



Annual Report - 2020

Application of By-law 05-19 relative to contract management

Municipality of Pontiac

2020-12-01

Finance department



Introduction

In accordance with article 938.1.2 of the Municipal Code of Quebec (MCQ), this report concerns the application of by-law 05-19 relating to contract management with regards to contracts awarded by the Municipality of Pontiac for the year 2020.

By-law 05-19 came into force on December 13, 2019, as such, this is the first report on its application to be submitted to the council. It outlines processes used in awarding contracts, as well as the measures taken to encourage supplier rotation or at the very least competitive tendering. It also allows the administrators of the Municipality of Pontiac to take stock of contract management and have an idea of the number and types of contracts awarded in 2020.



The contract management by-law is applied to all types of contracts awarded by the Municipality of Pontiac, regardless of its value.

Summary of rules for awarding contract as outlines in by-law 05-19 concerning contract management

Thresholds	Award process	Specific measures
\$0 to \$24 999	By mutual agreement or any other bidding process decided by the Municipality	<ul style="list-style-type: none"> An estimate must be obtained for contracts between \$ 10,000 and \$ 25,000 (with some exceptions).
\$25 000 to \$105 700 (taxes included)	By mutual agreement or any other bidding process decided by the Municipality	<ul style="list-style-type: none"> Rotation measurements; Competitive bidding ; Request two quotes (if possible).
\$105 700 and up	Public call for tenders	<ul style="list-style-type: none"> Article 935 of the MCQ.



The threshold decreed by the Minister is \$ 105,700 since August 20, 2020

Contracts equal to or less than \$ 24,999

In accordance with the by-law on contract management, contracts equal to or less than \$ 24,999 were awarded by the Municipality of Pontiac by mutual agreement with the exception of those for the skating rinks which were awarded following a call for tenders by invitation only. The Municipality of Pontiac has obtained quotes for all contracts over \$ 10,000 that have been awarded.

Contracts Between \$ 25,000 and \$ 105,700

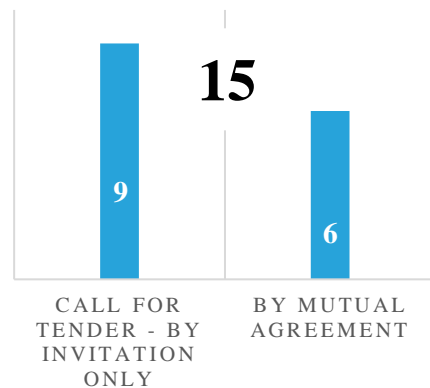
In 2020, fifteen contracts between \$ 25,000 and \$ 105,700 were awarded by the Municipality of Pontiac. Of these fifteen contracts, nine were awarded through call for tenders by invitation and six were given by mutual agreement.

Each of these contracts were awarded respecting the principles and measures of rotation, as well as the competition mechanisms established by articles 9, 10 and 12 of by-law 05-19 on the contract management for the Municipality of Pontiac.

The contract for the modification of plans and specifications for the repair of chemin de la Montagne phase 2 lot 2, was awarded by mutual agreement to the engineering firm Cima +. Seeing as the initial plans were originally drawn up by Cima + and thus, to avoid starting from scratch and generating additional costs, the same contractor was retained.

Regarding the supervision of the work for the same project, the firm Cima + withdrew at the last minute due to its inability to complete the mandate within the time limits stipulated in the call for tenders. Thus, the Municipality turned to the firm QDI, whom despite the short notice were available to carry out supervision of the project.

NUMBER OF CONTRACTS BETWEEN 25 000\$ AND 105 700\$





The following list indicates the measures taken to promote supplier rotation or competitive tendering for contracts awarded by mutual agreement:

CONTRACTS AWARDED BETWEEN \$ 25,000 AND \$ 105,700 BY MUTUAL AGREEMENT				
Supplier	Description of the contract	Amount	Measures to promote supplier rotation	Resolution
Groupe ABS	Laboratory quality control – repairs to chemin de la Montagne phase 2 lot 2	50 000 \$	Quotes requested from two (2) suppliers, lowest bidder retained	20-08-4159
Groupe ABS	Laboratory quality control – repairs to sewers Saint-Andrew & Saint-John streets	43 501 \$	Quotes requested from two (2) suppliers, lowest bidder retained	20-05-4078
Groupe Pavage CG	Repairs – section of chemin Steele	42 608 \$	Quotes requested from four (4) suppliers, lowest bidder retained	20-07-4115
1200°	Purchase of extrication clamps	32 273 \$	Quotes requested from two (2) suppliers, lowest bidder retained	20-11-4196
Cima+	Modification of plans and specifications – repairs to chemin de la Montagne Phase 2 lot 2	32 000 \$	None: Modification to an existing contract	20-05-4077
QDI	Supervision – Repairs to chemin de la Montagne phase 2 lot 2	85 000 \$	None : Timing constraint	20-09-4158

Two contracts were awarded to Groupe ABS for quality control this year because the price difference with the other bidder was too great to allow for supplier rotation. In addition, there are very few contractors capable of offering this specific service in the region, which makes it difficult to obtain competitive pricing.



In some cases, the Municipality continued to use the tender system, by invitation only, for several contracts in order to ensure supplier rotation and competitive pricing, here is the list:

CONTRACTS AWARDED BETWEEN \$ 25,000 AND \$ 105,700 THROUGH CALLS FOR TENDERS BY INVITATION ONLY				
Supplier	Description	Montant	Nb tenders requested	Resolution
Lacroix & Associés	External auditor	35 900 \$	5	20-11-4189
Multi Routes Inc.	Spreading of dust suppressant	65 600 \$	3	20-04-4051
Les Fermes Renaud	Street sweeping	25 295 \$	2	20-04-4052
Pro-Ballast	Lighting system repairs – Luskville ball field	57 259 \$	4	20-11-4202
Marcel Baril Ltée	Purchase of culverts	50 505 \$	4	20-04-4053
Agritibi R.H. - Hyundai	Excavator rental	40 701 \$	4	20-04-4057
Lumens LED Inc.	Lighting at Luskville Park	37 306 \$	4	20-08-4125
Pavage Robillard	Paving for certain sections of roads	67 635 \$	3	20-09-4156
Agora	Purchase and installation of board for Quyon skating rink	36 786 \$	3	20-11-4203

Contracts of \$ 105,700 or more

In 2020, four contracts involving an expenditure equal to or greater than the threshold decreed by the Minister were awarded by the Municipality of Pontiac. These were published on the Electronic System for Call for Tenders (SEAO) and awarded in accordance with article 935 of the Municipal Code of Quebec.



CONTRACTS AWARDED OF \$ 105,700 AND MORE

Supplier	Description of contract	Amount	Nb of tenders received	Resolution
TGC Inc	Contract Repairs to sewers, Saint-Andrew and Saint-John streets	1 767 185 \$	5	20-04-4047
Entreprise MK	Contract - maintenance of green spaces	127 477 \$	1	20-03-4027
Entreprise GNP	Contract - repairs of chemin de la Montagne phase 2 lot 2	1 998 208 \$	7	20-08-4136
Nugent Construction	Contract – snow removal secteur F	593 046 \$	1	20-09-4157

Conclusion

This report shows that it is necessary to pay particular attention to contracts having a value between \$ 25,000 and the threshold decreed by the Minister, because the law requires the municipality to promote a rotation of its suppliers which is not always easy to ensure. In order to continue to improve the measures established, the municipality will improve its list of suppliers for each type of contract.

Apart from the contract management process already in use, the Municipality must continue to strengthen its controls in terms of transparency, integrity and impartiality of the process by implementing a system for contracts awarded by mutual agreement.