

R.M. of Browning No. 34
Procurement Policy
Policy No. 200-9
April 10, 2019

Subject:	Procurement Policy
Type:	Administration
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Procurement Policy

1. **Purpose**

The overall purpose of this Policy is to ensure that the R.M. of Browning No. 34 (the “Municipality”) gets the highest quality of desired goods and services at the best price possible based on sound management and public procurement practices. Further, the regulations are aimed at streamlining the process of procurement while maintaining adequate controls. Procurement methods shall be open, fair, transparent and consistent and should reflect the need to make timely decisions and make best use of staff time to reach defensible procurement decisions.

2. **Scope**

These procurement procedures apply to all staff and Council members of the Municipality involved in the procurement process and to all types of procurement, by purchase or lease, using municipal funds from all sources, including operating, capital or other funds. Interpretation and administration of this Policy is the responsibility of the Administrator who will establish all procedures and controls necessary to comply with all relevant statutory and

legal obligations. The Administrator will ensure that all acquisitions are made according to this Policy, sound business practices, and will employ appropriate accountability measures, thereby making procurement decisions defensible.

All employees of the Municipality who have responsibility for the procurement of goods, services, construction or facilities must adhere to this Policy. Failure to adhere may result in temporary or permanent loss of procurement privileges or, in more extreme cases, result in disciplinary action and/or dismissal.

3. **Procurement Planning**

Procurement planning shall be part of the annual budgeting process. Each department head is responsible for planning his/her project's estimated procurement needs on an annual basis through the use of the annual budget, which indicates the items to be bought in the various quarters of the year. Council will use the annual budget to plan for requisitions. It is crucial that Council discuss the annual procurement plan at the beginning of each year and as need may arise within the year. Council will require the input of the Foreman and/or Administrator before approval.

4. **Procedures**

(a) It shall be the responsibility of the Administrator, through Council, to ensure that all purchases for the Municipality are for approved municipal use, cost-effective and are carried out in accordance with this policy statement and legal requirements.

(b) Subject to the specific sections of this Policy, where possible, all requirements are to be purchased on a competitive basis and shall be made at the lowest possible cost, provided the quality, delivery and service are equivalent. Past performance is an important consideration factor.

(c) Every effort shall be made to ensure that specifications used to obtain bids shall be clear, concise and fair.

(d) The Foreman and/or Administrator shall maintain a list of suppliers/vendors capable of providing goods, services and construction on a regular basis. This will make the process of vendor identification much faster. The vendor list shall be reviewed and updated periodically to ensure that current known factors are taken into consideration. The

Municipality may remove a vendor from the prequalification list where performance is not satisfactory or does not comply with the contracted terms and conditions.

(e) Acquisitions, which are to be leased, shall be acquired using the same procedures as if they were being purchased outright. The value to be considered for the purpose of applying the procedures shall be the value of the item(s), not the lease payments. All lease documents shall be coordinated through the Administrator, who shall analyze the lease as to its treatment and authorize the lease documents on behalf of the Municipality upon approval of Council.

(f) A file system shall be maintained that records proof of verbal and written quotations and bids.

(g) All employees and Council of the Municipality shall act in a manner which provides potential suppliers equal opportunity to participate in the business of the Municipality and to ensure open and transparent procedures that withstand public scrutiny at all times. The Municipality will implement appropriate procedures to avoid any perception of conflict of interests.

(h) All employees and Council of the Municipality shall act in a manner which will ensure that the Municipality maintains its reputation as a preferred customer by documentation of approvals, retention of all documents for audit purposes and completing timely accurate transactions within all aspects of the purchasing and contracting processes.

5. **Procurement Requisition**

Each specific procurement procedure process shall be initiated by procurement requisitions as follows:

(a) The department head/Foreman shall have five (5) days from the time Council requests the procurement requisition to supply the procurement requisition to the R.M. office along with a list of vendors to submit the procurement requisition to along with the required specifications for the item(s) proposed to be purchased or as designated by Council. Each item shall have a separate procurement requisition.

(b) The Administrator shall send out all procurement requisition forms to the vendors listed on the Foreman's list and request that all tenders be submitted directly to the office of the Municipality within a two (2) week period from the time of receipt to:

By mail: R.M. of Browning No. 34
Box 40
Lampman, Saskatchewan
S0C 1N0

By email: browning.lampman@sasktel.net

(c) All tenders received by the designated time period will be reviewed at the next Council meeting scheduled.

6. **Purchasing Process**

(a) It shall be customary to award the tender to the bidder of the lowest price meeting the specifications. However, the Municipality reserves the right to make an award for reasons deemed to be in its best interest. An award shall not be made in any circumstances to a firm that did not submit a bid on a tender call.

(b) All purchases shall be approved by the Council of the R.M. of Browning No. 34. There are two other situations where Council approval will be required:

- (i) If acceptance of the tender would result in the cost being more than budgeted and;
- (ii) If the recommendation is to be awarded to a supplier who is not the lowest bidder.

(c) In the event that all bids exceed the budgeted amount or otherwise do not meet the criteria established by the Municipality, one of the following options will be followed:

- (i) Cancel the process and do not purchase;
- (ii) Make an award to the lowest acceptable bidder based upon the amount of the budget overrun, and the significance and priority of the purchase;
- (iii) Undertake negotiations in the scope of the work with the bidder submitting the lowest acceptable tender;
- (iv) If the previous three options are not acceptable, recall the tender.

(d) That a motion be passed in the minutes of the Municipality as to the awarded supplier; and the awarded supplier be provided with confirmation of the award of bid including the agreed upon cost based on tender provided.

(e) At the request of a supplier who submitted a bid, the Municipality's personnel will conduct a supplier debriefing session to provide feedback on the evaluation of the tender. Bids shall not be compared to others, nor will information on other bids be provided.

(f) A formal contract shall be prepared and negotiated for the total amount of goods, services and construction that is to be signed by the appropriate signing officers of the Municipality along with the selected bidder/supplier. All final contracts require the approval of the Council of the R.M. of Browning No. 34.

7. **Exceptions to the Policy**

Where goods, services or construction are urgently required and delay would be injurious to life and/or property, the Administrator or their designate will authorize any and all actions to be taken and these will be considered as an exception to this Policy.

(a) At the conclusion of the emergency situation, the Administrator will report back to Council of the Municipality with the cost implications and summary of actions taken to mitigate the event.

8. **Receipt of Goods or Services**

(a) Immediately upon receipt of goods, authorized staff shall ascertain that the delivery is acceptable as to condition quantity, quality and conformity to the contract requirements.

(b) If the goods or services are accepted, the delivery slip (or a receiving report) shall be signed by the person authorized by the administration to receive the goods and such slip shall be matched with the purchase order or invoice.

(c) If the goods or services are not acceptable and are rejected or returned by the person authorized to receive them, the delivery slip (or receiving report) shall be delivered to the Administrator. The carrier is to be notified promptly of any damage.

(d) With respect to construction work, a field verification on the detailed physical progress shall be supported by a summary of the items and values, duly approved by the Administrator or designate, which shall satisfy the payment support and requirements.

(e) The Foreman and/or Administrator shall be required to approve all invoices, vouchers, claims for payment for goods and services purchased by their respective departments. Such approval shall ensure that all documentation including purchase orders, delivery/packing slips or receiving reports are attached and that pricing is appropriate.

(f) Such approvals by the Foreman and/or Administrator shall be undertaken in a timely manner. The R.M. of Browning No. 34 strives to pay its vendors of goods, services and construction within a thirty (30) day period, unless other terms are detailed on the vendor's invoice, and based on the timing of the next scheduled Council meeting.

9. **Supplier Performance**

(a) The Municipality reserves the right to measure supplier performance for the supply of goods and services against performance goals in a contract.

(b) The Municipality may use a supplier's record of performance when evaluating the potential for future work with the Municipality.

10. **Supplier Dispute Resolution**

(a) The Municipality will conduct an administrative review of any supplier dispute.

(b) The Administrator or their designate will be responsible for the dispute resolution process.

(c) The aggrieved party must provide details of the complaint, to the best of their understanding, in writing, signed by an authorized representative of the party, within thirty (30) days of the event that led to the complaint.

(d) Despite any other action that may be initiated, the decision of the Council of the Municipality is final.