



April, 2012

BHYC Purchasing Policy

1. Purpose:

To provide a policy concerning the solicitation of competitive quotations.

2. Scope:

This policy applies to all purchases where bids or quotations are required. Price quotes will be administered by the Board Member based on information submitted by the potential Vendors.

Competitive bidding is employed to ensure responsive, reasonable and firm proposals. A division of requirements into multiple procurements to reduce the estimated value of a single procurement to avoid the application of the identified value thresholds is not permitted.

3. Procedure:

The Board is responsible for obtaining quotations on purchases expected to exceed \$500.00. This shall be done for both estimating purposes and purchases. A price check will be made on expenditures less than \$500.00 when buying unfamiliar materials.

4. Types of Quotations:

- 4.1 "verbal" quotations are required for purchases less than \$500.00 –this will take into consideration the requisitioner's preference and the Board Member's knowledge of products.
- 4.2 A minimum of two written quotations will be obtained for purchases of supplies, services and capital equipment in excess of \$500.00 (unit price). Prices are to be recorded to serve as back-up documentation after the order is placed.

The Board Member will provide all of the vital necessary documentation and efficient communication of data to insure competitive transactions can occur. The Buyer should coordinate the reply and ensure all potential suppliers are provided the same information. In the case of proprietary items, more than one price is often not possible and should be so noted.

Quotations will be solicited only from vendors whom the Buyer knows are qualified or can be qualified to meet all requirements. 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 will be part of the criteria for an acceptable vendor.

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 lower bidder and award of the order will be made by the Board Member only after all aspects have been considered. The information gathered will be kept with the cheque requisition as back-up documentation.

Unless a specific exception has been obtained from the Commodore, quotations shall not be solicited from nor any order placed with a company that:

- Is owned, controlled or actively influenced by a Board Member or immediate relative of said Board Member.
- Any issues regarding interpretation should be referred to the Board for review and direction.

4.3 Information Gathering

Information gathering mechanisms are useful for situations where the Club has incomplete Information about either the procurement that it requires or the capabilities of the market to deliver the material, service or the solution required. The information gathered during one of the processes will assist the Club in planning a fair and cost-effective procurement process, define the requirements for the procurement documents or identify whether there are qualified and/or interested suppliers.

4.4 Request for Information (RFI)

The purpose of an RFI is to gather general supplier or product information. This mechanism may be used when the Club is researching a contemplated procurement and has yet to determine what characteristics the ideal solution would have. Responses to RFI questions normally contribute to the final version of a subsequent Request for Proposal (RFP) and may include targeted questions about the required output/acquisition, seeking combinations of industry leading practices, suggestions, expertise and even concerns and additional questions from proponents.

4.5 Request for Proposal (RFP)

The purpose of this document is to request suppliers to supply solutions for the delivery of complex goods, services or construction or to provide alternative options or solutions. This process uses predetermined evaluation criteria in which price is not the only factor.

4.6 Request for Tender (RFT)

The purpose of this document is to request supplier's bids to supply goods, services or construction based on stated delivery requirements, performance specifications, terms and conditions. An RFT focuses the evaluation criteria predominately on price and delivery requirements. This document may also be called a Request for Quotation (RFQ) where the Club has described exactly what needs to be purchased and the evaluation is made solely on price.

4.7 Vendors of Record (VOR) Preferred Suppliers List

Vendors of record are used to reduce costs by establishing strategic relationships with a small group of suppliers. A VOR can also be called a preferred suppliers list, with the premise being that organizations should try to focus as much procurement spend as possible through their VOR or preferred suppliers, where typically the best price is achieved.

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