

COUNCIL POLICIES AND PROCEDURES

SECTION - H

MISCELLANEOUS

SUBJECT: Purchasing and Tender Policy Number H-9

APPROVAL DATE: January 10, 2001

AMENDED: November 10, 2004

PREAMBLE:

1. Policy:

It is the policy of the Municipality of the District of Guysborough to acquire goods and services on a competitive basis to ensure best value is received for the taxpayers and to ensure procurement is transparent, accessible and equitable.

2. Purchasing Authority:

- The Department Heads of the Municipality of the District of Guysborough shall be the responsible authority for the purchase of goods and services for the Municipality of the District of Guysborough subject to the policy and procedure herein.
- All employees involved in purchasing activities will endeavour to maintain and enhance the Municipality's image by their personal conduct and method of doing business with suppliers of goods and services.
- All employees engaged in purchasing activities will recognize and practice good public relations by treating all sales people, suppliers, etc. courteously as circumstances require.
- All employees engaged in purchasing activities will ensure that their sole priority is the best interest of the Municipality of the District of Guysborough.
- It shall be the responsibility of the Chief Administrative Officer to ensure that purchase of goods and services are carried out in accordance with this policy.
- Approval of the Council for the Municipality of the District of Guysborough will be required to purchase goods and services which exceed a value of \$25,000.00 (not including HST) or which is not included in the approved budget allocation.

- The Chief Administrative Officer is authorized to make contracts for the acquisition of goods and services for the purposes of carrying on the business of the Municipality, where the amount of the expenditure does not exceed \$25,000.00 (not including HST), in any one case, and where such expenditure is included in the approved budget allocation.
- The Department Heads are authorized to make contracts for the acquisition of goods and services for the purposes of carrying on the business of the Department, where the amount of the expenditure does not exceed the sum of \$9,999.99 (not including HST) in any one case, and where such expenditure has been included in the approved budget allocation.
- Department Heads may delegate the purchasing authority to designated staff within the Department commensurate with each individual's duties and responsibilities up to \$2,499.99 (not including HST) where such expenditure has been included in the approved budget allocation. At least one person in each Department should be so designated in order that unnecessary delays are eliminated when the Department Head is unavailable to authorize purchase of a routine nature. The Chief Administrative Officer shall be required to approve the person designated by the Department Heads.
- It is recognized by council that vendors located in the Municipality of the District of Guysborough may be at a competitive disadvantage in terms of their costs of goods, etc. Moreover it is recognized that local access to business services is critical to community sustainability and growth. Whenever the Municipality purchases items, and in particularity in the tendering process, if a local preference is to be given, the amount of this local preference must be clearly set out and defined in the specifications for the project. In the case of the purchasing of office supplies and office services and as such where there is a margin of 5% it shall be allowed in favour of in-municipality suppliers, to a limit of \$50.00. In all other cases where local preference is to be given in the tendering process for any and all projects and services carried out for the Municipality, all the operative terms of the invitation to tender must be expressed.
- When there is no difference in price, vendor's past performance, delivery time, quantity, servicing, or quality of goods and services will be considered. After that the following priority order will be used:
 - 1) *first from the supplier within the Municipality of the District of Guysborough*
 - 2) *then from suppliers within Nova Scotia*
 - 3) *then from suppliers within the Atlantic Provinces*
 - 4) *then from suppliers within Canada*
 - 5) *then from suppliers elsewhere*

3. General:

- Procurement of goods and services shall be undertaken through a competitive bid process in either of two ways, depending on the dollar value:
 - 1.) *Bid by invitation*

2.) *Public tender*

- The Chief Administrative Officer shall encourage the consolidation and standardization of items used within the departments.
- Elected Municipal Officials, employees of the Municipality or their agents shall not be permitted to bid on the procurement of goods and services for the Municipality. The terms of the Municipal Conflict of Interest Act will apply to the award of tenders by the Municipal Council.
- Under the direction of the Chief Administrative officer, purchasing authorities shall endeavour to combine the purchasing of common goods and services to achieve the most economical financial benefit to the Municipality. This may include co-operative purchase with other public sector agencies when it is deemed to be the most cost efficient method of procurement.
- The Authority shall ensure that, wherever possible and economical, specifications are prepared to provide for the expanded use of products and services that contain the maximum level of post-consumer recyclable waste and/or recyclable content, without significantly affecting the intended use of the products or service.
- The purchasing authorities shall maintain a file system which records proof of verbal and written quotations and bids.

4. Purchase Tools

- Purchase Orders *-(Sample-1)* The Purchase Order is the tool used to finalize the bid process for goods and services. The Purchase Order describes the item or service to be ordered, delivery date, and the account to which the purchase will be allocated in the financial records. Where a person preparing the Purchase Order does not have the required authority, a purchase requisition (*Sample - 2)* shall also be prepared outlining the results of the bid process.

The Department heads or their designates shall then proceed to purchase the items. A Purchasing Authority shall sign the Purchase Order.

5. The BID Process:

A. Informal purchasing:

“Where the value of goods and services to be purchased is less than \$1001.00 (not including HST), in any one case, formal price comparisons are not required, although from time to time, some comparison should be done to ensure that the Municipality is getting the best value for the dollar. Where the value of goods and services to be purchased is between \$1001.00 and \$2499.99 (not including HST) three verbal, faxed or e-mail bids will be sought from suppliers. Only the bid of the successful supplier will be disclosed to other bidders.”. (Sample -3). **Only the bid of the successful supplier will be disclosed to other bidders.**

A. **Bid by Invitation:**

Where the value of goods and services to be purchased exceeds \$2,500.00 and less than \$10,000.00 (not including HST), in any one case, bids may be solicited by invitation in written form from suppliers. A minimum of *three quotes* will be required. **Only the bid of the successful supplier will be disclosed to other bidders.**

B. **Public Tender:**

Where the value of goods and services to be purchased exceeds \$10,000.00 (not including HST), in any one case, public tenders shall be solicited through the public advertisement, in accordance with the "**Public Tender Process**" section of this Policy. Where the cost of advertising exceeds 5% of the estimated value of the tender, the Chief Administrative Officer shall approve that expenditure.

D. **Agreement on International Trade (AIT):**

- 1) Thresholds for public tenders
 - a. \$100,000 - goods or services
 - b. \$250,000 - construction
- 2) Use of an electronic notice system for goods and services acquisition over \$100,000. and construction over \$250,000. may use one, all or a combination of the following electronic notice systems:
 - a. Municipality of the District of Guysborough
 - b. Province of Nova Scotia
 - c. Merx
 - d. Other

E. **Pre-Qualification of Bidders:**

In order to eliminate unrealistic tenders the Municipality may require in certain circumstances and as an acceptable practice, particularly for the acquisition of services in instances where relevant experience, capability, references, evaluation of project team members or other criteria are deemed to be in the best interest of the municipality, tenderers to be pre-qualified.

F. **Emergency Acquisition:**

Notwithstanding the above, in the case of a pressing emergency or after business hours, where the delay resulting from inviting tenders or bids would be injurious to the public interest and/or the municipality's assets, the Chief Administrative Officer or Department Head may approve the purchase and report it to the Council at the earliest date thereafter.

G. **Exceptions:**

There may be occasions where the comparative pricing procedures above are not appropriate for valid reasons. In such cases there may be one supplier of a particular good or service, or

consideration such as warranty conditions may require that a particular purchase be sourced through a sole supplier. In the rare case, a written estimate should be obtained from the sole supplier and the Purchase Order Requisition must disclose the reason for not seeking alternative prices and shall be authorized by the Chief Administrative Officer.

H. Exemptions:

The following are exemptions to this policy for goods and services that do not require Purchase Orders:

- Use of Solicitor or Auditors where actual prices cannot be obtained in advance.
- Use of credit cards to a maximum purchase of \$500.00.
- Use of credit cards for accommodations for elected officials, CAO and Department Heads within the Province of Nova Scotia.
- Use of credit cards for air travel, accommodations and meals for municipal business outside the Province of Nova Scotia.
- C.O.D. Orders which are paid by using petty cash
- Small and miscellaneous supplies which are paid by petty cash (under \$100.00).

I. Trucking: It shall be the policy of the Municipality of the District of Guysborough to use the Guysborough County Truckers Association (GCTA) for the Municipality's trucking needs. The following provisions will apply for procurement of trucking services.

1. Tendered Projects: Tender documents shall indicate that trucking in excess of 10 ton loads shall be carried out by the GCTA as are now in effect. In the event that the GCTA should amend its by-laws and policies it shall immediately provide a copy of those amendments to the Municipality of the District of Guysborough. In addition, an 80/20 rule shall apply (the first and tenth truck in a ten truck call out may be a truck that is not associated with the GCTA).

2. Untendered Projects: Trucking in excess of 10 ton loads shall be carried out by the GCTA in accordance with Municipal by-laws and policies. In addition, an 80/20 rule shall apply (the first and tenth truck in a ten truck call out may be a truck that is not associated with the GCTA).

3. Exceptions: Where the Municipality or the Municipality's agents, contractors working for the Municipality only require the services of one truck for either a tendered or untendered project or for projects being completed by municipal staff then a local truck may be hired without consideration of the GCTA membership or call out procedures. A local truck is a truck owned by the person who is normally resident in the Municipality of the District of Guysborough.

A local truck or trucks may be hired without consideration of the GCTA membership or call out procedures in the case of an emergency as determined by the Chief Administrative Officer, a Director of the Municipality, or the Supervisor of Public Works.

4. Rates: Rates charged the Municipality or the Municipality's agents, contractors working on behalf of the Municipality, etc. shall not exceed the rate charged by the GCTA to the Province of Nova Scotia, Department of Transportation and Public Works.

5. Exemption: Council reserves the right to exempt the Municipality from this section of the Purchase and Tendering Policy on a project by project basis where the Council has determined that it is in the best interests of the Municipality to do so which the Council shall decide at its sole discretion. Council will exercise the power to exempt this section of policy by way of a motion at either a Committee of Whole, Regular Special or Emergency Council session.

6. Public Tender Process:

A. **SPECIFICATIONS:** The Department Heads shall ensure appropriate specifications are prepared for the goods and services to be acquired by tender. Specifications should be in sufficient details to allow bidders to prepare a clear and complete response. Where possible all requirements should be specific rather than implied. I.e. insurance, warranties, environmental issues, safety requirements, quality of materials and equipment supplied, except that from time to time the Municipality may solicit proposals for specific goods and services in accordance with section 7 of this policy. If a local preference is to be given, the amount of this local preference must be clearly set out and defined in the specifications for the project and all the operative terms of the invitation to tender must be expressed.

B. **TENDERED DOCUMENTS:** Tendered documents shall include the following:

- i. Form of "Instructions to bidders", (*sample 4*)
- ii. Form of "Tender", (*sample 5*)
- iii. Form of "Contract Agreement", (*sample 6*)
- iv. Form of "General Conditions", where required.
- v. Project drawings and/or specifications where required.

The above documents shall include, at least, the closing date and time, the fact that all tenders must be submitted in sealed envelopes clearly marked with the purpose of the tender and include all information necessary for the tenderer to prepare the bid on the specific requirements for completion of the tendered project.

Privilege Clause

A statement shall be included in the advertisement that *"The Municipality of the District of Guysborough reserves the right to reject any or all tenders, not necessarily accept the lowest tender, or to accept any which it may consider to be*

in the best interest of the Municipality. The Municipality also reserves the right to waive formality, informality or technicality in any tender."

- A. **TENDER OPENINGS:** All tenders solicited by the Municipality shall close on Wednesday at 2:00P.M. The Clerk or designated representative shall receive all tenders at the Office of the CAO who shall stamp the time, and dates received on the envelope. No tenders shall be received by fax or electronic media, however, amendments to tenders will be accepted if the tendered price is not revealed in the fax or electronic media. All tenders will be opened immediately after the close date and time in the Municipal Building in the presence of two (2) municipal staff (one of which must be CAO, Municipal Clerk or Department Head). The public is permitted to view the tender opening. Opened tenders will then be referred to the appropriate Department Head or staff member for recap and recommendation to the CAO who will make the appropriate written report and recommendation to Council.

The Department Heads shall ensure that a recorder records the proceeds at the opening, including the names of those persons in attendance and the amounts of the bids.

Tenders received after the closing shall be returned unopened, to the bidder.

Any information pertaining to the tender including the names and numbers of bidders will not be divulged until the tenders are opened.

- B. **TENDER AWARDING:** It shall be customary to award the tender to the bidder of the lowest price meeting the specifications. However the Municipality of the District of Guysborough reserves the right to waive any irregularity and to accept or reject any offer wheresoever. Further, if, in the opinion of the CAO or Department Head it would be in the best interest of the Municipality to reject the lowest tender and accept another tender, this may be done. In these cases the reasons for the decision must be clearly documented. The evaluation criteria in cases where other than the lowest bid will be considered shall be as follows:

- 1) relevant experience
- 2) references
- 3) past history performance
- 4) capability to carry out project
- 5) whether the bid is realistic
- 6) completion date of bids
- 7) any other criteria that the Municipality may consider necessary that will be weighted in addition to costs.

All tenders valued at less than \$25,000.00 (Not including HST) shall be approved in accordance with the purchasing authorities stated in this policy ("Purchasing Authorities".) A report to the Chief Administrative Officer from the Department Head is required for all public tenders, recording the proceedings of the tender opening and the resulting awarding of the tender.

All tenders valued in excess of \$25,000.00 shall require a report from the Department Head, including a recommendation to Council for approval unless **by resolution** Council has previously authorized staff to award a tender or quotation.

In the event that all of the bids received exceed the budgeted appropriation, the Purchasing Authority shall do one of the following:

- 1) Cancel or postpone the project.
- 2) Make an award to the lowest acceptable bidder based on the budget overrun, and the significance and priority of the proposed project.
- 3) Undertake negotiations in the scope of the work with the bidder submitting the lowest acceptable to reduce or alter the scope.

C. **TIE BIDS:** In the case of a tie bid, the Department Head is to request the tie bidders submit a final offer. If this is not successful and a tie bid still occurs, the contract will be awarded to the local bidder. If there is a tie bid between two (2) or more local bidders, the names of the bidders will be placed on equal size pieces of paper placed in a box and one name being drawn by a person chosen by the CAO or Department Head will be the successful bidder.

D. **TENDER/CONTRACT SECURITY:** All projects with a value of less than \$50,000.00 shall require a Tender Security of 10% of the bid (in the form of a certified cheque, money order or bid bond) which must be included with the tender submittal. Projects with a value of less than \$50,000.00 shall not require an additional 10% Contract Security following awarding of the contract as the tender deposit will be held by the Municipality for a period of thirty (30) days after the work (including deficiencies) under the contract is completed and approved.

All projects with a value over \$50,000.00 shall require, in addition to the Tender Security, an additional 10% Contract Security which must be submitted to the Municipality following awarding of the contract prior to commencement of any work on the project. This Contract Security will be held by the Municipality for a minimum period of ninety (90) days unless otherwise specified in the Tender Documents.

Tender/Contract Security shall not apply to the purchase of machinery and equipment purchased separate from a project contract or purchase of professional services such as consultants, engineers, architects, surveyors or solicitors when contracted to carry out studies, design, research, reports, etc. and exemption from the required contract security is approved by the CAO.

E. **RETURN OF TENDER SECURITY:** The Tender Security shall be returned to the unsuccessful tenders within seven (7) days of the date of awarding of the tender. The Return of the Tender Security and Contract Security shall be in accordance with the Tender/Contract Security section of this policy.

- F. **INFORMAL OR UNBALANCED TENDERS:** Tenders which are in the opinion of the Owner are considered to be informal, unbalanced or not in accordance with any aspect of the Tender Documents may be rejected.
- G. **CONTRACT INSURANCE:** The Municipality of the District of Guysborough shall require the contractor to provide insurance in accordance with the Tender Documents. The successful tenderer shall not commence work under the Contract until proof of insurance has been submitted to the Municipality.
- H. **WORKERS COMPENSATION ACT:** The Municipality of the District of Guysborough will require that successful tenderers furnish evidence of coverage under the Worker's Compensation Act and a clearance certificate indicating that the tenderer and any other subcontractors involved in the project have appropriate coverage in effect with the Worker's Compensation Board.
- I. **AMENDMENT OR WITHDRAWAL OF TENDER:** Tenders may be amended or withdrawn by letter, telegram, telex, e-mail or facsimile. Amendment of individual unit prices is the only acceptable price amendment. Amendments shall not disclose either original or revised total price and shall be submitted in the form specified in the "Information to Tenders" section of the contract documents.
- J. **PURCHASE ORDERS/CONTRACT:** After approval, a formal contract or a Purchase Order shall be prepared for the total amount of the goods and services which is to signed by the appropriate authority and successful bidder.
- K. **PROGRESS PAYMENTS:** All progress payments submitted for payment on tendered projects shall be approved by the municipal appointed engineer (if any) and / or the responsible Department Head. All necessary and applicable areas of the approval stamp must be completed before payment can be processed.

7. CALL FOR PROPOSALS:

- A. When seeking professional services or goods that cannot be rigidly defined under Tender Specifications, the purchasing authority shall prepare a Request for Proposal (RFP). The RFP shall generally describe the scope of the work or goods entailed, and would invite written proposals from prospective suppliers which details the methodology to be utilized, the time frame for completion, and an estimated cost for completion of the outlined work. The purchasing authority may stipulate an amount for the services to enable a more fair evaluation of the proposals. All RFP should also contain a Privilege Clause similar to that used for public tenders.
- B. The selection of the successful bidder shall be based on consideration of a number of relative factors, and shall not be selected on the basis of price alone. **The RFP must itemize the other factors upon which the proposal will be evaluated in order of relative importance. Each proposal will be evaluated and scored using a point scale that has been developed prior to issuing the RFP.** The authority is then authorized to negotiate a final contract with

the selected bidder. All final contracts valued in excess of \$25,000.00 (not including HST) require the approval of Municipal Council.

8. Grants to Community Groups and Non-profit Organizations:

Any Community Group, organization, club or non-profit organization receiving funding from the Municipality of the District of Guysborough for projects requiring the procurement of goods and services for Capital projects over \$1,000.00 must use a procurement practise which meets or exceeds those used by the Municipality. A copy of the Municipality's policy will be provided to the group or organization.

9. SURPLUS MATERIAL:

- A. Goods, supplies and assets which are declared surplus by the Department Head shall be offered to other departments of the Municipality of the District of Guysborough, or sold in the most efficient manner to obtain the highest return, by Tender, auction, negotiation or quotation, in accordance with the Chief Administrative Officer Bylaw. The C.A.O. may award the disposal of surplus materials under \$1,000.00 without competition to any non-profit corporation, association, or entity, or any Municipality, Crown Corporation, School Board or level of government
- B. Elected officials, employees, or their agents shall not be permitted to bid on the purchase of surplus material. The terms of the Municipal Conflict of Interest Act will apply to the disposal of surplus goods, supplies and assets of the Municipality of the District of Guysborough

10. PROFESSIONAL SERVICES:

Professional services include auditing, banking, legal, insurance, surveying, engineering, architectural and real estate services.

Generally these services will be subject to a Request for Proposal process. These services may be contracted on a one year term to be renewed on an annual basis up to five year maximum on terms satisfactory to the Municipality of the District of Guysborough and based upon qualifications, experience, services offered, past performance, proposed fees and other relevant considerations. The Chief Administrative Officer and appropriate Department Head are responsible to carry out that process and file a recommendation with the Municipal Council for the appropriate appointment.

The Chief Administrative Officer or Department Head or designate, shall prepare the specifications for these services, call for proposals, carry out the necessary interviews, and prepare a recommendation for council approval.

11. SUPPLIER PERFORMANCE

Supplier may be subject to disqualification if there is sufficient evidence of consistent failure to meet the standards specified by the Municipality of the District of Guysborough. The department heads will maintain supplier performance files. Information in this file is supplied by the requisitioner, receivers, and the purchasing authority. Suppliers may be evaluated based on competitive price quality of a product, contract adherence and performance, after sales service and replies to invited tenders. Upon reasonable notice in writing to the supplier involved, and after reasonable opportunity for response, a supplier can be disqualified for a period not exceeding three years from participation in a solicitation for goods or services.

Suppliers shall be disqualified when:

- conviction for a criminal offence of a person or a director or official or such person relating to obtaining or attempting to obtain a contract or subcontract. An indication of lack of business integrity or honesty which directly and serious effect the responsibility of the contractor.
- Serious breach of contract indicating an unwillingness to perform a contract in accordance with the terms and conditions or specifications or a record of unsatisfactory performance of one or more contracts in accordance with the terms and conditions thereof or in accordance with its specification or both,
- The offer of any gratuity to an official or employee of the Municipality by a supplier or contractor for consideration.

A written decision shall be issued to the person disqualified or suspended setting out its reasons for disqualification or suspension, to the usual business address of that person as shown in the records of the purchasing section. Disqualification will be approved by C.A.O.

12. RECEIPT OF GOODS AND SERVICES

Immediately upon the receipt of goods, authorized staff shall ascertain that the goods are received as ordered, relating to quantity and condition. Rejection of delivery shall be reported to the purchasing authority and to Accounts Payable.

Receipt of goods and services shall be acknowledged to Accounts Payable.

Services received may not have a receiving report, and in those cases the purchasing authority's signature on the invoice shall signify that the service has been provided in an acceptable manner and is approved for payment.

If goods are received in an unacceptable condition, the receiver shall note the exceptions on the packing slip or invoices. The supplier and the carrier shall be notified of the situation.

13. PAYMENT FOR GOODS AND SERVICES

Payment may be made to the supplier if the supplier invoice is accompanied by evidence of receipt, a purchase order and approval of the purchasing authority. The Director of Finance or a

designate shall verify that all appropriate steps and approvals for the acquisition of the goods are in place.

ACCOUNTING:

- 1) The White (original) copy of the Purchase Order to be forwarded to the supplier, the yellow copy of the Purchase order will be forwarded to the accounting department. The pink copy to be forwarded to the Department Head.
- 2) At a minimum when receiving goods on behalf of the Municipality of the District of Guysborough the following functions should be performed:
 - a. The packing slip should be examined.
 - b. Quantities indicated on this packing slip should be verified by physical count
 - c. Physical condition of goods received should be examined to ensure that there are no damaged goods and if the order is damaged that appropriate steps are taken immediately to ensure liability for the damage is identified. This would normally entail either bringing the damage to the attention of the shipper and possibly filling out a damage report or refusing the order.
 - d. Signing the packing slip to indicate that the necessary verification and receiving functions have been performed.
 - e. After completion of all relevant receiving procedures the signed packing slip should be forwarded to the accounting department.
- 3) When the invoice is received it will be matched with the other documentation and stamped with the accounting stamp (*Sample 7*). All necessary and applicable areas of the stamp will be completed at that time including:

Goods received:

-To be initialled after the responsible person has verified that the goods have been received in good order and that the packing slip has been signed.

Prices correct and checked with orders:

- To be initialled after the process charged on the invoice have been compared to those authorized on the purchase order. Any difference are to be followed up at that time.

Calculations and additions corrected:

- To be initialled after rechecking calculations on the invoice and verify overall clerical accuracy.

Charge account:

- From the information contained on the purchase requisition and purchase order the appropriate account distribution should be made.

- 4) Upon completion of the above areas the collated documentation should be prepared for payment by the accounts payable clerk.

14. Designated Approval Authorities and limits:

Chief Administrative Officer	(\$24,999.99)
<i>Municipal Clerk</i>	(\$ 2,499.99)
Director of Finance	(\$ 9,999.99)
<i>Assistant to the Accountant</i>	(\$ 2,499.99)
Director of Planning	(\$ 9,999.99)
<i>Assistant to Director of Planning</i>	(\$ 2,499.99)
Director of Public Works	(\$ 9,999.99)
<i>Supervisor of Public Works</i>	(\$ 2,499.99)
<i>Supervisor Landfill Operations</i>	(\$ 2,499.99)
Director of Recreation	(\$ 9,999.99)

Instructions to Tenderers

Tender Submissions

Submit completed Tender Form for above project in sealed envelope marked as follows:

Tender: _____

Tender Opening

Tenders will be opened following tender closing.

Tenderer to Investigate

Tenderer will be deemed to have familiarized himself with existing site and working conditions and all other conditions which may affect performance of the contract. No plea of ignorance of such conditions as a result of failure to make all necessary examinations will be accepted as a basis for any claims for extra compensation or an extension of time.

Clarification and Addenda

Notify the Municipality not less than four working days before Tender Closing of omissions, errors or ambiguities found in Contract Documents. If the Municipality considers that correction, explanation or interpretation is necessary, he will issue a written addendum. All addenda will form part of the Contract Documents.

Confirm that all addenda have been received.

Preparation of Tender

Complete Form of Tender provided with Project Documents in ink or by typewriter. Tender all items and fill in all blanks. Have corrections initialed by person signing Tender.

H.S.T.

Include all taxes in tender prices

The Contractor will indicate on each application for payment, as a separate item, the appropriate Goods & Services Tax the owner is legally obliged to pay. This amount will be paid to the Contractor in addition to the amount certified for payment under the Contract and will therefore not affect the Contract Price.

Tender/Contract Security

All projects with a value of less than \$50,000.00 shall require a Tender Security of 10% of the bid (in the form of a certified cheque, money order or bid bond) which must be included with the tender submittal. Projects with a value of less than \$50,000.00 shall not require an additional 10% Contract Security following awarding of the contract as the tender deposit will be held by the Municipality for a period of thirty (30) days after the work (including deficiencies) under the contract is completed and approved.

All projects with a value over \$50,000.00 shall require, in addition to the Tender Security, an additional 10% Contract Security which must be submitted to the Municipality following awarding of the contract prior to commencement of any work on the project. This Contract Security will be held by the Municipality for a minimum period of ninety (90) days unless otherwise specified in the Tender Documents.

Insurance

The Municipality of the District of Guysborough shall require the contractor to provide insurance in accordance with the Tender Documents. The successful tenderer shall not commence work under the Contract until proof of insurance has been submitted to the Municipality.

Workers Compensation

The Municipality of the District of Guysborough will require that successful tenderers furnish evidence of coverage under the Worker's Compensation Act and a clearance certificate indicating that the tenderer and any other subcontractors involved in the project have appropriate coverage in effect with the Worker's Compensation Board.

Return of Tender Security Contract

Tender/Contract Security will be returned to:

- unsuccessful Tenderers within 7 days of date of award.
- successful Tenderer following completion of project to satisfaction of the Municipality of the District of Guysborough in accordance with the Purchase and Tendering Policy of the Municipality.

Amendment or withdrawal of Tender

Tenders may be amended or withdrawn by letter, telegram, telex or facsimile.

Amendment of individual unit prices is the only acceptable price amendment. Amendments shall not disclose either original or revised total price.

Head amendment or withdrawal as follows: “(Amendment)/(Withdrawal) of Tender for (Name of Project)(Contract Number)” Sign and seal as required for Tender and submit at address given for receipt of Tender prior to time of Tender Closing.

Informal or Unbalanced Tenders

Tenders which are in the opinion of the Owner are considered to be informal, unbalanced or not in accordance with any aspect of the Tender Documents may be rejected.

Other Factors:

Other factors besides costs can be weighted by the Municipality of the District of Guysborough in awarding a tender. These other conditions must be clearly laid out in the call for proposals or tendered documents. If the Municipality intends to provide a local preference, this will be explicitly and expressly laid out in the tendered documents.

Right to Accept or Reject any Tender

The Municipality of the District of Guysborough reserves the right to accept or reject any Tender. It shall be customary to award the tender to the bidder of the lowest price meeting the specifications. However the Municipality of the District of Guysborough reserves the right to waive any irregularity and to accept or reject any offer wheresoever. Further, if, in the opinion of the CAO or Department Head it would be in the best interest of the Municipality to reject the lowest tender and accept another tender, this may be done. The evaluation criteria in cases where other than the lowest bid will be considered shall be as follows.

- 1) relevant and or prior experience
- 2) references
- 3) past history performance
- 4) capability to carry out project
- 5) whether the bid is realistic

- 6) completion date of bids
- 7) any other criteria that the Municipality may consider necessary that will be weighted in addition to costs.