

BY-LAW NO. 62

TENDERING PROCESS

DATE APPROVED: April 9, 1992

EFFECTIVE DATE: April 9, 1992 **REVISED:** April 14, 1992
February 12, 1998

Whenever practicable public tenders shall be called for capital items and/or projects where the cost is estimated to exceed \$5,000.00:

Capital shall include:

- a) construction;
- b) renovation;
- c) repair; or
- d) equipment.

Exclusions:

- a) those items which the Town authorizes as exclusions;
- b) valid emergencies; or
- c) where the work is performed by Town employees.

Invited bids will be accepted:

- a) when tenders are called and no tender is received;

- b) when the Town is limited to a very few suppliers;
- c) in emergencies, when time does not permit the calling of public tenders.

GENERAL RESPONSIBILITIES

The Department heads employed by the Town shall be responsible to the Chief Administrative Officer to ensure that all purchases necessary and incidental to their department's operation are made in a cost efficient and effective manner.

The Department Heads shall have the authority to purchase operating materials, supplies and services as follows:

- 0 - \$500 - At the discretion of the Department Head;
- \$500 - \$1,500 - Documentation of two verbal quotations required;
- \$1,500 - \$5,000 - Minimum of three written quotations.

All purchases in excess of \$1,500 must be approved by the appropriate committee chairman or, in his/her absence, the Chief Administrative Officer.

February 12, 1998

The Town reserves the right to give local preference to a local tenderer in the event that the local tenderer's bid is within _____ percentage of the amount of the tender to whom the contract would otherwise be awarded.

It is recommended that the Town's purchasing policy be amended by including the following:

- 1) The contractor shall have complete control of the work and shall effectively direct and supervise the work so as to comply with all current standards of the Construction Safety Association; the Occupational Health and Safety Act of Nova Scotia; and all other relevant laws, regulations and By-Laws. The contractor shall be solely responsible for construction means, methods and procedures; and for construction safety; and for (all activities associated with) the design, operation and maintenance of all construction facilities. **SEE NOTE 1**
- 2) All contractors are to provide appropriate documentation to confirm that they are Certified in accordance with the Construction Safety Association standards. **SEE NOTE 1**
- 3) The highest or lowest tender need not necessarily be accepted. The Town reserves the right to accept all or any part of the tender or to accept any tender deemed to be in its best interest. Such things as past performances, quality of work, references and start/completion dates will be taken into consideration when awarding the contract.

NOTE 1

The recommendation in paragraph 1 and 2 are to address staff's concern regarding the increased risk to the Town imposed by the Occupational Health and Safety Act. It will only provide a little more authority to deal with contractors when we encounter a potentially dangerous or unsafe situation. It should be noted that approval of paragraph 2 may increase our costs of projects and may also exclude some smaller local contractors who may not be certified.

Paragraph three is one that has been added to various tenders as a result of previous discussions at Council, the policy statement has not been updated by resolution. This should be done to complete our records.

**IF YOU CHOOSE TO PROCEED WITH THESE RECOMMENDATIONS
THEY SHOULD BE REFERRED TO OUR SOLICITOR FOR REVIEW AND
APPROPRIATE WORDING.**

PURCHASING

DATE APPROVED: April 9, 1992

EFFECTIVE DATE: April 9, 1992 **REVISED:**

POLICY STATEMENT

The Town of Yarmouth wishes to undertake the development, implementation, and maintenance of a comprehensive set of purchasing policies to effectively administer the day-to-day operations of the Town and also to provide a consistent method of choosing suppliers and products that will ensure its operations are cost effective.

It will be the policy of the Town to encourage purchasing locally whenever products, services, and prices are competitive.

The Chief Administrative Officer will be responsible to develop and administer procedures to cover routine or re-occurring purchases as well as tendering, purchase planning, receiving quotations, purchasing agreements, contracts, and other areas that may be of benefit to the Town.

OPERATING EXPENDITURES

DATE APPROVED: **April 9, 1992**

EFFECTIVE DATE: **April 9, 1992** **REVISED:**

POLICY STATEMENT

It is recognized that all expenditures will be classed as either “operating” or “capital” expenditures.

Operating expenditures are those necessary to supply materials, supplies and services which are not defined capital and meet the following criteria:

- 1) articles or materials which meet one or more of the following conditions are to be classed as operating expenditures:
 - a) they are consumed in use;
 - b) they are expendable, “that is, if the article (“s”) have been damaged or parts thereof have been lost or worn out to such a degree that it is more feasible to replace them than it is to effect repairs”;
 - c) they have the characteristics of equipment, however the unit cost makes it impractical to capitalize the same;
 - d) they lose their identity through incorporation into different or more complex units or substances.
- 2) payments of all wages and services except those related to capital projects.

GENERAL – CAPITAL EXPENDITURES

DATE APPROVED: April 9, 1992

EFFECTIVE DATE: April 9, 1992 **REVISED:**

POLICY STATEMENT

Capital Expenditures shall be classified as follows:

1) **Facilities**

- a) new construction
- b) major renovation

2) **Equipment**

For the purposes of this policy (equipment) is defined as a movable or fixed unit of furniture or furnishings, an instrument, a machine, an apparatus or a set of articles that have a life expectancy of five or more years and which cost is in excess of \$1,000.00 for each item.

3) **Land**

All land purchased by the Town shall be recorded as a capital purchase regardless of the cost or the intended use.

The characteristics of capital expenditures are as follows:

- a) it retains its shape and appearance with use;
- b) it is non-expendable in that if the article is damaged or some of its parts are lost or worn, it is usually more feasible to repair it than to replace it with an entirely new unit;

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- c) it represents an investment of money which makes it feasible and advisable to capitalize the item;
- d) it does not lose its identity through incorporation into a different or more complex unit or substance.

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- b) renovations;
- c) repair; or
- d) equipment.

Exclusions:

- a) those items which the Town authorizes as exclusions;
- b) valid emergencies; or
- c) where the work is performed by Town employees.

Invited bids will be accepted:

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GENERAL RESPONSIBILITIES

The Department Heads employed by the Town shall be responsible to the Chief Administrative Officer to ensure that all purchases necessary and incidental to their departments operation are made in a cost efficient and effective manner.

The Department Heads shall have the authority to purchase operating materials, supplies and services as follows:

- 0 - \$500 - At the discretion of the Department Heads
- \$500 - \$1,500 - Documentation of two verbal quotations required
- \$1,500 - \$5,000 - Minimum of three written quotations

All purchases in excess of \$5,000 must be approved by the appropriate committee chairman or, in his/her absence, the Chief Administrative Officer.

GENERAL CONDITIONS FOR TENDERING

DATE APPROVED: **April 9, 1992**

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POLICY STATEMENT

1. Tenders will not be accepted after the announced closing date and time. All tenders will be date stamped, initialed and recorded in a receiving log.
2. Tenders submitted verbally, by telephone or by fax will not be accepted.
3. The tender must be as outlined in the specifications, otherwise the tender will be disqualified. In the event that no tender meets the specifications, the Town reserves the right to either recall tenders, or to have the work and/or purchase carried out in a manner and arrangement advantageous to the Town.
4. Specifications, details and plans are to be strictly followed unless otherwise directed by the Town in writing.
5. All tenders are to be opened publically and shall be identified and initialed by the Officer and/or Committee or Town Council members in attendance. All tenders shall be referred to the Town or such Committee as shall have been authorized and directed by the Town.
6. The successful bidder will be chosen at the discretion of the Town of Yarmouth or such Committee as may have been authorized by the Town.
7. The lowest or any tender need not necessarily be accepted.
8. The Town may allocate preference when, in the opinion of the Town, expressed by resolution it is in the interest of the Town to do so.

SPECIFICATIONS FOR TENDERING

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POLICY STATEMENT

For repairs, renovations and construction:

1. The contractor shall familiarize himself with the location where the work is to be carried out and his tender is to be made based on existing conditions.
2. The contractor shall bear the cost of all operating permits, licenses, fees, federal/provincial and municipal taxes, but subject to the Town's right to claim any and all rebates that may be available to it. The contractor shall assist in all applications for rebates and shall keep an accounting of same and shall obtain and supply the Town with all necessary documentation therefore.
3. The contractor shall meet all the conditions and regulations identified by any governments having jurisdictions.
4. The contractor shall protect all property and fixtures and, at his own expense, repair to the satisfaction of the Town any damages attributed to the contractor's work.
5. The contractor shall indemnify and save harmless the Town against any and all liability, claims and cost of whatever kind and nature for injury to, or death, of any person and for loss or damage to any property resulting from any act, fault or omission of the contractor, any sub-contractor or anyone employed in performance of the work specified herein.

- A) The contractor shall at all times, from commencement of the work specified herein until its completion and at his own expense maintain, in accordance with the policy, terms and conditions, comprehensive general liability insurance against claims for personal injury, death, or property damage or loss arising from any act, omission or fault of the contractor to an amount of not less than \$1,000,000.00 (one million dollars) in respect to any one incident or occurrence and shall, on demand, provide a copy of such policy or policies to the Town of Yarmouth.
 - B) For projects costing less than \$50,000.00, the Town may, by resolution, exempt a contractor from the provision of paragraph 6A above.
 - C) In the event of new construction or major renovations, the value of the policy or policies held by the contractor will be determined by the Town and form part of the specifications.
7. Progress payments equal to 90% of the work completed as valued by the Town of Yarmouth, may be made to the contractor as the work progresses on submission of a bona fide invoice itemizing the work completed. All progress payments shall be less the aggregate of any previous payments made to the contractor. No such progress payments shall be construed to be an acceptance of any defective work or improper materials.
8. The contractor shall ensure a competent foreman or supervisor is assigned to the project to monitor and ensure compliance with the specifications. The foreman or supervisor shall represent the contractor in his absence and directions given to him on minor matters shall be held as to have been given to the contractor. Otherwise, directions will be given to the contractor in writing. All employees engaged in the performance of work specified shall be skilled in work carried out.

9. The Town's representatives shall, at all times, have access to the work whenever it is in preparation or progress of inspection. If work is found not in accordance with the specifications through fault of the contractor, the contractor shall pay the cost of corrective action.
10. The contractor is to supply all labour, materials, and equipment as specified to carry out the work being tendered on.
11. The contractor is to provide written documentation that all employees have appropriate worker's compensation coverage.
12. The work site is to be left clean, neat and in safe condition to the complete satisfaction of the Town.

DISPOSAL OF CAPITAL EQUIPMENT
(INCLUDING MOTOR VEHICLES)

DATE APPROVED: **April 9, 1992**

EFFECTIVE DATE: **April 9, 1992** **REVISED:**

POLICY STATEMENT

The Town recognizes that it has the responsibility to purchase, repair and otherwise monitor (including disposal) all equipment purchased or donated to the Town for the Town's activities. The Town also recognizes its responsibility to provide for the care, custody and control of all equipment in its charge.

To fulfill this responsibility, it is desirable to identify equipment as either:

- a) **In service** – the term “in service” is used to define equipment that is used to promote the aims and purposes of the Town.

- b) **Out of Service** – the term “out of service” is used to define equipment that is not used to promote or support the Town's activities. “Out of Service” equipment shall be classified as either “**repairable**” or “**obsolete**”.

The term “**repairable**” is used to identify equipment that will not serve the intended purpose until additional repairs and or servicing is conducted.

The term “**obsolete**” applies to equipment that no longer serves its original intended purpose or requires extensive repairs or servicing to return it to a usable condition.

For the purpose of this policy, “**equipment**” is defined as a moveable or fixed unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles that have a life expectancy of five or more years, and which cost in excess of \$200.00 for each item.

To ensure that all equipment is used exclusively to support the aims, services and activities of the Town, the Department Head shall be responsible for all equipment located within and normally used by his/her department. The Department Head is responsible to ensure that an accurate perpetual inventory of all equipment is maintained on a regular basis.

In addition, the Department Head will be responsible to identify all out of service equipment. The Department Head and the C.A.O. will classify the equipment as being either repairable or obsolete.

In situations where equipment is deemed to be repairable, an estimate of the cost of the repairs and/or servicing is to be determined. The relationship between the cost of repairs versus purchasing new/similar equipment will be the determining factor as to whether “out of service” equipment will be classified as repairable or obsolete equipment.

In situations where it is financially viable to implement repairs and/or servicing, and there is a demonstrated need for such equipment, the equipment shall be repaired and made available for use.

Prior to declaring any equipment obsolete, the C.A.O., in consultation with Department Heads, will determine if there is use for the equipment by another department of the Town or if it would be advisable to store the equipment in anticipation of use in the near future.

When equipment requires excessive repairs and/or servicing to

return it to a usable condition and the cost is prohibitive, or, if in the opinion of the Department Head and C.A.O., it is not warranted, the equipment shall be declared obsolete and disposed of as efficiently and inexpensively as circumstances permit.

In the event that specific equipment no longer serves the intended purpose and it has been declared obsolete, the C.A.O. shall recommend the equipment either be disposed of as identified above or by sale through public tender in accordance with the Town's policy.