

The Corporation of the Township of Pelee

By-law 1648

Being a By-Law to establish Purchasing Procedures
and Tendering Policies and Procedures.

WHEREAS the Council of the Township of Pelee, in accordance with the provisions of the Municipal Act, S.O. 2001, c. 25, requires a municipality to adopt a policy with respect to the procurement of goods and services;

AND WHEREAS the Council of the Township of Pelee, has determined that it is in the best interests of the residents of the Township to adopt a Purchasing and Tendering Procedures Policy By-law;

NOW THEREFORE BE IT RESOLVED that the Council of the Corporation of the Township of Pelee enacts as follows:

1. The purchasing and tendering principles of the Township of Pelee are as follows:
 - To procure by purchase, rental or lease the required quality and disposal of goods and services, including professional and consulting services in an efficient, timely and cost effective manner;
 - To encourage open competitive bidding for the acquisition and disposal of goods and services where practicable;
 - To consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in evaluating bid submissions from qualified, responsive and responsible vendors;
 - To give full consideration to the annual aggregate value or to consider the total project cost of specific goods and services that will be required by each department and by the Municipality as a whole prior to determining the appropriate acquisition method;
 - To co-ordinate purchases on a municipal-wide basis when appropriate in order to obtain available volume discounts and best possible price;
 - To monitor and report on the economic climate and legislative changes which may have an impact on the Township of Pelee and to determine the appropriate actions to be taken through purchasing and tendering policies and procedures;
 - To encourage the procurement of goods and services with due regard to the preservation of the natural environment, vendors may be selected to supply goods made by methods resulting in the least damage to the environment and supply goods incorporating recycled materials where practicable;
 - This policy will be reviewed every 5 years or earlier, to evaluate its effectiveness.

2. That a by-law be passed to define the tendering policies and procedures covering the construction projects by the Corporation of the Township of Pelee as outlined in Schedule "A" which forms part of this by-law.

3. That a bylaw be passed to define the purchasing procedures covering the acquisition of goods and services by the Corporation of the Township of Pelee as outlined in the attached Schedule "B" which forms part of this by-law.
4. That this by-law is to take effect on the day of passing.

Read a first, second and third time and finally passed this 6th day of September, 2006.

Clerk's Certificate

I, Heather Marchand, Clerk-Treasurer of the Township of Pelee, DO HEREBY CERTIFY the foregoing to be a true and complete copy of the By-law No. 1647 of the Township of Pelee in the Province of Ontario, duly passed at a meeting of the Council of the Corporation of the Township of Pelee, on the 27th day of July 2006 and that this By-law is in full force and effect


Mayor


Clerk

CERTIFIED THIS _____ day of _____, 2006

Heather Marchand, AMCT, AMTC
Clerk-Treasurer

Schedule "A"

To By-Law 1648

TOWNSHIP OF PELEE

TENDERING POLICY & PROCEDURES

TENDERING PROCEDURES

1.01 RELEASE OF INFORMATION TO BIDDERS

Upon the request of a prospective bidder the Clerk-Administrator shall supply the following material for each contract;

- a) One standard tender envelope of distinctive colour.
- b) One copy of contract documents.

Note: This procedure shall be amended if pre-qualification is a requirement of the contract.

Note: A deposit will be required for each set of contract documents. The purpose of the deposit is to cover the cost of printing of the materials and is non-refundable.

1.02 RECORDING AND CONTROL OF TENDERING MATERIAL

A list of prospective bidders shall be maintained by the Clerk-Administrator.

Note: It is essential that the names, address, telephone numbers and fax numbers are recorded when tenders are released to facilitate distribution of addendum's and when necessary to extend or cancel a contract under call.

CHANGES TO CONTRACT UNDER CALL

2.01 PREPARATION OF ADDENDUM

Interpretations will be made in reply to queries from bidders only in the form of written addendum. When it becomes necessary to revise, delete, substitute or add to any tendering material or contract under call, the

manager responsible shall provide the Clerk-Administrator with the necessary addendum to be issued or cancel the contract.

2.02 NOTIFICATION OF ADDENDUM TO CONTRACTORS

A copy of each addendum shall be forwarded by fax or registered mail to each Contractor/Supplier who obtained tender forms for the contract. An addendum acknowledgement will also be included, which must be completed and returned to the Clerk-Administrator confirming receipt of the addendum. A copy of the addendum noted shall also be stapled to each tender form not yet distributed.

2.03 ACTION WHEN THE CONTRACT IS CANCELLED AND RECALLED

When, in the opinion of the Manager responsible, that it is advisable to cancel a contract under call, an advertisement shall be prepared for insertion by the Clerk-Administrator in the same publication originally used, stating that the contract has been cancelled. Advertisements giving notice of cancellation should include information on whether the contract will or will not be recalled at a later date.

2.04 NOTIFICATION TO CONTRACTORS OF CANCELLATION OF CONTRACT

Each Contractor/ Supplier who received tender documents shall be notified by fax of the cancellation of the contract. In addition to the above procedure, prior notice of the mailing shall be given by telephone. _

2.05 RETURN OF TENDERS ON CANCELLATION OF CONTRACT

When a contract is cancelled no tenders will be accepted. All tenders received shall be returned unopened to the Contractor by hand or by certified mail with a covering letter.

2.06 CONTRACT EXTENSION OF TIME

When it becomes necessary to extend a closing date for receiving tenders for a contract, the manager shall prepare for the Clerk-Administrator and insertion in the publication or service originally used, setting out the new closing date.

2.07 NOTIFICATION TO CONTRACTORS OF EXTENSION OF TIME

Each Contractor/Supplier who received tender documents shall be notified by fax of the extension of time. In addition to the above procedure, prior notice of the mailing shall be given by telephone.

2.08 DISPOSITION OF TENDERS WHEN CLOSING DATE HAS BEEN EXTENDED

When the closing date for receiving tenders has been extended tenders already received shall be handled as follows;

- a) If the extension of time is two weeks or less the Contractor/Supplier shall be advised that his tender will be returned upon request.
- b) If the extension of time is more than two weeks, all tenders shall be returned unopened.

All communications shall be by certified mail or fax.

3.01 TENDER REQUIREMENTS

Tenders are required to conform to the conditions listed below and those failing to do so may be subject to disqualification.

- a) The correct tender form as supplied by the Municipality must be used and in the possession of the Clerk-Administrator, or his duly authorized representative on or before the tender closing date and time. BIDS RECEIVED AFTER CLOSING TIME WILL NOT BE CONSIDERED.
- b) The tender must be legible, written in ink or by typewriter. ALL ITEMS MUST BE BID, where stipulated, with the unit price for every item and other entries clearly shown. If an error is made in extending the unit price, the unit price shall be used to determine the corrected total tender price.
- c) The bid must not be restricted by a statement added to the tender form or a covering letter, or alterations to the tender forms provided by the Municipality. All blank tender spaces on the tender forms must be filled in.
- d) Adjustments by telephone, fax or letter to a tender already submitted will not be considered. A bidder desiring to make adjustment to a tender must withdraw the tender and/or supersede it with a later tender submission.

e) The official tender envelopes supplied by the Clerk-Administrator must be used for tendering purposes without any extra exterior covering. Provisions shall be made on the tender envelope for the contract number and the name and address of the contractor.

f) The tender form must be signed in the space or spaces provided on the form, with the signature of the bidder or of a responsible official of the organization bidding. If a joint bid is submitted, it must be signed on behalf of each of the bidders and if the signing authority for both bidders is vested in one individual he shall sign separately on behalf of each bidder. In the case of an incorporated company the Corporate Seal and Corporate capacity must be affixed to the tender form.

g) Erasures, overwriting or strikeouts must be initialled by the person signing on behalf of organization bidding.

h) The tender shall be accompanied by the list of sub-contractors; tenderer experience; a certified tender deposit cheque, bank draft or money order payable to the Township of Pelee Island equal to or greater than the amount specified in the tender. AND MUST BE ENCLOSED IN THE SAME ENVELOPE AS THE TENDER.

3.02 DEPOSIT REQUIREMENTS

The amount of the deposit will be separately specified for each contract in the tender advertisement and the information to bidders.

3.03 FAILURE TO OBSERVE TENDER REQUIREMENTS

If any of the tender requirements (paragraphs 3.01 and 3.02) have not been met the tender shall be considered to be an IMPROPER BID and dealt with as set out in paragraph 7.03.

3.04 BONDING REQUIREMENTS

A Performance and Maintenance Bond for 100% of the tender issued by an approved Guaranty Company or corporation, for 100% of the amount of the tender must be furnished by the contractor when the contract is signed. Also, the contractor is required to furnish a Labour and Materials Payment Bond guaranteeing payment of all cost of labour, materials and services and any other obligations which the contractor may occur in the performance of this

contract. The amount of this bond shall be for the amount specified in the tender.

In lieu of performance, and labour and material payment bonds, the tenderer may furnish the corporation with a certified cheque or an irrevocable letter of credit from a chartered bank. The letter of credit will only be accepted if submitted on a form provided by the Municipality. The amount of the certified cheque or letter of credit shall be equal to the total tender amount submitted by the tenderer and will be held by the Municipality until substantial completion of the contract, at which time the amount may be reduced to ten (10) percent of the final project value and retained for the 12 month maintenance period.

4.01 RECEIVING TENDERS

a) Tender Boxes

A locked metal box shall be provided by the Clerk-Administrator for the safekeeping of tenders.

b) Tender Envelopes

Tenders received in other than the tender envelope supplied shall not be accepted and shall not be deposited in the tender box. Such tenders shall be returned unopened in the same manner as provided for in paragraph 4.01 (e).

c) Time and Date Stamping and Recording of Tenders

When a tender is received, the envelope shall be time and date stamped. Receipt of each tender shall be recorded on a list of tenders received and the tender shall be deposited unopened, in the proper tender box.

Note The number of bids received and the names of bidders is confidential and SHALL NOT be divulged prior to the tender opening.

d) Official Time

To ensure accurate time, the Clerk-Administrator shall ensure that he is using the correct time.

e) Late Tenders

Regardless of the time a bid is received, the envelope shall be time and date stamped. If the bid is for a contract already closed it shall be returned unopened to the bidder. If a tender is also to be returned by mail, it shall be accompanied by a covering letter stating that the tender could not be accepted due to late arrival. This same explanation can be given when refusing bids delivered in person.

Note If a late bid is received without a return address on the envelope it shall be opened, address obtained and then returned. The covering letter should state why the envelope could not be returned unopened.

f) Action of Correspondence Pertaining to Adjustments, Corrections or Restrictions to a Tender

Any correspondence, pertaining to adjustments, corrections or restrictions to a tender, which is received with the tender but outside the tender envelope or is received after a tender has been submitted but prior to closing time, shall not be considered, see 4.01 (D).

Depending on the time available the bidder shall be advised by mail or phone of the withdrawal procedures.

WITHDRAWAL OF TENDERS

5.01 WITHDRAWAL OF TENDERS PRIOR TO TENDERING OPENING

A contractor who has submitted a tender on a contract may request that his tender be withdrawn. (Adjustments or corrections to a tender submitted will not be allowed). The withdrawal shall be allowed if the request is made before the closing time for the contractor for which it applied. Withdrawal requests must be directed to the Clerk-Administrator by letter or in person. Telephone requests will not be considered.

When withdrawals are made in person, the Clerk-Administrator shall obtain a signed withdrawal form confirming the details. If the person is other than a senior official of the company, and for letter or telegram withdrawals, the authenticity of the request must be confirmed by telephoning a responsible official of the company.

Tenders confirmed as withdrawn prior to being placed in the tender box, shall be returned unopened to the Contractor/Supplier. Withdrawals received after the tender has been deposited shall, together with the confirmation of the withdrawal be placed in the tender box. These bids are dealt with at the

opening by announcing that the tender was withdrawn. (The amount of the withdrawn tender shall not be read out - see paragraphs 6.10 and 6.01 K).

Withdrawal requests received after the contract closing time shall not be allowed. The party concerned shall be informed that the withdrawal request arrived too late for consideration. However, when the tender is read out at tender opening, and if it is the lowest bid on a contract, the bidder may then proceed in accordance with Section 5.02.

Note: The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract.

5.02 WITHDRAWAL OF TENDERS DURING TENDER OPENING

During tender opening at the conclusion of reading out of the bids on a contract, a low bidder may withdraw any of his remaining tenders on the contract. Tenders withdrawn under this procedure cannot be reinstated. (See 6.02 N)

If more than one tender is read out under the same name for the same contract and no withdrawal notice has been received, the tender contained in the envelope bearing the latest date and time stamp shall be considered the intended bid. The first tender received shall be considered withdrawn and returned to the bidder in the usual manner. (See 6.01 M).

TENDER OPENING AND CHECKING PROCEDURES

6.01 OPENING TENDERS

a) Public Opening of Tenders

Tender openings for all contracts shall be open to the public and shall be conducted under the Chairmanship of the Clerk-Administrator.

b) Draw to Determine Order in Which Contracts will be Dealt With

Where there are two or more contracts to be opened at the same time and upon the request of a tenderer, a lottery shall be held to determine the order in which contracts will be dealt with at the opening.

c) Opening of Tender Box

When the order in which the contract will be dealt with has been established, the Clerk-Administrator shall open the tender box and remove the contents.

d) Action of Unknown Tenders at Tender Opening

Any tender that does not have the contract number on the envelope shall be opened and placed with the other tenders for that contract.

e) Action on Correspondence Requesting Withdrawal when Tender Box Opened

Any correspondence requesting withdrawal of the tender shall be read by the Clerk-Administrator who shall state the nature of the correspondence, the name of the bidder and the contract number. He/she shall then attach the withdrawal notice to the tender envelope which shall remain unopened.

f) Opening and Sorting of Tenders

When the correspondence in the tender box has been dealt with the remaining tenders shall be opened. Each tender form shall be stapled to the applicable tender envelope, and the deposit cheque clipped to the tender form and the tenders sorted according to the contract number.

g) Action on Correspondence Found Enclosed in Tender Envelope

If correspondence is found enclosed with a tender in the tender envelope, that tender shall be considered to be an IMPROPER BID and shall be so noted in the record of tenders opened and the tender read out in the normal manner.

h) All Tenders Received must be Accounted for

When tenders have been opened and sorted, the Clerk-Administrator shall check the listing of tenders received, and the number of tenders opened to ensure that all tenders received are accounted for. If a discrepancy occurs, the tender opening proceedings shall be delayed until all tenders have been accounted for.

i) Reading Out of Bid Amounts

When all tenders have been accounted for, the Clerk-Administrator shall announce for each contract, the contract number, and the number of bids received and for each tender, the name of the bidder and the total bid amount.

j) Listing of Information Read Out

After reading out the bid amount, the Clerk-Administrator shall have a list prepared in order of bid amount from low to high recording the name of each bidder, the amount of the tender and the deposit cheque amount on the RECORD OF TENDERS OPENED.

k) Action When Correspondence Requesting Withdrawal Attached to Tender

When, during the reading out of tenders, the Clerk-Administrator receives a tender that has correspondence requesting withdrawal attached, he shall read out the contract number and the bidders name and indicate to those in attendance that the tender is one previously announced as withdrawn at the request of the bidder. (See 5.01).

The bidders name for each withdrawn bid shall be recorded immediately following the names of the bidders whose tenders will be considered, noting the method and date of withdrawal.

Note: If, during the reading out of tenders, the Clerk-Administrator receives a tender with correspondence other than a withdrawal request attached, he shall read out the tender in the normal manner.

l) Action When all Tenders Have Been Read Out and Recorded

When all tenders for a contract have been read out and the information has been recorded, the Clerk-Administrator shall close off the Record of

Tenders by drawing a diagonal line in the unused space in the information listed and sign the form.

m) More Than One Tender Under the Same Name

During the reading out of tenders, the Clerk-Administrator shall check for more than one tender under the same name. If this situation occurs, it shall be dealt with as in 5.01.

If two tenders for the same contract are received in the same tender envelope, (Contractors copy included) the signed copy or if both are properly executed and prices differ, the lower price shall be the intended bid, which shall be processed in the normal manner.

n) Preparation of Notice of Withdrawal of Tender During Tender Opening

A Contractor (read out as low on a previous contract) who desires to withdraw a tender(s) during an opening shall attest in writing to his identity and state the contract on which he desires to withdraw. The notice of withdrawal of tender must be signed by the Contractor. This notice must be handed to the Clerk-Administrator before the reading out of the first tender on the contract(s) to which it applies. (See 5.01).

The Clerk-Administrator shall attach the completed notice to the applicable tender. The Clerk-Administrator shall read out the bidders name and announce that the tender has been withdrawn in accordance with the established procedure.

THE CLERK-ADMINISTRATOR SHALL NOT READ OUT THE BID AMOUNT OF THE WITHDRAWN TENDER

Note: The Contractor who withdraws on the strength of being read out as low bidder on a previous contract, does not have the right to reinstate the withdrawn tender if subsequent checking proves that his tender on the previous contract was not in fact low.

6.02 CHECKING TENDERS

The purpose in checking tenders is to determine whether;

- a) all tendering requirements have been met;
- b) all unit prices have been correctly extended; and

c) the extensions have been correctly totalled.

Tenders which do not conform to tender requirements (3.01) or which require mathematical correction(s) shall be deemed IMPROPER BIDS and dealt with as set out in Section 7.

Note: All checking shall be completed by the officials responsible as soon as possible following the public portion of the tender opening.

The official shall check to ensure that:

- a) the bidders name and tender amount shown on the record of tenders is correct;
- b) the tender form is properly signed;
- c) the correct tender form and envelope has been used;

- d) each tender envelope is time and date stamped prior to contract closing time;

- e) the deposit (when applicable) is sufficient and in an acceptable form;

- f) each item on the tender has been bid;
- g) all extensions and the total for each tender is correct. If an extension or a total is incorrect, checker shall cross out the incorrect figure shown on the tender form, enter the correct figure in red above it and initial the entry. If the extensions and total are correct the checker shall affix a numbered stamp or initial each tender adjacent to the total certifying it has been checked;

- h) the tender is free of restriction or alternations; and
- i) all other tender requirements have been met.

AWARD PROCEDURE

7.01 CONTRACT ON WHICH ALL BIDS ARE IN ORDER

When tenders have been checked, the Tendering Committee shall review the bids in order to recommend an award.

7.02 BASIS OF DECISIONS ON ACCEPTANCE OR REJECTION OF THE IMPROPER BIDS

The decision as to whether an improper bid shall be accepted or rejected shall be based on the following general considerations.

- a) Is the intention of the bidder clear?
- b) Has the bidder made a conscientious attempt to comply with the tender requirements?

Extreme care must be exercised by the officials responsible to ensure that improper bids are handled in a matter which is fair to other bidders as well as the public . The following are guidelines only intended to illustrate some of the discretion allowable.

- a) Late bids - must be rejected.
- b) Tender form or envelopes not used;
 - i) Bids received on other than supplied tender forms must be rejected.
 - ii) Bids received in other than the tender envelopes supplied must be rejected.
- c) Bids not completed in ink or by typewriter must be rejected.
- d) Incomplete bids (all items not bid) part bids must be rejected except when the tender form clearly states that an award may be made for individual items (namely contract such as equipment rentals or some material contracts which are in effect several individual contracts combined).
- e) Qualified Bid
 - If a bid is restricted by a statement added to the tender form or a covering letter for alterations to a tender form it must be rejected unless the change was requested by the Corporation.
- f) Bid not signed
 - Bids that are not properly signed and sealed must be rejected.
- g) Erasures, Overwriting or Strike Outs and not Initialled
 - Providing the price is legible these bids may be accepted.

h) Arithmetic Errors

Bids containing arithmetic corrections from the checking procedure may be accepted. Bid unit prices shall ordinarily be used to correct extensions.

i) Deposit not Submitted or Insufficient Amount

i) If a certified cheque, bank draft or money order is not submitted the tender must be rejected.

ii) If a certified cheque, bank draft or money order for insufficient amount is submitted the bidder may be allowed 72 hours to submit sufficient deposit. If the full deposit is not received within 72 hours from the specified hour of the Tender opening, the bid must be rejected.

7.03 DECISIONS ON IMPROPER BIDS

When an improper bid must be rejected as outlined in Section 7.02 the amount of the tender shall not be recorded on the Record of Tenders Opened but the words REJECTED BID shall be recorded instead.

When an improper bid is one that may be accepted as outlined in Section 7.02 it shall be noted as an IMPROPER BID on the Record of Tenders opened along with the amount of the tender. All tenders shall then be referred to the applicable Department Manager for review of the bids in order to recommend an award. In his report he shall outline any further bids that are improper due to an arithmetic error, recommend acceptance or rejections of any improper bid and recommend the award of the contract.

7.04 NOTIFICATION OF ACCEPTANCE OF TENDERS

Upon award of the contract by the Township of Pelee the Clerk-Administrator shall immediately send a notification of acceptance to the successful bidder advising him that his tender has been accepted and advising that the contract documents will follow for execution.

7.05 DISPOSITION OF DEPOSIT CHEQUES

Following review of the tenders, all deposit cheques other than the low and second low bidders shall be returned to the applicable bidders by mail or picked up by the bidder. The tender certified deposit cheques that are

retained shall NOT, under any circumstances be cashed, except as noted in 7.09.

7.06 DISPOSITION OF WITHDRAWN TENDERS

Following the tender opening, the officials responsible, shall return the withdrawn tenders and the deposit cheques (when applicable) to the bidders by certified mail or by hand. If a tender and deposit cheque is returned by hand, a letter acknowledging receipt must be signed by the bidder or by an official identified as a representative of the bidding organization.

7.07 EXECUTION OF CONTRACT

The Contractor to whom the contract is awarded shall execute the contract and furnish the bonds duly executed with the satisfactory guarantee surety company, within 10 days, not including Sunday or legal holidays, from the date of mailing the notice from the Corporation to the tenderer according to the address given by him that the contract is ready for signature.

7.08 ACTION ON ACCEPTANCE OF CONTRACT

When copies of the executed contract are returned and found acceptable to the Municipality, the deposit cheques of the successful bidder and the second low bidder shall be returned by certified mail or be picked up by the bidder.

7.09 ACTION WHEN SUCCESSFUL BIDDER DOES NOT FINALIZE CONTRACT

If a contract has been awarded and the successful low bidder fails to sign the contract or provide a contract bond, cash or other acceptable collateral within the specified time (see 7.07) the Municipality may grant additional time to fill the necessary requirements or may recommend one of the following:

- a) that the contract shall be awarded to the next lowest bidder.
- b) that the contract shall be cancelled.

In the case of a) or b) above the deposit of the low bidder shall be forfeited. If the contract is to be awarded to the second low bidder, his deposit cheque shall be retained until he has actually signed the contract.

If the second low bidder fails, or declines, to execute the contract if awarded to him his deposit shall be forfeited.

7.10 ACTION WHEN TIE BIDS ARE RECEIVED

In the event that more than one bidder has submitted a low tender in the same amount they shall be advised that the tender to be accepted will be decided by means of a draw. The names of tied bidders shall be placed in a container and the tender to be accepted shall be drawn by the Clerk-Administrator or his designate. The time and location of the draw shall be set by the Clerk-Administrator or his designate and the bidders shall be so advised in order that they may be present. The following may be present:

- a) Mayor and/or members of council and staff.
- b) Any of the bidders, or their authorized representatives.

Should any bidder elect not to be represented at the draw, the draw will proceed regardless.

**THE CORPORATION OF THE
TOWNSHIP OF PELEE**

CONTRACTOR'S NOTICE OF WITHDRAWAL

Date of Tender Opening: _____

Time: _____

Name of Contractor: _____

(a) Contracts on which the above contractor is provisionally the low bidder at this tender opening prior to the time noted above. _ _ _ _

(b) Contracts yet to be opened at this tender opening on which the above contractor has submitted tender which he wishes to be withdrawn.

The undersigned who is a duly authorized signing officer of _

(Name of Contractor)
requests that the tenders listed in (b) above be withdrawn.

The undersigned hereby authorizes the Township of Pelee Island to withdraw the tenders listed in (b) above. Furthermore, he understands that he may not subsequently revoke this request notwithstanding the fact that he may not be declared the lowest bidder on some or all of the contracts listed in (a) above.

Witness

Signed

Title

SCHEDULE "B"

To By-law 1648

MUNICIPALITY OF TOWNSHIP OF PELEE

POLICY TO ESTABLISH

PURCHASING PROCEDURES

THE COUNCIL OF THE MUNICIPALITY OF TOWNSHIP OF PELEE ISLAND ENACTS THE FOLLOWING POLICY FOR THE PROCUREMENT OF ALL GOODS AND SERVICES FOR THE MUNICIPALITY OF TOWNSHIP OF PELEE ISLAND.

1: SCOPE

The purpose of this policy is to set out guidelines and operating procedures of the municipality to provide for the purchase of materials and services at the lowest possible cost, consistent with quality and service, all things being equal.

2: OBJECTIVES

The goals of the Purchasing Policy are to:

- 2.1 Facilitate a purchasing function.
- 2.2 Provide for the conduct of business while maintaining the highest standards of ethics and fairness.
- 2.3 Develop and maintain sound business relationships with suppliers in order to ensure good communications, advance information on new products, alternative supplies, improved quality, potential cost savings, and improved safety.

2.4 Disseminate information to the user departments including prices, vendors, lead-time information, market trends, back order (expedite) information, etc.

2.5 Communicate information to the users.

2.6 Maintain, develop and update a list of qualified vendors and purchasing history records.

2.7 Keep all records pertinent for legal and audit purposes.

3: DUTIES, POWERS AND RESPONSIBILITIES

3.1 In this Policy, A good shall include all kinds of supplies, materials, vehicles, equipment, maintenance and rental services, telephone services, subscriptions, and publications, etc.

3.2 Under the direction of the Clerk-Administrator, the purchase of all goods required by the municipality shall be co-ordinated through the Clerk-Administrator, except as otherwise herein provided.

3.3 The Municipality recognizes the benefits to be gained by a co-operative purchasing venture, and authorizes the Clerk-Administrator on behalf of the Municipality to participate in joint tender calls with other public agencies.

3.4 All Salespeople shall be interviewed initially by the Clerk-Administrator, who, where necessary, will refer them to other departments when technical information is required.

3.5 The Clerk-Administrator shall, correlate and unify, so far as possible, requirements of the various departments of the Municipality and by standardization to reduce the kinds of goods used by the Municipality to the smallest number consistent with the needs of the various departments of the Municipality; this program shall be a joint enterprise among the various departments of the Municipality, with the Clerk-Administrator having the responsibility of putting the same into effect.

- 3.6 The Clerk-Administrator shall be responsible for the issuing of all Tender Calls including handing out, receiving, officiating and opening at all tender proceedings.
- 3.7 Heads of the various departments of the Municipality shall, from time to time furnish the Clerk-Administrator with itemized lists of all goods which are no longer used or which have become obsolete, worn out or scrapped and, in the event that any can be used by an other department of the Municipality, to make the same available for use by such other department. In the event that any such goods can no longer be used for municipal purposes, to arrange for the disposal by public auction or sealed bid.
- 3.8 Except where a non-competitive commodity is required, all purchases shall be made on a competitive basis, provided that all other factors including quality and service are equal.
- 3.9 Where tenders are required on contracts for construction work, Municipal projects or specialized equipment for the Municipality, the department of the Municipality concerned will be responsible for the preparation of all necessary plans and specifications and tender documents.

4: PURCHASING PROCEDURES

- 4.1 Every purchase of goods or services shall be covered by a purchase order, except as provided in Section 7.0.
- 4.2 Each department of the Municipality shall requisition the Clerk-Administrator for its requirements. Each requisition shall receive appropriate department approval.
- 4.3 Each department shall assume full responsibility to ensure that all purchases requested are provided for in their current budget estimates.
- 4.4 The Clerk-Administrator will be responsible for purchasing by credit card for the Municipality.

4.5 The Clerk-Administrator is authorized to order goods up to the amount of two thousand and five hundred dollars (\$2,500.00) from such supplier and upon such terms and conditions, as he/she shall deem advisable. Purchases shall be made on a competitive basis whenever possible, by obtaining at least 3 price quotations.

4.6 The Clerk-Administrator is authorized to order goods to an amount exceeding two thousand and five hundred (\$2,500.00) and up to the amount of ten thousand dollars (\$10,000.00) from such supplier and upon such terms and conditions as he/she shall deem advisable subject to first obtaining at least three formal written price quotations for such goods whenever possible; with the exception that if such goods or services can only be provided by one supplier because of detailed specifications, or specialized service, or the inability of the Clerk-Administrator to obtain competitive quotations for reasons beyond his/her control.

4.7 All purchases of goods and services exceeding ten thousand dollars (\$10,000.00) will be made only after formal tenders have been called and approved by the CLERK-ADMINISTRATOR, except when an item or service can only be provided by one supplier because of detailed specifications or specialized service. Under these circumstances, the Clerk-Administrator shall purchase the required goods or services from such supplier and upon such terms and conditions, as he shall deem advisable. The Municipal Council shall approve all tenders.

5.0: TENDERING PROCEDURES

5.1 Tenders shall be opened publicly by the Clerk-Administrator along with one other representative of the Staff and one or more representatives from Council. Any other person desiring to be present at the opening of tenders may attend.

5.2 The Municipal Officials referred to in 5.1 shall form the Tendering Committee which shall meet as soon as possible after the tenders have been opened publicly to discuss and make recommendations and report in writing to the CLERK-ADMINISTRATOR as to which, if any, of such tenders should be accepted. If the tenders have been prepared by an outside consultant, then that consultant shall prepare a report in writing with recommendations for the review and approval of

the Tendering Committee as to the status of the tenders received. All Tendering Committee Reports shall be approved by the CLERK-ADMINISTRATOR, or his/her designate.

5.3 When a department requires any goods or services quoted or tendered on, that department shall be responsible for preparing and providing the Clerk-Administrator with any information that might be required in order to call for tenders or quotations. All information must be in writing.

6.0: EMERGENCY PURCHASES

6.1 In an emergency situation such as floods, storms, pumping station emergencies or where it is necessary to purchase goods or services to effect immediate repairs to Municipally owned buildings, vehicles, or equipment, the Department responsible is authorized to make such purchases from such supplier and upon such terms and conditions as shall be deemed advisable, provided that all factors including quality and service are equal.

7.0: PURCHASE ORDERS NOT REQUIRED

7.1 For the purchase of any goods or services under Five Hundred dollars (\$500.00) unless specifically requested by the Vendor.

7.2 Recurring utility charges that are charged to budgeted accounts for

- i) Natural Gas
- ii) Hydro
- iii) Sewer and Water
- iv) Telephone

7.3 Purchases or expenditures for recurring items such as food supplies, canteen supplies or any other product or service where an agreement, contract or co-operative arrangement has been established and an initial blanket purchase order is processed for these requirements at the beginning of each calendar year.

7.4 Specific payments as authorized by the CLERK-ADMINISTRATOR or Municipal Council such as payments for land purchases, work

performed under construction contracts, expropriations, leases, and liability insurance.

7.5 Payments in accordance with employee and payroll benefits such as the Employer Health Tax, Workers Compensation, OMERS, Group Health, Life and Dental benefits and any other similar payments.

7.6 Membership dues and professional fees for services such as Consultants, Auditors, legal fees, Ontario Land Surveyors, Property Appraisers and other similar services, will not require a purchase order if a professional services contract or agreement has been executed by the Municipality. If an agreement has not been executed, a purchase order will be required.

7.7 Subscriptions, travel expenses and registrations (as approved by the Clerk-Administrator).

7.8 Postage, courier fees and freight charges.

7.9 Any other item or expenditure where in the opinion of the Clerk-Administrator a purchase order is not required.

8.0: NON PAYMENT

81. The Municipality will not be responsible for payment for goods or services purchased by any employee unless the procedures indicated herein have been followed.

9.0: SUPPLIER RELATIONSHIP

9.1 The Clerk-Administrator and every officer and employee of the Municipality are expressly prohibited from accepting, directly or indirectly from any person, company, firm or corporation to which any purchase order or contract is, or might be awarded, any rebate, gift, money or anything of value whatsoever, except where given for the use and benefit of the Municipality.