

Town of Bonnyville

June 1, 2007 New Policy No: 02-FN-032

OLD

Policy No. 02-018-231

Department: All Departments	Effective Date: August 27, 2002
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Purpose:

To establish guidelines with respect to the solicitation of competitive quotations.

- This policy applies to the purchase of materials and/or services with an estimated unit price of **under** \$10,000.
- For materials and/or services with an estimated unit price of \$10,000 or over, refer to Policy – Tenders.

Policy:

That the Purchasing Agent for the Town of Bonnyville obtain quotations on materials and/or services that are expected to exceed \$2,000. This shall be done for both estimating purposes and actual purchases. A price check shall be made on expenditures of less than \$2,000 when buying unfamiliar materials.

Procedures:

1. *Type of Quotations*

- a) Verbal: Verbal quotations will be obtained for purchases of standard non-complex materials with an estimated cost between \$2,000 and \$10,000. Prices are to be recorded on a quotation sheet that will serve as backup documentation after the order is placed. The quotation sheet will be attached to the original requisition/purchase order. Verbal quotations should not be used where the time to do written quotations is available.
- b) Written: Written requests for quotations will be sent to vendors per the following conditions:
 - i. All capital equipment purchases (per Council's Capital Policy)
 - ii. Non-standard conditions, requirements, instructions, etc.
 - iii. Any occasion where more permanent documentation is advisable.

Written quotations should be typed using, whenever possible, the Request for Quotation Form. Complete information should be provided including, but not limited to, quantity, description, delivery requirement, special conditions, drawings, specifications, deadline for receipt of quote, etc. If replies are to conform to a certain format, this should be spelled out. Purchasers must be thorough and attempt to remove all known variables.

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2. The Purchasing Agent, when purchasing materials and/or services requiring written requests for quotations, will solicit prices from three or more vendors. A minimum of two suppliers is acceptable for verbal requests providing the Purchasing Agent is familiar with the market and prices of the material in question. In the case of proprietary items, more than one price is often not possible and should be so noted on the requisition.
3. The Purchasing Agent, when obtaining quotations, should keep in mind other segments of the Town of Bonnyville that may be able to provide the desired materials or services. If there are any questions, contact the Chief Administrative Officer.
4. Quotations will be solicited only from vendors whom the Purchasing Agent knows are qualified or can be qualified to meet all requirements and who have a valid business license. Maintenance of an Approved Vendor List is advisable but not mandatory. Examination of the financial condition of a company, its ability to perform, and facilities, should be part of the criteria for an acceptable vendor.
5. Answers to technical questions arising during the quotation period should be provided by the requisitioner. The Purchasing Agent should coordinate the reply and ensure all potential suppliers are provided with the same information.
6. After all quotations have been received and examined for completeness, a summary sheet is to be prepared noting all the pertinent data and discrepancies. Determination of the low bidder and award of the order will be made by the Purchasing Agent only after all aspects, including preference of the requisitioner, have been considered.
7. The information gathered will be kept on file as backup documentation. In cases of quotations for estimating purposes, a copy of each quotation is to be sent to the requisitioner along with the quotation summary sheet.
8. A Purchasing Agent shall not reveal to a vendor at any time the prices quoted until the tender has been awarded and it becomes public information.
9. In order to ensure that vendors contacted have responded to a request for quotation, the Purchasing Agent will identify on the requisition all vendors solicited and the responses as they are received.
10. It is the Town's practice to notify unsuccessful vendors that the quotation has closed and to whom the contract was awarded.
11. Unless a specific exception has been obtained from the Chief Administrative Officer, quotations shall not be solicited from, nor any order placed with, a company that:
 - a) is owned, controlled or actively influenced by any Town employee or immediate relative of said employee.
 - b) employs in a management, consulting or sales capacity, any person who is a Town employee.

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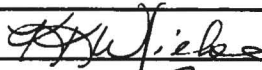
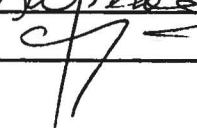
June 1, 2007 New Policy No: 02-FN-024

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- c) employs in any capacity a Town employee who is in a position to influence the selection of, or conduct business with, such supplier.
12. When circumstances make the solicitation of a quotation inappropriate, the Purchasing Agent shall document the facts on the reverse side of the purchase requisition and obtain the specific approval of the Chief Administrative Officer.
13. Any problems of interpretation should be referred to the Chief Administrative Officer.

Approved by: 	Date Approved: August 27, 2002
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