

**THE CORPORATION OF
NORTH ALGONA WILBERFORCE TOWNSHIP**

By-Law No. 2014-30

**BEING A BY-LAW TO ADOPT POLICIES AND PROCEDURES
GOVERNING THE PROCUREMENT OF GOODS & SERVICES**

WHEREAS, Section 271 of the Municipal Act, Chapter 25, S.O. 2001, imposes upon municipalities the obligation to adopt policies with respect to the procurement of goods and services;

AND WHEREAS, the Council of the Corporation of North Algona Wilberforce Township deems it expedient to establish procedural policy for purchasing and tendering;

NOW THEREFORE, the Council of the Corporation of North Algona Wilberforce Township enacts As Follows:

PART I - SHORT TITLE

1. This By-Law may be cited as the "Procurement By-Law".

PART II - PURPOSES, GOALS AND OBJECTIVES

1. The purpose, goals and objectives of this By-Law and of each of the methods of procurement authorized are:
 - (a) to ensure openness, accountability and transparency while protecting the financial best interests of the Township;
 - (b) to encourage competition among suppliers;
 - (c) to maximize savings for taxpayers;
 - (d) to ensure service and product delivery, quality, efficiency and effectiveness;
 - (e) to ensure fairness among bidders;
 - (f) to have regard to the accessibility for persons with disabilities to the goods, services, and construction purchased by the Township;
 - (g) to attempt to reduce the amount of solid waste requiring disposal through the purchase of environmentally responsible goods and services.

PART III - DEFINITIONS AND SCHEDULES

1. The words and phrases listed below when used in this By-Law shall have the following meanings ascribed to them:
 - a) " Clerk Treasurer " shall mean the Chief Administrative Officer of the North Algona Wilberforce Township ;
 - b) "COMMODITY" shall mean supplies, materials, services, publications, goods or undertaking required from time to time by the Corporation;
 - c) "CO-OPERATIVE PURCHASING" shall mean the process by which a group of purchasers enter into an agreement to purchase commodities, jointly, to establish greater buying power, in an effort to obtain lower prices;
 - d) "CORPORATION" shall mean the North Algona Wilberforce Township ;
 - e) "COUNCIL" shall mean the Council of the North Algona Wilberforce Township ;
 - f) "DEPARTMENT" shall mean a particular municipal function as determined by Council;
 - g) "DEPARTMENT HEAD" shall mean that person appointed by Council to be in charge of and responsible for a particular municipal function;
 - h) "DEPARTMENT HEAD DESIGNATE" shall mean that person in charge and responsible for a department in the absence of the Department Head;

- i) "QUOTATION" shall mean a price requested and submitted for a specified commodity, either written or verbal;
- j) "TENDER" shall mean a sealed bid, indicating the charge for a commodity as invited;
- k) "TENDER DOCUMENT" shall mean a document setting out specifications for a product, commodity, service or undertaking;
- l) "VENDOR" shall mean the supplier of a commodity.

PART IV - PROCUREMENT PROCEDURES

1. PURCHASE OF GOODS

- a) Budgeted purchases up to \$5000.00 shall be authorized at the discretion of the appropriate Department Head, without tender or quote but the transaction shall be in the best financial interest of the Corporation;
- b) Budgeted purchase in excess of \$5,000.00 up to and including \$10,000.00 shall require a minimum of two written or verbal quotations;
- c) Non-Budgeted purchases in excess of \$5,000.00 shall be processed as per Part IV 3(a) and approved by Council. However, 1(b) may be used at the discretion of the Department Head to a maximum of \$10,000.00;
- d) Purchases to a maximum of \$50.00 may be paid from Petty Cash;
- e) Written quotations may be received by fax.
- f) Budgeted new capital in excess of \$10,000.00 shall be purchased in accordance with Part IV 3(a).
- g) Used Capital purchases in excess of \$10,000.00 shall be approved by Council.
- h) All maintenance items deemed urgent shall be purchased in the best financial interest of the Corporation;

2. QUOTATION PROCEDURE

- a) Prices for goods may be negotiated on the open market without advertisement. Negotiations shall follow good business practices;
- b) Should a commodity be available only through one supplier, due to repairs to equipment installed by a manufacturer, or for whatever reason, the process of obtaining only one quotation shall first be authorized by the Department Head & Clerk Treasurer.

3. TENDERING BY INVITATION

- a) Purchases in excess \$10,000.00 up to and including \$30,000.00 may be tendered by invitation. A minimum of three (3) invitations must be requested. However, the tender shall be open, with all tenders accepted and considered. In the case that five invitations, for whatever reason, cannot be requested, the process of obtaining less than three (3) tenders must be authorized by Council.

4. TENDERS BY ADVERTISEMENT

- a) Purchases in excess of \$10,000.00 shall be open and advertised;
- b) Tenders submitted in excess of \$100,000.00 shall include a certified cheque in the amount of 10% of the value of the contract;
- c) Tenders shall not be accepted by fax;
- d) Tenders shall be delivered to the North Algona Wilberforce Office, 1091 Shaw Woods Road, Eganville, Ontario or to the location specified in the tender document, within the time period required;
- e) Tenders, which arrive after the specified deadline will be returned unopened with an accompanying letter;
- f) In the event that a late tender package has no return address, said package shall be opened for the purpose of obtaining a return address, resealed and returned as per Part IV 4.(d);
- g) Tenders shall be received by municipal staff, who shall indicate, on the tender package, the time and date received.

5. TENDER OPENING

- a) Tenders shall be opened by the Tender Committee;
- b) The Tender Committee shall consist of;
 - i) The Department Head or his/her designate
 - iii) The Clerk Treasurer or his/her designate;
- c) It shall be the responsibility of the Clerk Treasurer to arrange for the time and place of the Tender Opening;
- d) The Tender Meeting shall be open to public;
- e) The Clerk Treasurer or his/her designate shall open the tenders and call out the following:
 - i) announce the date and time received on the package;
 - ii) The name of the tenderer;
 - iii) Total Contract Price;
 - iv) Amount of certified cheque or bid bond;
 - v) Announce that the tender has been properly signed and sealed;
- f) Once opened the following procedure shall ensue:
 - i) Tenders shall be listed and recapped by the Department Head or his/her designate.
 - ii) The Department Head shall analyse and make recommendations to the Council.

6. TENDER PERFORMANCE GUARANTEE

- a) Contract awarded in excess of \$100,000.00 shall require a performance guarantee as follows:
 - i) Renewable, irrevocable Letter Of Credit (50%) as per attached.

7. ADVERTISING TENDERS

- a) Notice of "Invitation to Tender" shall be published a minimum of once in at least one daily or weekly newspaper or trade journal with said notice appearing no later than fourteen days before the tender closing date.
- b) The tender notice shall contain the following information:
 - i) the name of the Corporation
 - ii) the project name
 - iii) type of work
 - iv) location of work
 - v) the Official designated to receive tenders
 - vi) the time of tender closing
 - vii) the location where tender documents may be obtained
 - viii) the charge for tender documents, if applicable
 - ix) information that "lowest or any tender not necessarily accepted"

8. WITHDRAWAL OF TENDER PRIOR TO TENDER OPENING

- a) A withdrawal of a tender shall be allowed as follows:
 - i) If the request is received prior to the closing time of the tender as advertised;
 - ii) Said request must be in writing, signed by an authorized signing officer of the company tendering or by an individual if a sole proprietorship.

PART V - GENERAL PROCUREMENT POLICY

1. AWARDING OF TENDERS AND PURCHASES

- a) The following criteria shall be used for the purpose of awarding tenders and/or purchases:
 - i) tender price
 - ii) financial stability of the supplier of the commodity or service
 - iii) ability to fulfil contract
 - iv) adherence to specifications
 - v) quality standards
- b) Tenders shall be awarded by resolution of Council.
- c) Tender deposits shall be dealt with as follows:
 - (i) The tender deposit for the lowest tender shall be retained until the tender is accepted and the performance guarantee is received;
 - (ii) The tender deposit for the second lowest tender shall be retained until the lowest tender is accepted. If the lowest tender is rejected the second lowest tender shall be subject to Part V 1.(c)(i)

(iii) All other tender deposits shall be returned within two working days of the tender opening.

d) Upon payment for services, an amount equal to 10% of the requested payment shall be withheld under the provisions of the Construction Lien Act.

2. NEGOTIATIONS

- a) Purchase by negotiation with one or more sources or bidders shall be permitted under the following circumstances and requirements for inviting tenders and quotations may be waived:
- i) When in the judgement of the Department Head, goods are judged to be in short supply, due to market conditions;
 - ii) Where there is only one source of supply for the commodity;
 - iii) Where two or more identical bids have been received;
 - iv) Where the lowest quotation, excluding tenders, meets the specifications, but is excessive in total cost and substantially exceeds the estimated costs;
 - v) When the process of purchase by negotiation is invoked, it shall be conducted jointly by a special tender committee made up in the same manner as per Part IV 5(b).

3. CO-OPERATIVE PURCHASING

- a) Co-operative purchasing with other Municipalities, Boards, Commissions, Agencies and other levels of government, etc. shall be permitted;
- b) The method of purchasing and sharing of costs shall be determined by the Clerk Treasurer in co-operation with the partner or partners in the Co-operative Purchasing Plan;
- c) Co-operative Purchases may be undertaken at the discretion of the Clerk Treasurer provided that monies are allocated for said commodity in the current budget;
- d) Purchases not allocated in the current budget shall require Council approval.

4. EMERGENCY PROCEDURE

- a) Where an emergency or pending emergency exists, in the opinion of the Department Head, constituting imminent danger to life and/or property and to prevent the disruption of work or service to the public, the immediate procurement of commodities may be made by the Department Head;
- b) Procurement of commodities shall be on the open market, at the lowest obtainable price, regardless of the amount of the expenditure;
- c) When such a purchase is made, the Department Head is required to file a report to council within five days.

5. DISPOSAL OF SURPLUS EQUIPMENT OR SUPPLIES

- a) Equipment or supplies shall be offered to other departments prior to item (b) being invoked.
- b) Equipment or supplies to be offered for sale must first be declared surplus by Resolution of Council upon the recommendation of the Department Head;
- c) Said equipment or supplies shall then be advertised as per Part IV 7.(a);
- d) Tenders shall be received and sale awarded as per Part IV 8.

That By-Law 2004-17 be hereby rescinded.

That this by-law shall take force and effect upon the passing thereof.

READ A FIRST & SECOND TIME THIS 5th DAY OF SEPTEMBER 2014

READ A THIRD TIME AND FINALLY PASSED THIS 5th DAY OF SEPTEMBER 2014

Mayor Harold Weckworth

Clerk Treasurer Marilyn Casselman