



## Alternative Procurement Approval Request

### Background

An exemption or alternative procurement method is a provision in Regulation 2014-93 under the Procurement Act whereby all or some of the normal competitive bidding processes do not need to be followed for the procurement of certain goods and services, and/or goods and services in certain circumstances. The Town may grant exemptions from the public tendering process and invite bids from select suppliers as described in Appendix A of the Town's Procurement Standard.

### Approval Form and Submission Requirements

1. The Department Head or their designate must submit their request for an alternative procurement purchase in writing to Finance staff, using the form included in this document. The Department Head or their designate will:
  - a. Provide a summary of the requested service or product.
  - b. Explain why the product or service is required and how it will benefit the Town.
  - c. Explain why an alternative procurement purchase is necessary and cite the exemption from the Procurement policy that applies to the request.
  - d. Provide a summary of research conducted to support items 1 and 2 above.
  - e. Clarify if the request falls within the departmental budget.
  - f. Discuss any negative impacts that may occur if the exemption request is not approved.
2. Finance staff will discuss the request with the Department Head to ensure an alternative procurement purchase is required.
3. If the Procurement officer is satisfied an alternative procurement purchase is necessary, the request and explanation is sent to the CAO for approval.
4. The CAO and Legal Services will assess the request. If the request is approved, the CAO will notify the Finance staff, and if the request is denied, the CAO will notify the Finance staff and the Department Head explaining why the request has been denied.
5. If approval to proceed is given, negotiations with the available supplier or suppliers of the goods or services required will be conducted.
6. A contract or purchase order arising from the negotiations will be approved as per the Town's hierarchy of designated approvers defined in the Procurement policy.



## Alternative Procurement Approval Request Form

<b>Requestor Name:</b> Geoff Crossman
<b>Requestor Department:</b> Public Works
<p><b>1. Provide a summary of the requested service or product:</b></p> <p>Public Works is due for a new rubber tired backhoe this year. Public Works is looking to replace the existing JCB backhoe with a Cat 440.</p>
<p><b>2. Explain why the product or service is required and how it will benefit the Town:</b></p> <p>The backhoe is used almost daily for a variety of tasks around town, ranging from loading/unloading trucks, digging for curb and side walk, landscaping and a an assortment of others. The new backhoe has a longer reach, faster travel speed, higher horsepower and torque as well will be equipped with a thumb to make picking up objects easier.</p>
<p><b>3. Explain why an alternative procurement purchase is necessary and cite the exemption from the Procurement policy that applies to the request:</b></p> <p>This exemption is necessary to allow the town to purchase the proper equipment required, without risk of substandard equipment being purchased based on price.</p> <p>Mutual agreement - Section 158(L) – Purchase from Department of Public Body Goods and services procured from a Schedule A entity, a Schedule B entity (reference the Atlantic Procurement Agreement), another jurisdiction or a public body;</p> <p>As stated in the NSDTI tender agreement date August 27<sup>th</sup>, 2018 (5 year agreement);</p> <p>(See next Page)</p>

Section 3.8 as quoted enables all governmental agencies to work with Toromont on the select units pertaining to this tender for procurement of heavy equipment WITHOUT going to tender. The only agencies excluded from this tender are Federal agencies.

### 3.8 Participation of Eligible Public Sector Entities

By submitting a proposal in response to this RFP, a Proponent irrevocably undertakes and agrees that if successful, and following execution of an Agreement with the Province, it will make the specified goods and/or services available to any public sector entity eligible to participate in this procurement process upon request by a public sector entity seeking access to those goods and/or services, provided however, that the Proponent's obligation to allow participation by other public sector entities does not extend to circumstances in which the Proponent would have to make capital or operational expenditures in order to accommodate subsequent requests for goods or services by public sector entities.

RFP Template (No Negotiations - Contract A)

Yamouli Branch Toromont Cat Maritimes

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#### 4. Provide a summary of research conducted to support items 1 and 2 above:

Our current machine that is being replaced is a 2006 JCB 214 backhoe. It is a smaller machine that is showing its age. Works has decided that it will be parked until traded on a new unit, due to the fact that we do not want to put anymore repairs into this unit. The Cat 440 we upgrading to will better suit the current needs of Riverview. It has an upgraded operator station, with an offset exhaust pipe allowing for better visibility and reduced blind spot, a larger front bucket, deeper digging depth as well it comes with an extended warranty.

In addition to the unit being an upgrade over our current machine, Cat has a dealership located in Moncton. Neither of our current backhoes have a dealership located within 150kms of Riverview. This makes it time consuming when requiring dealer service or parts.

Toromont Cat has a strong name in the industry and provides a superior product over many competitors. Since demoing this machine, this is by far the operator's favorite machine to run. The equipment committee and the operators have asked that we purchase this machine due to the simple fact that it is a superior upgrade from our current backhoes.

#### 5. Clarify if the request falls within the departmental budget:



Our budget was set at \$150,000.00 for the new backhoe. The new backhoe with all the required options should come in at \$161,800.00+tax. Cat has agreed to give us \$20,000.00 trade in value for our JCB that we currently have. The value given by Cat is a fair market value for the machine in its current condition. It has been used extensively and is need of some repairs at this time. This will bring the cost for the new machine to \$ 141,800.00+tax. With our taxes we will be looking at a total of roughly \$147,900.00, \$3,000.00 under budget.

#### 6. Discuss any negative impacts that may occur if the exemption request is not approved.

If we do not get approved for the exemption we will have to tender for a new unit. In doing so we risk two issues;

- 1) We tender the backhoe and risk purchasing a machine that does not meet our needs nor does it have the same reliability as the Cat 440
- 2) There is the risk of receiving an inferior machine that operators will avoid using for multiple reasons
- 3) We risk paying more for a similar unit if we go through the tender process.

**Approvals:**

Title & Approval level	Signature	Date
Department Director		Sept. 4/19.
Chief Administrative Officer Approval is required for all exemptions regardless of purchase value.		Sept 4/19
Town Council Approval is required for any exemptions that exceed public bid thresholds  > 25,000 – Goods > 50,000 - Services > 100,000 - Construction		