

The Village of Bible Hill

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Date Adopted: December 20, 2016

Purchasing Policy

Title

1. This Policy is entitled the "Purchasing Policy".

Purpose and Goal

2. The goal of the Village's Purchasing Process is to obtain appropriate goods and services for the Village in a manner that is publicly accountable, fair and transparent, and provides best value to the Village.

PART I - INTRODUCTION

Interpretation

3. In this Policy:
 - 1) "Alternative procurement practice" means the purchase of goods or services without a public tender or other competitive process, usually due to an emergency or through sole sourcing, in the circumstances described at s. 11 of this Policy
 - 2) "Commission" means the Commission of the Village of Bible Hill
 - 3) "Public tender" means publicly advertising the Village's intended procurement of certain goods or services and inviting responses from interested suppliers. Public tenders include traditional tenders and requests for proposals, and are described at Schedule "A" of this Policy
 - 4) "Request for proposals" or "RFP" means a formal invitation to suppliers to describe how their services, methods, equipment or products can address and/or meet the needs of the Village. Requests for proposals are described at Schedule "A" of this Policy
 - 5) "Request for quotations" means obtaining price quotations from a number of different suppliers. Requests for quotations are described at Schedule "A" of this Policy. There are two types of requests for quotations for the purposes of this Policy, as follows:

(a) "Informal request for quotations" means obtaining verbal price quotations from a number of different suppliers

(b) "Formal request for quotations" means obtaining formal, written price quotations from a number of different suppliers

- 6) "Standing offer" means a source of supply available to the Village either through a standing price agreement with a supplier or as a member of a larger group of purchasers. Standing offers are described at Schedule "A" of this Policy
- 7) "Village" means the Village of Bible Hill
- 8) "Traditional tender" means a formal invitation to suppliers to submit a bid to supply specified goods or services. Traditional tenders are described at Schedule "A" of this Policy.

Application of this Policy

4. This Policy applies to the procurement by the Village of all goods and services, including construction and facilities, by purchase or lease.

PART II – NORMAL PROCUREMENT PRACTICES

5. For goods and services having a value of less than \$1,500:
- (1) The purchase decision may be made by the Village staff that have been designated by the Commission to have purchasing authority.
 - (2) The purchaser must obtain verbal or written quotations from one or more vendors.
 - (3) The purchase must be provided for in the approved budget allocations.
6. For goods and services having a value between \$1,500 and \$5,000:
- (1) The purchase decision must be passed by a motion of the Commission.
 - (2) The Commission must follow the following requirements:
 - (a) All quotations must be obtained in writing (via hand delivery, regular mail, fax or email is acceptable); and
 - (b) Two or more quotations shall be obtained.
7. For goods and services having a value between \$5,001 and \$25,000:
- (1) The purchase decision must be passed by a motion of the Commission.
 - (2) The Commission may use one of the following means to obtain a purchase price:
 - (a) Public Tender, which may be preceded by a request for qualifications or request for expressions of interest;

- (b) Invitational bid;
 - (c) Request written proposals from two or more vendors; or
 - (d) Use a standing offer if one exists for the goods or services required.
- (3) For all RFPs and traditional tenders, the Clerk will determine whether there will be an evaluation committee, and if so, the composition of it.
- (4) The role of the evaluation committee is the following:
- (a) Evaluate the bids or proposals in accordance with the evaluation criteria;
 - (b) Review the bids or proposals for compliance with this Policy and with the terms of the tender or RFP;
 - (c) Rank the bids or proposals and/or develop a short-list;
 - (d) In the case of an RFP, interview suppliers if the evaluation committee feels it would be beneficial to do so;
 - (e) Decide on the successful supplier, or make a recommendation to the Commission where required.
8. For goods and services having a value over \$25,001:
- (1) The purchase decision must be passed by a motion of the Commission.
 - (2) Goods and services must be purchased by public tender and requests for proposals must be in compliance with the provisions of The Atlantic Procurement Agreement where applicable.

Other Means of Public Procurement

9. The Village may use another method of purchasing goods and services having a value of over \$5,001, in addition to or in substitution for a traditional tender or RFP, such as a request for expressions of interest or a pre-qualification process, if a motion of the Commission is passed.

PART III – PUBLIC TENDERS – TRADITIONAL TENDERS AND REQUESTS FOR PROPOSALS

Guidelines for all Traditional Tenders and RFPs

10. The following guidelines should be used for all traditional tenders and RFPs:
- (1) The Village should provide reasonable notice and opportunity to respond to traditional tenders and RFPs, and should post or place notices of traditional tenders and RFPs as follows:
 - (a) on the public website maintained and operated by the government of Nova Scotia; and/or
 - (b) In other local, provincial, or national media, when the Commission determines that the benefit of doing so justifies the increased cost.
 - (2) The Village may also directly notify specific suppliers of a traditional tender or RFP and invite those suppliers to respond, if the Village believes that doing so is likely to

improve the quality or quantity of bids or proposals.

- (3) Traditional tenders and RFPs should normally include specifications or terms as follows:
 - (a) A privilege clause stating that the lowest or any bid or proposal will not necessarily be accepted, and that the Village reserves the right to accept or reject any or all bids or proposals;
 - (b) Suppliers must deliver bids or proposals to the Clerk by way of courier or mail in a sealed envelope;
 - (c) All questions or requests for clarification from suppliers must be directed to the Clerk;
 - (d) The time and date of closing;
 - (e) A warning that tender documents and bids will be open to the public, except to the extent otherwise stated in a call for tenders or a RFP, in which event there must be a warning that proposals or bids are subject to the Freedom of Information and Protection of Privacy provisions of the Municipal Government Act.
- (4) Traditional tenders and RFPs may also include a form of contract that the successful supplier will be required to enter into with the Village.

PART IV – ALTERNATE PROCUREMENT – EMERGENCY AND SOLE SOURCE PURCHASES

11. In certain circumstances, described in this section, the Village may purchase goods or services without using one of the options set out above. An alternative procurement purchase may occur only:
 - (1) In an emergency, where an unforeseeable situation of urgency exists and the goods, services or construction cannot be obtained in time by means of the regular purchase procedures.
 - (a) Emergencies include a lack of supplies or services that will have a significant adverse affect on the functioning of the Village, threaten public or private property or the environment, or jeopardize the health or safety of the public.
 - (b) If the emergency purchase exceeds \$500 the purchasing employee will report the emergency purchase to their Clerk.
 - (c) If the emergency purchase exceeds \$1,000, the purchasing employee must first obtain the approval of the Clerk, or if the Clerk is not available, the purchasing employee must obtain the approval of at least two Commissioners.
 - (2) Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest;
 - (3) Where compliance with the open tendering provisions set out in this Policy would interfere with the Village's ability to maintain security or order or to protect human, animal or plant life or health;

- (4) In the absence of tenders in response to an open or selective tender, or when the tenders submitted have been collusive, or not in conformity with the essential requirements in the tender;
 - (5) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
 - (6) Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
 - (7) For the purchase of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
 - (8) For the purchase of goods on a commodity market;
 - (9) For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
 - (10) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
 - (11) For the purchase of a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
 - (12) Where authorized by the Clerk, for the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, at auction or through tender, but not for routine purchases;
 - (13) For the purchase of original works of art;
 - (14) For the purchase of subscriptions to newspapers, magazines or other periodicals;
 - (15) For the purchase of real property;
 - (16) For the purchase of goods intended for resale to the public;
 - (17) For a purchase from philanthropic institutions, prison labour, persons with disabilities, sheltered workshop programs or through employment equity programs;
 - (18) For a purchase from a public body or a non-profit organization; or
 - (19) For the purchase of services of expert witnesses, specifically in anticipation of litigation or for the purpose of conducting litigation.
12. Except for an emergency purchase under s. 11(1), alternative procurement purchases must be made in accordance with the following process:

- (1) The purchasing employee must submit their request for an alternative procurement purchase in writing to the Clerk, explaining why they believe an alternative procurement purchase is necessary.
- (2) If the Clerk is satisfied an alternative procurement purchase is necessary, the request and explanation is sent to the Commission for approval.
- (3) The Commission will assess the request. If the request is approved, the Commission will notify the Clerk, and if the request is denied, the Commission will notify the Clerk with an adequate reasoning as to why the request has been denied.
- (4) The purchase should be completed through negotiation with the available supplier or suppliers of the goods or services required.

13. When an alternative procurement purchase occurs, the reason for doing so must be documented.

PART V - GENERAL

Conflicts of Interest

14. If an employee otherwise authorized to make a purchase or award a contract has a conflict of interest (that is, he or she stands to gain or lose financially from a contract award), the award must be made by the person to whom the conflicted staff member normally reports and the conflicted staff member must not participate in the purchase process related to the contract in any manner.

Duration of Contracts

15. Contracts for goods and services that are required to be procured by public tender under this Policy, including price agreements, must be re-tendered at least once every five years but may be re-tendered more frequently at the direction of the Commission.

Posting on Village Website

16. A copy of this Policy must be posted on the Village's website.

Compliance with Policy

17. All staff and Commissioners must act in good faith to comply with this Policy, but failure to comply with this Policy does not invalidate any purchase decision or act of the Village, nor is the Village liable to any supplier or prospective supplier for failing to comply with this Policy.

Replaces Existing Purchasing Policy

18. This Policy repeals and replaces the Village's Purchasing Policy: Revised November 20, 2012.

SCHEDULE "A" – PURCHASE METHODS

- A. Standing Offers:** May be used for purchases of up to \$25,000. See section 7(2) (d) of Policy.

A standing offer is a source of supply available to the Village either through a standing price agreement with a supplier or as a member of a larger group of purchasers. Standing offers include:

- (a) A standing agreement between the Village and a supplier in which the supplier commits to providing specified goods or services at a specific price for a specific period of time;
- (b) Equipment leasing programs through the Government of Nova Scotia;
- (c) Nova Scotia Provincial "standing offers" administered by the Nova Scotia Government;
- (d) Supplies and services available from the Nova Scotia Government;
- (e) A procurement program administered by the Union of Nova Scotia Municipalities or the Association of Municipal Administrators;
- (f) Any other program available to several municipal units and other public sector entities such as hospitals and school boards, provided that municipal staff is satisfied that such program has been developed.

- B. Request for Quotations:** May be used for purchases of up to \$5,000. See section 6 of Policy.

A request for quotations process involves obtaining price quotations from a number of different suppliers. Requests for quotations are generally used when the cost of the goods or services does not warrant the time, effort and expense required for a public tender or RFP process.

Where this Policy requires formal, written quotations (for purchases between \$1,500 and \$5,000), quotations must normally be sought from at least two suppliers. If it is decided to obtain fewer than two written quotations, the person responsible for that decision must document their reasons for doing so.

Where this policy allows for informal, verbal quotations (for purchases less than \$1,500), it is recommended, but not required, that quotations be sought from two suppliers. The person obtaining the quotations should document each quotation, including the time, date, supplier, price and description of the goods and services, the person from whom the quotation was obtained and the name of the municipal employee who obtained the quotation.

C. Public Tender: Used for purchases of over \$5,000. See sections 7 and 8 of Policy.

Public tenders can be in the form of "traditional tenders" or "requests for proposals" and involve publicly advertising the Village's intended purchase of certain goods or services and inviting responses from interested suppliers. Traditional tenders and RFPs are used for higher value purchases, when the cost of the goods or services warrants the time, effort and expense required for a public tender process.

1. Traditional Tender: A traditional tender is a competitive bidding process, consisting of a formal invitation to suppliers to submit a bid to supply specified goods or services. A traditional tender should be used when the purchase requirements of the Village can be clearly and completely specified. A traditional tender should not be used where it is clear that negotiations will be required after the close of tenders.

2. Request for Proposals: A request for proposals is a formal invitation to suppliers to describe how their services, methods, equipment or products can address and/or meet the needs of the Village. An RFP may be used when the Village is unable to clearly or completely specify the goods or services required, and suppliers are therefore asked to provide a solution to the problem, requirement or objective. RFPs may also be used for professional and consulting services.

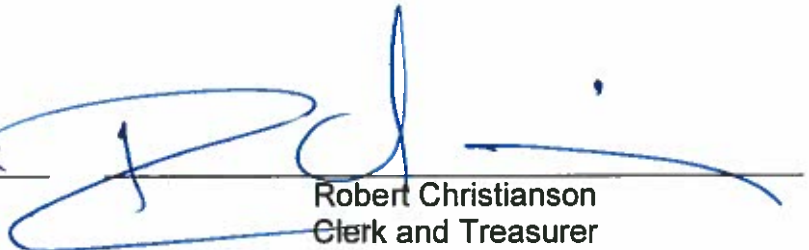
The Clerk or a designated employee should draft Request for Proposal documents.

In order to preserve confidentiality of sensitive commercial information contained in a proposal, proposals submitted in response to a request for a proposal need not be opened in public, but must be opened in the presence of at least two representatives of the Village, and after the proposals are opened a list of the proponents (but not prices) must be available to the public and the proponents upon request.

Negotiations may be conducted with a proponent after proposals have been opened, subject to complying with the terms of the RFP, which must be drafted to avoid unfair "bid-shopping" by the Village (that is, to avoid using the bids submitted as a negotiating tool to obtain a better price or other benefit).



Lois MacCormick
Chair



Robert Christianson
Clerk and Treasurer