

**Town Council of the Town of Gander  
Policies and Procedures**

<b>Policy Topic: Purchasing Procedures</b>		
<b>Policy No: F010</b>	<b>Motion of Council: #01-046</b>	<b>Effective Date: 02/07/01</b>
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	<b>Amendment Motion: #17-068</b>	<b>Amendment Date: 04/12/17</b>
<b>Issued By: Finance Committee</b>		

**Policy Statement:**

The Town of Gander strives to promote fair and equitable purchasing procedures that are both open and transparent to the public. In an effort to effectively manage the Town’s purchasing procedures, the Town has adopted the following policy to handle all purchasing.

**Purpose:**

To establish an open and transparent means and procedures for purchasing items in an efficient and effective manner for the Town.

**Procedure:**

As outlined in Appendix I.

**Responsibilities:**

**Purchasing Agent**

The Purchasing Agent will be responsible to oversee and process major purchases as requested.

**Supervisor/Department Head**

The Supervisor/Department Head will be responsible to generate and approve purchases in accordance with their respective spending authorities.

**Director of Finance/Town Clerk**

The Director of Finance/Town Clerk will be responsible for ensuring that this policy is being followed.

**Appendix I**  
**Town of Gander**  
**Finance Department**  
**Procurement Procedures**

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## Section I - Spending Authority

### Council:

Any expenditure for goods and services in excess of \$10,000, plus HST, shall be awarded by Council.

If the goods and services are purchased through a public tender or through a contractual arrangement, the invoices/contract payments for the goods and services will not have to come back to Council for approval unless there is a change in the scope of work.

### Staff:

The spending authority limits that have been approved by Council are as follows:

1. Level 1            **Chief Administrative Officer**  
Up to \$10,000 (plus HST)
2. Level 2            **Senior Management**  
Up to \$3,000 (plus HST)
3. Level 3            **Supervisory**  
Up to \$1,000 (plus HST)

### Section II - Purchases with a Value Less Than \$1,000 (plus HST)

1. The Town will only be responsible for goods and services which are obtained by way of a Visa Purchasing Card or by way of Purchase Order.
2. The Town will not be held responsible for payments of goods and services supplied by a Visa Purchasing Card which exceeds \$1,000.  
\*The Purchasing Agent may exceed this amount with prior approval from the Director of Finance or the CAO up to the supervisor's purchasing limit.
3. These processes are monitored by the Director of Finance/Town Clerk.
4. Purchases at the same business will be calculated per day up to a maximum of \$1,000 daily.
5. Purchasing cards will be issued to the Purchasing Agent, Inventory Control Clerk, Fire Chief and the Recreation Facilities Supervisor. Requests for other staff to have purchasing cards will have to be approved by the CAO.

### Section III - Purchase Orders with a Value from \$1,000 to \$10,000.00 (plus HST)

1. The Town will only be responsible for goods and services which are obtained by way of a Visa Purchasing Card or by way of Purchase Order or signed contract.
2. All purchases in this category will be made as a result of invited competitive bids.
3. Depending on the value of goods and services, and the urgency to obtain them, bids will be obtained by fax, email or written invitation. If purchase is urgent bids may be obtained by telephone.
4. Whenever possible and practical, a minimum of three bids will be obtained. A list of the bids received will be attached to the purchase order. If three bids cannot be obtained the purchaser will fill out the section of the "Bid Result" form indicating why.

In cases where an item is deemed to be a “Sole Source” purchase the purchaser will fill out the section of the “Bid Result” form indicating why and all sole source purchases over \$1,000 will be forwarded to the Finance Committee for their review.

5. In cases where there is not a competitive industry and three bids cannot be obtained locally, bids will be accepted from out of town suppliers.

#### **Section IV - Purchases with a Value in Excess of \$10,000.00 (plus HST) for Supplies & Services and \$20,000.00 for Construction Projects**

1. All purchases in this category shall be obtained by way of Public Tender.
2. The Town utilizes private firms for electronic advertising of Public Tenders and by advertising in the local Newspaper.

#### **Section V - Utility & Communication Services**

1. All services that are recurring on a monthly basis will be obtained by a competition and by way of a contract and purchase order issued at the commencement of the services.
2. The Director of each Department which consumes the utility service does not have to sign the invoices for approval, but is required to monitor the monthly variance for any discrepancies.

#### **Section VI - Vendors List**

1. The Purchasing Agent maintains a list of bidders who have expressed a desire and ability to compete for Town business.
2. Vendors on this list will be notified of quotations and tenders for goods and services in which they have expressed an interest.

#### **Section VII - Emergency Purchases**

1. True emergencies generally occur as a result of fire, flood, water breaks or equipment breakdown.
2. There may also be other situations where it is not possible to comply with normal Procurement Procedures.
3. Emergency purchases require the approval from the Town Manager or designate.

#### **Section VIII - Visa Purchases**

1. Visa purchases will under no circumstances be made by a cardholder for one self.
2. All Visa statements are to be signed off monthly by the department head regardless of the amount.
3. Visa will not be used at businesses where the Town has a standing offer.
4. Visa numbers are not to be left with a business for phone purchases.
5. Personal purchases on Town Visas will not be tolerated and will be grounds for immediate corrective action.
6. Any amount exceeding \$1,000 per day/per business cannot be charged if the Town has an account with the respective business.
7. Only the card holder can make and sign for visa purchases for their specific card.

### **Section IX - Price Agreement**

1. In order to guarantee a continuous supply of various goods and services required by the Town on a day to day basis, while at the same time assuring the competitive bidding system is adhered to, the Purchasing Agent establishes price agreements.
2. A price agreement is an arrangement between the Town and a vendor which commits the latter to provide and the Town to purchase, goods and services at a specified price over a specified period of time.
3. User departments must draw from these agreements in accordance with their level of signing authority.

### **Section X - Inviting Bids**

1. The following procedure is to be used for all purchases with a value of \$1,000 to \$10,000 (plus HST):
  - a) Requests for Goods & Services, complete with sufficient detail to allow for competitive bidding, are forwarded to the Purchasing Agent.
  - b) If the item is covered under a standing offer, a Purchase Order will be issued to the supplier.
  - c) The Purchasing Agent prepares the bid documents.
  - d) Bid documents with an estimated value greater than \$1,000 are sent to all registered bidders who have expressed an interest and ability to supply.
  - e) Proper authorization and documentation are obtained.
  - f) Purchase Orders or Price Agreement is issued.
  - g) The Town will not divulge the names of those who been sent Invited Quotation documents or the number of Invited Quotation documents that have been taken out or the names and numbers of those who have submitted bids.

### **Section XI - Public Tendering**

1. The Town of Gander as a means of obtaining maximum competition for the Town business and to comply with the Province's Public Tendering Act, has approved the following procedures for all expenditures in excess of \$10,000 (plus HST) for supplies and services and \$20,000 (plus HST) for construction projects

These procedures apply to all publicly opened tenders and do not apply to invited bids or to requests for proposals.

#### **Tendering Procedure**

- a) The following shall be stated in the Tender advertisement:
  - i) the Tender number and description
  - ii) the closing date and time for receipt of tenders
  - iii) the location for the box for receipt of tenders
  - iv) the location of the Public Tender opening
- b) Immediately prior to the closing time, the box shall be moved by the Purchasing Agent from the Purchasing Office to the Tender Opening room.

- c) Responsibility for the deposit of tenders in the tender box lies with the tenderer.
- d) Council shall appoint a tender opening committee, comprised of the Purchasing Agent, the Director of Finance/Town Clerk and the relevant Department Head, which shall reject tenders for the following reasons:
  - i) Absence of, insufficient or incorrect bid bond or security deposit;
  - ii) Unsigned tender;
  - iii) Failure to bid a single item when specifications require all items to be bid;
  - iv) Submission of more than one tender by the same tenderer;
  - v) A change in the written bid on a tender form which has not been initialled by the tenderer;
  - vi) Absence of required documentation or non-compliance with any special provisions of the specifications;
  - vii) Tender received after the specified tender date and time.
- e) Tenders shall be considered even in event the following errors are present:
  - i) Error in mathematics, where unit price does not equal the total price. In all cases the unit price shall prevail.
  - ii) Conflict between the written bid and the numerical bid. In all cases the total bid is corrected to reflect the written bid.

**Withdrawal of Tender - Correction or Withdrawal of Tender Before Tender Opening**

- a) Correction or withdrawal of tenders already placed in the Tender Box will be permitted where a sealed envelope, properly identified, is also placed in the Tender Box, prior to opening, specifying the correction or withdrawal of the tender, or notification is received by fax indicating the dollar value of the amendment. Correcting will not be considered if the revised total value of the tender is stipulated.
  - b) Correction or withdrawal of a tender after opening:
    - i) No tenderer shall be permitted to correct an alleged error in his bid and be awarded the contract.
    - ii) If a tenderer finds an error has been made in the tender, the tenderer's only alternatives are to leave the tender as is or, request Council's permission to withdraw the tender.
    - iii) Council will not necessarily allow the correction or withdrawal of a tender and may require the bidder to perform the contract or forfeit the bid deposit.
2. Public Tenders are opened in a room where the public and those submitting tenders are welcome. Tenders are opened, checked for contents and the name of the tenderer and the amount of the tender. Following this, a tender rejected as incomplete will be reviewed with a representative from the company concerned during the bid opening. If the Purchasing Agent is shown to be in error, the tender will be accepted and the bid price announced. However, if a tender is rejected and a representative of the company is not present at the opening, no later consideration will be given to accepting the tender.
3. The Town will not divulge the names of those who have taken out tender documents or the number of tender documents that have been taken out or the names and numbers of those who have submitted bids.

4. Tenders received by fax, email or telephone will not be considered, if bid security is required.
5. Tenders will be accepted through mail, courier, fax or email, if bid security is not required.

#### **Section XII - Tendering of Professional Services**

1. It is the Town of Gander's policy that contracts for the provision of professional services should go to public tender on a periodic basis.
2. Tenders will be called for the provision of all professional services (other than legal and engineering) on a quadrennial basis. The tenders will be called in the calendar year following the election of a new Council.
3. Engineering consultants will be selected by a formal selection procedure (request for proposals). Selection for engineering consultants will be done on a project basis. In circumstances where Town staff is not able to provide a clear definition of work, an experienced consultant familiar in the applicable field, can initially be engaged to assist in defining the scope of work. Fees for this work to be time based.
4. The Purchasing Agent will be responsible for handling all tendering of professional services.
5. Engineering services for projects less than \$100,000 in value may be selected from past experience where;
6. It is deemed that the Town's Technical Services Division is not experienced in the applicable field of engineering.
7. Time does not permit the Town's Technical Services Division to perform the design in-house.

#### **Section XIII - Other**

1. The Town of Gander does not bind itself to accept the lowest or any bids.
2. Gifts & Gratuities
  - a. The Town of Gander has a strict policy which prohibits any employee accepting gifts or gratuities of any kind.
3. Who Buys for the Town?
  - a. Most purchasing is done by the Purchasing Agent; however, many of the minor purchases are done by the individual departments.
4. Who do You Contact?
  - a. Always make your first call to our Purchasing Agent. If consultation with others is desirable, we will make arrangements with the right person, thereby ensuring that we do not waste anyone's time.
  - b. Bidders List
  - c. If your name is not on our Bidders List for each commodity you wish to sell to the Town, please write and let us know your firm's name, address, telephone number, fax number, person to contact and the commodities on which you wish to bid.
5. Sales Representative's Hours
  - a. The Purchasing Agent's hours of work are between 8:30 a.m. and 4:30 p.m. from Monday to Friday and we will welcome you during those hours. However, it is preferable to phone ahead for an appointment.
6. Tender documents are:
  - a. Available from the Town's Purchasing Agent
  - b. Returned to the office of the Purchasing Agent
  - c. Opened publicly at a meeting normally held in the Lancaster Room at the Town Hall, immediately following the closing time - usually 2:00 p.m.

- d. Advertising will take place on Bids and PODs, the Town Website, and Local Newspaper.
7. Quotation documents are available from the office of the Purchasing Agent.
  8. Price Information & Award Details
    - a. We have no confidential deals - our business is public business.
  9. Things to Watch
    - a. Be sure you are on the Bidders List - we can't give you an opportunity to bid unless we know what you are selling.
    - b. Be sure your offer or tender is submitted to the Town before the closing time or it will not be considered.
    - c. Read the tender documents thoroughly and comply with all the instructions and conditions. We do not want to reject your offer.
    - d. Public Tenders submitted by fax will not be accepted, if bid security is required.
    - e. Be sure you have obtained a signed contract, signed Purchase Order or a Purchasing Card authorization before processing any orders.
  10. Contract Change Orders will be dealt with in the same manner as all other purchases. That is to say if the Change Order is for less than \$10,000 it will be approved by the appropriate staff person. If it is for more than \$10,000 then it will go to Council for approval.

**Requirement for Liability Insurance**

1. Any contractor wishing to bid on work with the Town of Gander will be required to carry liability insurance of at least \$1,000,000.

**Requirements for Occupational Health and Safety**

1. The Town of Gander has developed an extensive workplace health and safety program which must be carried out by all contractors doing any type of construction work on town property. Bidders will find information on this program on the Town's web site: [www.gandercanada.com](http://www.gandercanada.com) and click on the "Tenders" link. No work will be permitted until the successful contractor has provided all the necessary forms and information required. Therefore, bidders are advised to thoroughly review this program to ensure that they can comply with its requirements should their bid be successful.

**BID RESULT FORM**

DATE: \_\_\_\_\_

PO#: \_\_\_\_\_

ITEMS BEING PURCHASED: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

QUOTES RECEIVED:	<u>BIDDER</u>	<u>PRICE</u>
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____

REASON FOR SOLE SOURCE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

REASON 3 QUOTES NOTRECEIVED: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPLETED BY: \_\_\_\_\_