



**PROCUREMENT POLICY**  
**Policy # 2018-01**  
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## 1.0 POLICY STATEMENT

- 1.1 The Town of Woodstock recognizes that the taxpayers of the Town expect and have the right to receive a high level of service at the lowest possible cost and further understands that increased competition between suppliers will generally result in lower costs. In that regard, all procurement activity should offer competitive opportunities for our suppliers.

## 2.0 SCOPE

- 2.1 This policy applies to all persons who are defined as "employees" of the Town of Woodstock (under and for the purposes only of this policy).
- 2.2 This policy applies to the procurement of all goods, services or construction for The Town of Woodstock. This policy replaces Procurement Policy #2018-01 dated February 26, 2018.

## 3.0 PURPOSE

- 3.1 The purpose of this policy is to establish purchasing guidelines that provide for the procurement of goods, services, or construction by the Town in a fair, open, consistent and transparent manner resulting in competition and best value as approved by Council.

## 4.0 DEFINITIONS

In this policy, the following capitalized words and expressions shall have the following meanings:

- 4.1 **"Amendment"** - means an increase or decrease to an existing contract related to a change in scope that is unanticipated;
- 4.2 **"Award"** - means authorization to proceed with the purchase of goods, services or construction from a chosen supplier;
- 4.3 **"Best Value"** - means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan;
- 4.4 **"Bid"** - means an offer or submission from a supplier in response to a bid solicitation;
- 4.5 **"Bid Solicitation"** - means a formal request for bids that may be in the form of a request for quotations, request for qualifications, request for tenders, request for proposals or request for standing offer;
- 4.6 **"Budget(s)"** - means Council approved annual General Fund Operating and Capital Budgets and Water and Sewer Operating and Capital Budgets, including authorized revisions;
- 4.7 **"Construction"** - means a construction, re-construction, demolition, repair or renovation of a building, structure, property, land or other non-infrastructure related civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials and the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building,

structure or other non-infrastructure related civil engineering or architectural work, but does not include professional services related to the construction contract unless they are included in the procurement;

- 4.8 **"Consulting Services"** - means assistance to management, including but not limited to the areas of strategic analysis, organizational design, change management, policy development, feasibility studies, technical design, tendering assistance, construction/contract administration and other services intended to assist decision making within the organization;
- 4.9 **"Contract"** - means a binding agreement by way of a purchase order or a formal agreement between two or more parties that creates an obligation to do or not to do a particular thing;
- 4.10 **"Council"** - means the Mayor and Council of The Town of Woodstock;
- 4.11 **"Department"** - means an organizational unit within The Town of Woodstock headed by a Department Head. This term can apply to, but is not limited to, the Finance Office, the Clerk's Office, Department of Engineering and Public Works, Woodstock Fire Department, Woodstock Police Force, Department of Recreation and Tourism, and Department of Planning and Compliance;
- 4.12 **"Department Head"** - means the person appointed by Council or the Chief Administrative Officer to be responsible for the operation of a Town Department. This term can apply to, but is not limited to, the positions of Director of Recreation and Community Services, Fire Chief, Police Chief, Director of Public Works, Director of Utilities and Director of Finance;
- 4.13 **"Disposal"** - means the removal of material from the Town by sale, trade-in, alternative use or destruction;
- 4.14 **"Electronic Tendering"** - means the use of a computer-based system directly accessible by suppliers irrespective of their location that provides them with information related to bid solicitations; ie. – NB Online Web Site and/or Town of Woodstock Home Page;
- 4.15 **"Fair Market Value"** - means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length who are fully informed and not under any compulsion to transact;
- 4.16 **"Follow-On Contract"** - means situations where the Town, in the original contract or bid solicitation document, has indicated the potential for the award of subsequent phases of a project to the successful service provider;
- 4.17 **"Goods"** - means moveable property, including the costs of installing, operating, maintaining or manufacturing that moveable property, and includes raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.
- 4.18 **"Lowest Compliant Bid"** - means the bid that will provide the Town with the desired goods, services or construction at the lowest cost and which meets all the specifications;

- 4.19 **"Purchase"** - means to acquire goods, services or construction by outright purchase, rental, lease or trade;
- 4.20 **"Professional Services"** - means services requiring the skills of professionals for a defined service requirement or for a specific project related deliverable including but not limited to the areas of health and wellness, engineering, architecture, design, planning, information technology, financial auditing and fairness commissioners;
- 4.21 **"Purchase Order"** - means a written offer to a supplier formally stating all terms and conditions to purchase goods, services or construction or a written acceptance of an offer received in accordance with this policy;
- 4.22 **"Quote"** - means a Bid submitted in response to a request for quotation;
- 4.23 **"Security Deposit"** - means a deposit of securities by a supplier that the Town may convert under defined conditions to fulfill the suppliers' contractual obligations;
- 4.24 **"Services"** - means the provision of labour or labour and materials by tradesmen including but not limited to plumbers, electricians, cleaners, auto repair, etc.;
- 4.25 **"Special Circumstance"** - means a) an event that is exceptional or could not be foreseen and poses a threat to the health, safety or welfare of the public, or b) an event that could cause loss or damage to public or other property or c) an event that has disrupted essential services provided by the Town that must be re-established without delay;
- 4.26 **"Standing Offer"** - means an offer from a supplier that allows the Town to procure/purchase frequently ordered goods, services or construction from said supplier at prearranged prices, under set terms and conditions;
- 4.27 **"Substantive Objection"** - means a written objection provided to the Department Head by an interested party giving specific reasons for the objection to a specific bid solicitation or anything pertain thereto and subject to the proviso that the objection is not precluded by legislation or applicable trade agreements;
- 4.28 **"Supplier"** - an individual or a corporation in the business of providing goods, services or construction materials and/or services for a fee;
- 4.29 **"Tender"** - means a written, formal offer from a supplier, received in response to an advertised request for tenders.
- 4.30 **"Terms of Reference"** - includes any and all stated objectives, scope, deliverables, specifications, terms and conditions of a bid solicitation.
- 4.31 **"Town"** - means The Corporation of the Town of Woodstock;

## 5.0 GENERAL

- 5.1 The Chief Administrative Officer has the authority to approve all expenditures up to a value of \$50,000, in accordance with the application of this policy and upon the identification of funds in Council-approved budgets. Any expenditure which exceeds this limit or for which funds are not available in the budget, requires the approval of Council.
- 5.2 The Chief Administrative Officer is responsible to establish policies and procedures for the purchase of goods and services and the procurement of construction contracts that are applicable to all Town departments.
- 5.3 This policy and the related procedures shall be administered by Department Heads under the direction of the Chief Administrative Officer.
- 5.4 The Department Heads shall prepare, or assist with the preparation of, all bid documents, related reports and recommendations for consideration, approval and award by the Chief Administrative Officer and/or Council on all procurement related matters.
- 5.5 Goods, services or construction with a total cost of \$5,000 or less, shall be obtained by way of the corporate procurement card or a purchase order.
- 5.6 All dollar amount approval thresholds stated in this policy are excluding taxes, shipping, duties and incidentals
- 5.7 Any deviation from this policy will be referred to the Chief Administrative Officer for appropriate action.

## 6.0 AUTHORITIES AND CONTROLS

### 6.1 Spending Limits

- 6.1.1 Provided that all associated transactions are in accordance with the requirements of this policy, spending authorities for the procurement of goods, services or construction contracts are delegated as follows:

#### 6.1.2 Spending Approval Category

<u>Authority</u>	<u>Budgeted Amount</u>	<u>Unbudgeted Amount</u>
a) Council	More than \$50,000	More than \$25,000
b) CAO	\$50,000	\$25,000
c) Directors of Public Works, Utilities	\$10,000	\$5,000
d) All other Department Heads	\$5,000	\$2,500

### 6.2 Responsibilities and Authority

- 6.2.1. The Chief Administrative Officer is responsible to:

- a. monitor compliance with this policy and any applicable legislation and trade agreements,
- b. notify Department Heads, in advance if possible, of non-compliance with this policy and applicable legislation and trade agreements, and
- c. notify Council of the non-compliance.

6.2.2. Department Heads are responsible for procurement activities within their departments and are accountable for achieving the specific objectives of the procurement policy. Any tenders, invited or open, must be reviewed and approved by the CAO prior to issuance.

6.2.3. Department Heads shall, upon request, provide to the Chief Administrative Officer and Council evidence that the contract pricing represents fair market value.

6.2.4. The Chief Administrative Officer is authorized to instruct Department Heads not to award contracts but to submit recommendations to Council for approval and provide additional restrictions concerning procurement where in their opinion such action is considered necessary and in the best interest of the Town.

### **6.3 Requirement for Approved Funds**

6.3.1 The authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within the budget.

6.3.2 Where goods and services are routinely purchased or leased on a multi-year basis, the authority to award a contract is subject to the following conditions:

- a. the identification and availability of sufficient funds in appropriate accounts for the current year within the budget.
- b. the requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the Director of Financial Services, the required funding can reasonably be expected to be made available, and

6.3.3. The Chief Administrative Officer may reject all purchase requests for contracts for which sufficient funds are not available and identified unless, in the opinion of the Chief Administrative Officer, the funding shortfall is minimal and alternative funding has been identified.

### **6.4 Restrictions**

6.4.1 The spending limits stipulated at section 6.1 may not be divided into two or more parts to avoid the application of the provisions of this policy.

6.4.2 No person shall award a contract where the provisions of this policy have not been adhered to.

6.4.3 Department Heads shall not enter into any agreement for the provision of services where the services could result in the creation of an "employee - employer relationship".

## **6.5 Total Project Cost**

To determine whether a contract falls within the prescribed spending limits set out at section 6.1, the contract amount shall be the sum of all costs to be paid to the supplier under the contract, excluding all taxes.

## **6.6 Prescribed Council Approval**

6.6.1. Notwithstanding any other provision of this policy, the following contracts are subject to Council approval:

- a. Any contract prescribed by statute to be made by Council.
- b. Where the bid price is higher than the budget and the necessary adjustments cannot be made.
- c. Where the revenue amount proposed for acceptance is lower than the budget and the necessary adjustments cannot be made.
- d. Where a substantive objection emanating from the bid solicitation has been filed with the Department Head or Chief Administrative Officer.
- e. Where a major irregularity precludes the award of a tender to the supplier submitting the lowest bid.
- f. Where authority to approve has not been expressly delegated.
- g. Where a contract is a result of a public - private partnership ("PPP") opportunity.

6.6.2. No provision of the policy precludes the Chief Administrative Officer from submitting a recommendation for award to Council where, in the opinion of the Chief Administrative Officer, it is in the best interest of the Town to do so.

## **6.7 Purchase Order Forms**

6.7.1. For every purchase a purchase order form shall be used to record:

- a. the description of the good or service being procured,
- b. the identity of the supplier of the good or service,
- c. the cost of the good or service,
- d. the other quotes received for the good or service (if applicable),
- e. the account codes to which the costs shall be charged, and
- f. the signature of the purchaser and the approval authorities for the procurement.

## 7.0 BID SOLICITATION METHODS

### 7.1 General

7.1.1. The following methods for the procurement of goods, services or construction are in accordance with the *Procurement Act of the Province of New Brunswick* and the *Agreement on Internal Trade*:

<u>Procurement Methods</u>	<u>Project Cost</u>
Corporate Procurement Card or Purchase Order	\$5,000 or less
Request for Quotation or Proposal (Invitation to Bid)	Goods less than \$133,800, Services less than \$133,800, Construction less than \$133,800
Request for Tender (Advertised Public Tender)	Goods \$133,800 and greater Services \$133,800 and greater Construction \$133,800 and greater
Request for Proposal (Advertised Call for Proposals)	Goods \$133,800 and greater Services \$133,800 and greater Construction \$133,800 and greater
Request for Standing Offer	Any cost
Non-Competitive Purchase	Any cost

7.1.2. Each procurement method is more fully described in Sections 7.2 to 7.12 inclusive.

7.1.3. Requests for quotation and public requests for tender shall be used where a requirement can be fully defined and best value for the Town can be achieved by an award made on the basis of the lowest compliant bid.

7.1.4. The Request for Proposal method shall be used where:

- a. to achieve best value, the award will be made on an evaluated dollar per point or other method involving a combination of mandatory and desirable requirements, based on clearly defined criteria,
- b. the requirement is best described in a general performance specification,
- c. innovative solutions are sought, and
- d. cost is not the sole determining factor in making an award.

## **7.2. Petty Cash**

- 7.2.1 A Department Head is authorized to establish a petty cash fund in an amount necessary to meet the requirements of the Department for the acquisition of goods, services or construction, and as approved by the Director of Financial Services.
- 7.2.2 Petty cash funds are to be established in co-ordination with the Finance Office.
- 7.2.3 Expenditures, including purchases of goods, services or construction, may only be made from petty cash when it is not feasible to use a corporate procurement card or the Town does not have a credit facility with the supplier.
- 7.2.4 Purchases made pursuant to Section 7.2 and 7.3 shall be made from the competitive marketplace wherever possible.
- 7.2.5 All petty cash disbursements shall be evidenced by vouchers with appropriate receipts attached.
- 7.2.6 All petty cash replenishments shall be processed through the Office of the Director of Financial Services.

## **7.3 Purchases Under \$5,000**

- 7.3.1 Payment for the purchase of goods, services or construction not exceeding \$5,000 incurred in the general administration of a department may be made using:
  - a. a properly authorized corporate procurement card, or
  - b. a properly authorized purchase order.
- 7.3.2 The method used to purchase the goods, services or construction shall demonstrate that fair market value was achieved.
- 7.3.3 Whenever possible and practicable, the method used to make a purchase of goods or services in excess of \$5,000 shall include evidence that a minimum of three written quotes were obtained. For purchases of construction, whenever possible and practical the method used to make a purchase in excess of \$10,000 shall include evidence that a minimum of three written quotes were obtained
- 7.3.4 The Department Head may directly select a supplier to provide professional services without obtaining quotes where the total cost of the professional services does not exceed \$5,000.

## **7.4 Corporate Procurement Card**

- 7.4.1. General
  - a. This section outlines the procedure for the use of the corporate purchasing card for the purchase of goods or services. The total monthly limit per cardholder will be established by the Director of Financial Services.

- b. The corporate procurement card is primarily intended for the following purposes:
  - i. Making hotel reservations.
  - ii. Purchasing plane tickets.
  - iii. Other travel expenses.
  - iv. Purchasing items online.
  - v. Payment of invoices in US funds.
  - vi. Payments for course or convention registrations.
  - vii. Payment for food ordered for meetings.
  - viii. Purchase of small dollar necessary items.
  
- c. The general criteria for using the corporate procurement card are as follows:
  - i. \$5,000 (excluding taxes) or less per transaction.
  - ii. Larger purchases **must not** be broken down into smaller purchases in order to meet the transaction limit set out at paragraph i.
  - iii. The cardholder shall obtain a receipt at the point of sale and verify it for accuracy.
  - iv. The cardholder is required to account for all procurement card transactions on the monthly corporate procurement card log form provided by the Town for this purpose. Each month, the log form and all receipts are to be submitted to the cardholder's Supervisor for review.
  - v. Some vendors may be "blocked" from usage in the program. If the card is presented to any of these vendors, the transaction will be declined.
  - vi. Although the card is issued in the cardholder's name, it is the property of the Town and is for Town purchases only. Under no circumstances may the purchasing card be used for personal purchases.
  - vii. All maintenance for the procurement card is handled by the Director of Financial Services. Any update or modification to a cardholder's name, address and transaction limits shall be made through the Director of Financial Services.

#### 7.4.2. Program Responsibility

- a. The Director of Financial Services is responsible for:
  - i. administering the overall program;
  - ii. maintaining a file of individual daily transaction errors to assist in the resolution of potential problems; and
  - iii. approving the consolidated purchasing card statement for payment.

- b. Accounts payable is responsible for the reconciliation of monthly corporate procurement card log forms.
- c. The cardholder:
  - i. must ensure the corporate procurement card is signed upon receipt and must return the acknowledgment letter to the Director of Financial Services confirming receipt of card;
  - ii. is responsible to notify the Bank and the Director of Financial Services IMMEDIATELY if the procurement card is lost or stolen;
  - iii. is responsible to contact the Bank when disputing a charge by contacting the customer service at the number noted on the procurement card; and
  - iv. must retain all receipts and credit card slips to attach to the monthly activity log form which must be submitted monthly, within 2 weeks of receipt of the cardholder statement.
- d. Failure of the cardholder to adhere to these requirements may, at the sole discretion of the Director of Financial Services, result in loss of corporate card privileges.

#### 7.4.3. Monthly Payment Procedure

- a. A summary statement is sent to accounts payable for payment processing,
- b. An individual statement is sent to each cardholder,
- c. It is the responsibility of the approving Supervisor of the cardholder to review the monthly individual statement and then forward to the Director of Financial Services for data entry,
- d. The signature of the Supervisor indicates that all charges for the cardholder have been reviewed and are in compliance with the Town policies and procedures.

#### 7.4.5. Protecting the Corporate Card

The cardholder must:

- a. sign the back of a new card as soon as they receive it;
- b. make a note of the card information and the number;
- c. never leave the card unattended at work, and never leave the card in a vehicle;
- d. always check the card when it is returned to them after a purchase, to ensure that it is theirs;
- e. when travelling, carry the card with them, and make sure it is in a secure location; and
- f. report a lost or stolen card immediately.

#### 7.4.6. Summary

- a. This program is designed to be simple and easy to use, providing the cardholder with what is needed to perform their job more efficiently; however, there is a need to maintain appropriate controls to ensure the on-going success of the program.
- b. The cardholder is expected to exercise good judgement and act responsibly when using the card. The card is issued in the cardholder's name and all activity will be assumed to have been incurred by them.
- c. The cardholder must maintain their corporate procurement card log accurately and always retain their receipts with their log for audit and tax purposes.

## **7.5 Request for Quotation (RFQ)**

For the Town to obtain maximum value for every tax dollar, the following procurement method shall be followed for all purchases of goods, services or construction less than \$133,800:

- 7.5.1. The request for quotation is a bid solicitation where quotes are obtained from suppliers without formal advertising or receipt of sealed bids.
- 7.5.2. Requirements estimated at the thresholds identified above for RFQ shall be handled by the RFQ procedure; however, there may be requirements estimated at less than the limits identified above for RFQ, where bids may be solicited using a request for tender or a request for proposal.
- 7.5.3 The Department Head shall:
  - a. prepare a purchase requisition or written request containing the relevant specifications, terms and conditions for the purchase of goods, services or construction;
  - b. prepare bid documents,
  - c. give notice of the bid solicitation:
    - i. by using the NBON electronic tendering system, or
    - ii. by requesting submissions from, when possible or practicable, a minimum of three bidders who appear best qualified to meet the provisions of the quotation, or
    - iii. by any combination thereof which will result in appropriate notice being given, and
  - d. review the bids to ensure compliance with the terms of reference.
- 7.5.4. The Chief Administrative Officer or Department Head may award contracts emanating from a bid solicitation not exceeding the limits identified at Section 6.1 provided that:
  - a. sufficient funds are available and identified in appropriate accounts within Council approved budget estimates including authorized revisions,

- b. the award is to the lowest compliant bid, and
  - c. the provisions of this policy are followed.
- 7.5.5. Written documentation respecting the award of the contract is to be kept on the procurement file.
- 7.5.6. The purchase of goods, services or construction using the RFQ process shall be made through the issue of a purchase order.

## **7.6 Public Tender**

### **7.6.1. General**

- a. The Town of Woodstock, as a means of obtaining maximum competition for Town business and to afford all interested parties an opportunity to compete for this business, has approved the following procurement method for all expenditures in excess of \$133,800 for goods, services and construction..
- b. The Town may, at its sole discretion, divulge the names of those who have taken out tender documents to any other bidder or organization.
- c. These procedures for the preparation of tenders and for the public opening of tenders apply to all public requests for tenders issued on behalf of the Town for the purchase of goods, services or construction. They do not apply to invited bids or to requests for proposals.

### **7.6.2. Procedures**

- a. An advertised public tender shall be used for purchases exceeding \$133,800 for goods, services or construction, where all of the following criteria apply:
  - i. two or more sources are considered capable of supplying the requirement,
  - ii. the requirement is adequately defined to permit the evaluation of tenders against clearly stated specifications,
  - iii. it is intended to accept the lowest compliant bid.
- b. The Department Head shall follow these procedures:
  - i. Prepare the relevant specifications, terms and conditions, and estimated total cost for the acquisition of goods, services or construction.
  - ii. Use the NBON electronic tendering system for notification, complemented, if appropriate, by other means.
  - iii. Sealed tenders with a public opening shall be required.

- iv. The tender advertisement shall indicate:
  - a) the closing time for receipt of tenders,
  - b) the location of the tender box for receipt of tenders, and
  - c) the location of the public tender opening.
- v. Immediately following closing time the tender box shall be sealed by a Town Hall employee and moved to the tender opening room.
- vi. It is the responsibility of each of the tenderers to ensure that its tender is placed in the tender box. The Town accepts no responsibility for tenders that have been mailed, hand delivered or left outside the tender box.

#### 7.6.3. Tender Opening

- a. Decisions at the tender opening concerning the validity of a tender are final and not subject to appeal.
- b. Public tenders will be opened in a room where the public as well as those submitting tenders are welcome. Tenders will be opened, checked for content and the name and amount of the tender announced.
- c. The Department Head will appoint a tender opening committee composed of at least two members.
- d. The Tender opening committee shall reject tenders for the following reasons:
  - i. Absence of, or an insufficient or incorrect, bid bond or security deposit.
  - ii. Unsigned tender.
  - iii. Failure to bid any single item when specifications require all items to be bid.
  - iv. The submission of more than one tender by the same tenderer - in which case all tenders submitted by the said tenderer shall be rejected.
  - v. A change in the written or numeric bid price on a tender form that has not been initialled by the bidder for projects regulated by the *Crown Construction Contracts Act*. The use of white out or correction film is considered a change and must be initialled by the bidder.
  - vi. The absence of required documents or the failure to comply with the tender documents.
  - vii. Tenders received after the closing time for tenders.

- viii. Tenders which are rejected by the tender opening committee will be returned to the bidder at the address contained in the tender documents.
- f. Prices of rejected tenders will not be announced at the tender opening.
- g. Tenders will be considered even in the event they contain any of the following errors:
  - i. Error in mathematics - whether this involves the extension of a unit price or an error in addition, the mistake will be corrected and the correct total will be used for evaluation purposes and will be binding on the tenderer.
  - ii. Conflict between the written bid and the numerical bid. In all cases the total bid is corrected to reflect the written bid, whether lump sum or unit price,
  - iii. Omission of "provisional sum" amounts that are established by the department and do not affect the competitive nature of the tender. These amounts normally cover unspecified extra work. If omitted on the tender, the amount is added and the total price corrected. Provisional sums in this instance are those which the bidder is requested to write in on the tender form. Provisional sums which are specified in the specifications to be included in lump sum bids must be so included and each tenderer's price will be assumed to contain such prices.

#### 7.6.4. Correction or Withdrawal of Tenders before Tender Opening

- a. Correction or withdrawal of tenders already placed in the tender box will only be permitted where an amending letter signed by the person who signed the tender in a sealed envelope is placed in the tender box prior to tender opening.
- b. The amending letter must clearly specify that the tenderer intends to withdraw its tender or, in the case of an amendment, clearly indicate the part of the tender that the amending letter is intended to replace.
- c. Amending letters received by fax, electronically or by any other means will not be considered for projects regulated by the *Crown Construction Contracts Act*.

#### 7.6.5. Correction or Withdrawal of Tenders after Tender Opening

- a. No tenderer is permitted to amend or withdraw its tender after tender closing. If a tenderer finds an error has been made in his tender, said tenderer must leave the tender as is, or request permission from Council to withdraw the tender.
- b. Requests to withdraw must be submitted in writing, in original format and signed by the same individual who signed the tender, to the Mayor and Council stating the reason(s) for the request.
- c. Council will decide whether or not to grant the request based on the information supplied by the bidder and a recommendation from staff.

- d. Council will not necessarily allow the withdrawal and may require the bidder to perform the contract or forfeit the bid deposit.
- 7.6.6 Following the tender opening the Department Head shall prepare and submit a recommendation for award to the Chief Administrative Officer, and for consideration by Council if necessary.
- 7.6.7. The Chief Administrative Officer or his designate may award tenders for goods, services or construction contracts up to \$25,000 emanating from a request for tender, provided that:
- a. the award is to the tenderer who submitted the lowest compliant bid,
  - b. sufficient funds are available and identified in appropriate accounts within the budget including authorized revisions, and
  - c. the requirements of this policy have been met.
- 7.6.8. Where the authority referred to in Subsection 7.6.7 is exercised, written notification respecting the award of the contract is to be kept in the procurement file.
- 7.6.9. Awards emanating from a request for tender which are valued at more than \$25,000 for goods, services or construction require Council approval.
- 7.6.10. A standing offer, as defined in Section 4.26, may be used where appropriate, for purchases resulting from a request for tenders.

## **7.7 Request for Proposal - RFP**

- 7.7.1. A request for proposal may be used where one or more of the criteria for issuing a request for quotation or a request for tender cannot be met, such as in the following circumstances:
- a. owing to the nature of the requirement, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution rather than on price alone, or
  - b. it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement, or
  - c. it has been reasonably determined that the cost of professional services for a given project will be greater than \$50,000.
- 7.7.2. A Department Head who wishes to proceed with an RFP shall prepare the specifications of the goods or the scope of the services, the terms of reference and the evaluation criteria to be applied in assessing the proposals submitted.

- 7.7.3. The Chief Administrative Officer or his designate may select a supplier to provide professional services without competition where:
- a. the estimated total cost does not exceed \$50,000, and/or
  - b. the professional service required is exempt, under the *Procurement Act of the Province of New Brunswick*, or other applicable trade agreement(s), from the requirements of competitive bidding.
- 7.7.4. Where the requirement is not straightforward or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number or any combination thereof, a multi-step procedure may be used that would include a pre-qualification stage.
- 7.7.5. A selection committee, composed of a minimum of two representatives from the department and one additional person with specific subject matter expertise, shall review all proposals against the established criteria and reach consensus on the final rating results and ensure that the final rating results with supporting documents are kept in the procurement file.
- 7.7.6. The selection committee shall forward to the Department Head a summary of the procurement and their recommendation for award of contract to the supplier meeting all mandatory requirements and providing best value as stipulated in the request for proposal.
- 7.7.7. The Chief Administrative Officer may award a contract of \$25,000 or less for goods, services or construction, emanating from a request for proposal provided that:
- a. sufficient funds are available and identified in appropriate accounts within budget(s) including authorized revisions,
  - b. the award is made to the supplier meeting all mandatory requirements and providing best value as stipulated in the request for proposal,
  - c. materials management is in receipt of an approved requisition, and
  - d. the provisions of this policy are followed.
- 7.7.8. Where the discretion referred to in paragraph h) is exercised, written notification respecting the award of the contract is to be kept in the procurement file.
- 7.7.9. Awards emanating from a request for proposal which are valued at more than \$25,000 for goods, services or construction require Council approval.
- 7.7.10. Proposals may be submitted by email to [Procurement@WoodstockNB.ca](mailto:Procurement@WoodstockNB.ca) or be delivered in sealed envelopes to the Municipal Office no later than the date and time specified in the proposal call.

- 7.7.11. Proposals will be referred to the selection committee for review. The selection committee reserves the right to short-list the proponents and to request an additional verbal presentation from each short listed proponent. The names and contact information of the selection committee members shall not be made public. There will be no direct contact between the proponents and individual committee members, and unless expressly stated otherwise, all correspondence with the selection committee will be addressed to the Department Head.
- 7.7.12. The Town does not, by virtue of a request for proposals, commit to an award of a project. Further, the Town reserves the right not to accept the lowest cost proposal submitted. The Town reserves the right to accept the proposal deemed to be in the best interest of the Town.
- 7.7.13. Upon completion of the review process, a report with a recommendation on the award of a proposal call shall be submitted by the Chief Administrative Officer to Council, for approval.
- 7.7.14. Unless otherwise stated in the request for proposals, questions arising from a request for proposals shall be directed to the Department Head.
- 7.7.15. Immediately following the Town's acceptance of the proposal submitted as a result of a formal request for proposal, materials management shall send a written notification of award to all unsuccessful proponents disclosing the name of the successful proponent and providing a brief explanation rationalizing the Town's selection:
  - a. For all requests for proposals valued at \$50,000 or less, the written notification of award will be the only form of debriefing offered by the Town.
  - b. In the case of requests for proposals valued in excess of \$50,000, the Chief Administrative Officer may, in addition to the notification of award and upon written request from any proponent, provide a more detailed oral debriefing either by phone or in person, as required by the proponent. During this debriefing, the Chief Administrative Officer may disclose information such as the total price of the successful proponent and may discuss an overview of the process as well as the strengths and weaknesses of the requesting proponent's proposal.
  - c. The written request referred to paragraph b. shall be submitted to the Chief Administrative Officer no later than fifteen business days after the notification of award is issued.
  - d. The acceptance of the successful proposal shall not be discussed during a debriefing.

## **7.8 Professional Services**

### **7.8.1. General**

- a. Notwithstanding the noted exemptions in the *Procurement Act*, the engagement of professional services, including but not limited to, accountants, auditors, architects, engineers, surveyors, designers, planners, programmers and trainers, will be undertaken in a fair, open, and equitable fashion utilizing the method outlined in this section.

- b. The procedures for the engagement of professional services recognize that the level of expertise and effort is dictated by the scope and complexity of the requirement. These considerations determine the relative cost to complete the requirement.
- c. For the purpose of this policy, it is estimated that the cost of professional services shall be in the range of approximately 15% to 20% of the total estimated project cost. For example, if a project is estimated to cost \$100,000 to complete, it will be assumed that the cost of related professional services may be up to \$20,000.

#### 7.8.2. Professional Services With a Value of \$5,000 or Less

- a. The purchase of professional services valued at \$5,000 or less shall be at the discretion of the Department Head responsible for the project and the associated budget. Before purchasing professional services valued at \$5,000 or less, the Department Head shall ascertain the total cost of the project to ensure that the said professional services are not in fact valued at no more than \$5,000 and therefore within the Department Head's spending authority.
- b. The Department Head shall also ensure that all potential vendors are treated fairly and equitably.
- c. Upon selection of the service provider, it is the responsibility of the Department Head to meet with that service provider to review the requirements of their engagement and to obtain a written estimate of the fees to be charged.
- d. Service providers will be selected on the basis of their ability to provide the specific professional services required.

#### 7.8.3. Professional Services With a Value of \$25,000 or Less

- a. The engagement of professional services with a value of \$25,000 or less shall be at the discretion of the Chief Administrative Officer.
- b. User departments shall obtain, where possible and practicable, three written estimates of cost based on the total value of the project and the scope of the work.
- c. Staff shall ensure that those who have an expertise in the specific discipline required are afforded an opportunity to submit cost estimates.

#### 7.8.4. Professional Services with an estimate value greater than \$25,000

- a. Council approval is required for all expenditures of more than \$25,000.
- b. Department Heads will coordinate their requirements through the Chief Administrative Officer, who will employ the "Request for Proposal - RFP" method detailed in Section 5.7.

#### 7.8.5. Insurance

- a. Notwithstanding the estimated cost or the procurement method employed, in each and every instance where the services of a professional are engaged, it is mandatory to ensure that the individual or firm retained has current and sufficient liability insurance coverage.
- b. Proof of coverage is required prior to any formal engagement of services.
- c. Details of type and minimum requirements of insurance coverage may vary depending on the project. This information is available from the Town's Insurance and claims officer.

#### 7.8.6. WorkSafe NB Registration

- a. For all purchases that have a labour or service component, the Town requires proof of registration with WorkSafe NB.
- b. The proof of registration should be attached to the vendor invoice and the purchase order.

### **7.9 Legal Services**

- 7.9.1. The procurement of legal services is exempt from a competitive process, if made in accordance with the delegation of authority to the Chief Administrative Officer.
- 7.9.2. The Chief Administrative Officer shall annually report to Council on the use of external legal services.

### **7.10 Standing Offer Purchases – (Supply Agreements)**

- 7.10.1. A Request for Standing Offer may be used where:
  - a. one or more departments repetitively order the same goods or services and the actual demand is not known in advance; or
  - b. a need is anticipated for a range of goods or services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made on a “when required” basis.
- 7.10.2. Department Heads are authorized to establish and maintain standing offers that define goods and/or services to be provided by selected suppliers for a fixed term and at a fixed cost and within the spending limits defined by this policy.
- 7.10.3. To establish prices and select sources, Department Heads shall follow the provisions for requests for quotations, requests for proposals and requests for tenders contained in this policy for the acquisition of goods and services.
- 7.10.4. More than one supplier may be selected where it is in the best interests of the Town and the bid solicitation allows for an award to more than one supplier. In circumstances where competition results in nearly identical offers from different vendors, the Department Head may choose to use any or all of them throughout the year.

- 7.10.5. Where purchasing is initiated by a department for frequently used goods or services for which a standing offer is in place, the department must make every effort to make the purchase with the supplier(s) listed in the standing offer.
- 7.10.6. In a request for standing offer, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.
- 7.10.7. No contract exists between the supplier and the Town until the Town places a purchase order against the standing offer.
- 7.10.8. A call-up, in the form of a purchase order, against a standing offer is considered to be an individual contract, and the approval authority for a contract award is as prescribed at section 6.1. Where it is anticipated, based on historical data, that an individual call-up from a standing offer will exceed the Chief Administrative Officer's approval level (\$25,000 or less), the award of the standing offer must have the approval of Council.

#### **7.11 Non-Competitive Purchases – Sole Source**

- 7.11.1 The requirement for competitive bid solicitation for goods, services or construction may be waived under the authority of the Chief Administrative Officer or Council and replaced with negotiations by the Department Head under the following circumstances:
  - a. Where competition is precluded due to the application of a piece of legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material.
  - b. Where a special circumstance exists.
  - c. Where the possibility of a follow-on contract was identified in the original bid solicitation.
  - d. In any of the circumstances listed as exemptions to competitive public purchasing in *Regulation 2014-93* under the *Procurement Act*.
- 7.11.2. When a Department Head intends to select a Supplier to provide goods, services or construction pursuant to paragraph a), said Department Head shall advise the Chief Administrative Officer in writing of the compelling rationale that warrants a non-competitive selection and obtain Chief Administrative Officer approval.
- 7.11.3. The supplier in whom the Department Head has the greatest confidence to fulfill the requirement and who provides for fair market value shall be recommended to the Chief Administrative Officer and/or Council for contract award.
- 7.11.4. The Chief Administrative Officer may award a contract emanating from negotiations, including that for which no competitive bids were solicited, provided that:
  - a. the funds are available in appropriate accounts within the Council approved budgets, including authorized revisions to meet the proposed expenditure,

- b. the amount of the contract does not exceed \$25,000, and
- c. the Department Head is satisfied that the Contract represents fair market value.

7.11.5. Non-competitive awards valued at more than \$25,000 require the approval of Council.

## **7.12 Special Circumstance (Emergency) Purchases**

- 7.12.1. When a Department Head is of the opinion that a "special circumstance" which warrants a non-competitive purchase exists, the Department Head may authorize the purchase of such goods, services or construction as is considered necessary to remedy the situation **without regard to the requirement for a bid solicitation** and may award the necessary contract provided that the contract does not exceed \$5,000.
- 7.12.2. Where the extent or the severity of the "special circumstance" which warrants a sole source purchase is such that the expenditure is likely to be in excess of \$5,000 but less than \$25,000, the Chief Administrative Officer may award the necessary contracts for the purchase of such goods, services and construction as is considered necessary **without regard to the requirement for a bid solicitation** provided that the Chief Administrative Officer is satisfied that adequate funds may be appropriated from accounts within the budget.
- 7.12.3. Where the extent or the severity of the "special circumstance" which warrants a sole source purchase is such that the expenditure is likely to be more than \$25,000, and circumstances allow, Council may award the necessary contracts for the purchase of such goods, services or construction as is considered necessary **without regard to the requirement for a Bid Solicitation** provided that Council is satisfied that adequate funds may be appropriated from accounts within the budget.
- 7.12.4. Notwithstanding paragraphs 7.12.2 and 7.12.3, should the nature of the "special circumstances" be such that the health, welfare or safety of the public is in jeopardy, the Department Head shall undertake whatever steps are necessary to correct an emergency situation expeditiously.
- 7.12.4. The relevant details surrounding the application of the paragraphs above shall be included in a report which shall be submitted to Council at the earliest possible opportunity, following the special circumstance.

## **7.13 Follow-On Non-Competitive Contracts for Professional Services**

- 7.13.1. Where a reasonable likelihood exists that, on completion of a contract, it will be necessary to award a non-competitive contract for additional, related professional services, the Department Head shall ensure that the possibility of a follow-on contract will be identified in the original bid solicitation and contract award.
- 7.13.2. Fees for any follow-on contract shall be based on the same unit or per diem rates as are contained in the original contract or bid, and the Department Head shall draft all requests for proposal for professional services accordingly.

#### **7.14 Unsolicited Proposals**

- 7.14.1. Unsolicited proposals received by the Town shall be reviewed by the Department Head and Chief Administrative Officer.
- 7.14.2. Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this policy.
- 7.14.3. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement complies with the requirements of a non-competitive purchase, as defined at section 7.11.

#### **7.15 Contract Without Budgetary Appropriation**

- 7.15.1 Where a requirement exists to initiate a project for which goods, services or construction are required and funds are not contained in appropriate accounts within the Council approved budgets to meet the proposed expenditure, the Department Head shall, prior to the commencement of the purchasing process, submit a report, through the Chief Administrative Officer, to Council containing:
  - a. information surrounding the requirement to contract,
  - b. the terms of reference to be provided in the contract, and
  - c. information on the availability of the funds within existing budget, which were originally approved by Council for other purposes or on the requirement for additional funds.

#### **8.0 CO-OPERATIVE PURCHASING**

- 8.1. The Town may participate with other government agencies or public authorities in co-operative purchasing, or exercise the Town's right to call-up goods or services, in accordance with the spending limits established in this policy, from existing standing offers established by the Province of New Brunswick, where it is in the best interests of the Town to do so.
- 8.2. The policies of the government agencies or public authorities calling the cooperative tender are to be the accepted policy for that particular tender so long as it complies with the requirements of the *Procurement Act* and all applicable trade agreements.

#### **9.0 SURPLUS DISPOSAL**

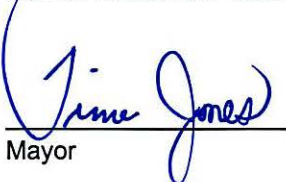
- 9.1. Department Heads shall submit to the Chief Administrative Officer reports of furniture, vehicles, equipment, stocks of all supplies, and other goods or materials, which are no longer used or which have become obsolete, worn out, or incapable of being used.
- 9.2. The Chief Administrative Officer may transfer furniture, vehicles, equipment, surplus stock, and other goods and materials from one Department to another.
- 9.3. The Chief Administrative Officer may sell by public auction or competitive sealed bid, all furniture, vehicles, equipment, surplus stock, supplies, or other goods or materials which have become unsuitable for use by the Town or as an exchange or trade for new or other similar goods or materials.
- 9.4. Sale of surplus furniture, vehicles, equipment, stock, supplies and other goods or materials shall be made to the highest bidder and the sale shall be made in accordance with the intent of the Town's Procurement Policy.
- 9.5. All funds received from the disposal of items at public auction will be immediately turned over to the Town Director of Financial Services for deposit in the general or utility revenue account.
- 9.6. Full particulars of all disposed municipal assets are to be provided in writing by the applicable Department Head to the Director of Financial Services. Particulars are to include a description of the asset including serial number, amount of sale, method of disposal, purchaser and date of disposal.
- 9.7. Surplus furniture, equipment, stock, supplies and other goods or materials that have been determined by Department Heads to have no residual value may, at the discretion of the Chief Administrative Officer, be disposed of as garbage.
- 9.8. At no time or under no circumstances are the surplus assets of the Town to be disposed of by donation or direct sale to Town employees or retirees. Town employees or retirees may only obtain ownership of surplus through one of the competitive bidding methods described herein.
- 9.9. The Chief Administrative Officer, at his sole discretion, and upon a recommendation from a Department Head, may set aside the requirements above and donate, or negotiate a direct transfer by sale, of surplus furniture, equipment, stock, supplies or goods to another municipality or any recognized or registered charity.

**10.0 CONFLICT OF INTEREST**

- 10.1. The Town shall not purchase consulting services or professional services from a vendor whose services were hired by a private sector developer on the same or a related project.

Effective June 10, 2025

Council Resolution Date June 10, 2025

  
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Mayor

  
\_\_\_\_\_  
Clerk