West Partnership Trade Agreement (NWPTA) – Article 14 (c)
- Business Licensing By-law No. 1717-2006

City of Thompson
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13 June, 2022

RESOLUTION

Resolution # 2022 111

Moved by: *J. Fournier*

Seconded by: *P. E. Munn*

BE IT RESOLVED THAT Council approve the amended Procurement Policy.



Mayor
City of Thompson