



## 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

**Requestor Name: Geoff Crossman**

**Requestor Department: Engineering & Public Works**

**1. Provide a summary of the requested service or product:**

The Department has budgeted to replace one existing single axle plow truck in 2023. The truck chassis has already been purchased and we need to award this build to a certified installer as well, purchase the plow and dump equipment for this truck. We would like to build this truck identical to the last three plow trucks purchased by the Town.

**2. Explain why the product or service is required and how it will benefit the Town:**

The plow trucks are used year round at the town. In the winter they are used to plow and salt roads during winter events. As well they are used on water breaks and other excavation projects through out the year. These trucks are critical to our operation throughout the course of the entire year.

**3. Explain why an alternative procurement purchase is necessary and cite the exemption from the Procurement policy that applies to the request:**

This exemption is necessary to allow the Town to award this unit to be built in September/October 2023 for delivery early fall, prior to the winter operation period. By allowing us to exercise the clause in the 2022 tender, this will allow us to use the same contractor who built our last three plow trucks. This keeps the cab layout, controls, and functionality the same amongst our fleet. Additionally, they are a New Brunswick based company that can offer 24/7 service / advice if any issues or changes are required.

In our tender for the plow truck in 2022 we have a clause that would allow us to purchase additional units within one year of the contract award.

**“The Town of Riverview reserves the right to extend the award with the successful supplier on a yearly basis for additional quantity(s) of matching truck(s) subject to mutual agreement of the Town of Riverview and the successful supplier for a maximum period of 1 additional year from date of award.”**

We would like to exercise this clause of the agreement.

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

By building this truck at the same location as the last three trucks we can ensure that they are uniformed and each truck is the same as the last. This makes for easier to use for the operators as every unit will be the same. By doing so we can increase efficiency and safety throughout the fleet. Additionally, we know the builder can meet the deadline for fall 2023, so we can have this unit in service for the winter. Other suppliers would be late winter/spring before we would receive it.

In the case of the plow trucks this is a major problem as we need all of our trucks during winter events. If we are down a unit then this puts us behind and other units need to cover the route of the missing unit. Additionally, as the unit ages the maintenance costs continue to rise. By agreeing to purchase this unit now, we should see it arrive in late fall, ready for 2023/24 winter operations.

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

Our budget was set at \$380,000.00 for the truck and additional plow equipment (truck chassis was purchased in a separate tender). By using the alternative procurement method, we can order the plow equipment, dump box and spreader control without going to tender now and take possession of the unit in 2023 . The truck chassis cost \$167,672.25 with our 4.29% tax rate. To purchase the additional plow equipment, dump box, spreader control and to assemble the unit, the cost is \$228,395.00. This will put the cost over budget by \$16,067.35.

**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 the following:

- 1) We tender for a equipment that may take over a year to receive.
- 2) We risk paying more for the required equipment
- 3) There is a risk that we have to use another installer that can not provide the same service and meet our deadlines.
- 4) The Town may have to look at alternative equipment to meet the needs if unit is delayed

**Approvals:**

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