

The Corporation of the Township of Wollaston

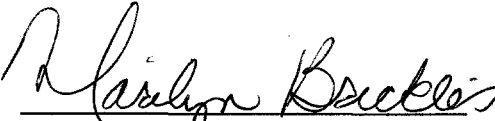
By-Law No 62-04

Being a by-law to establish a procurement by-law as per subsection 271(1) of the Municipal Act 2001. Policy must be in place for January 1, 2005.

Read a first, second and third time and finally passed this 7th day of December, 2004.



Albert Vader, Reeve



Marilyn Brickles, Clerk Treasurer

Third Reading

No. 62.

Council of the Township of Wollaston

Session 200

Moved by Grant Goodner

Seconded by Graham Blair

That a by-law to establish a procurement by-law as per subsection 271 (i) of the Municipal Act 2001. Policy must be in place for January 1, 2005

As reported by the committee of the Whole be read a third time, passed and numbered _____ and that the said by law be signed by the Reeve and clerk, sealed with the seal of the Corporation, and be engrossed in the by-law book.

Carried Albert Vadeu

Second Reading

No. _____

Council of the Township of Wollaston

Session 200

Moved by Ron Earle

Seconded by Grant Goodner

That a by-law to _____

Be read a second time and be referred to a committee of the whole council.

Carried Albert Vadeu

First Reading

Council of the Township of Wollaston Session 200

Moved by Graham Blair Seconded by Ron Earle

That a by-law to _____

be received and read a first time.

Carried Albert Vadeu

**The Corporation of the
Township of Wollaston**

PROCUREMENT POLICY

November 2004

INDEX

Section I	Definitions	Page 2
Section II	Procurement Principles & Goals	Page 6
Section III	General Conditions	Page 7
Section IV	Requirement for Approved Funds	Page 9
Section V	Specifications	Page 10
Section VI	Standardization	Page 11
Section VII	Responsibilities and Authorities	Page 12
Section VIII	Methods of Procurement	Page 13
Section IX	Bid Analysis	Page 19
Section X	Reporting	Page 20
Section XI	Disposal of Surplus Goods	Page 21
Section XII	Conflict of Interest	Page 22
Schedule Exemptions from Provisions of Purchasing Policies		Page 23
Schedule B	Bid Irregularities	Page 25
Schedule C	Tender Process	Page 28
Schedule D	Request for Proposal Process	Page 30
Schedule E	Leases	Page 32

Section I

DEFINITIONS

In this Policy,

Acquisition means the process used for obtaining goods and services

Agreement means a legal document that binds the Township of Wollaston and all other parties, subject to the provisions of the contract

Annual Aggregate Value means the total amount anticipated to be spent annually by all departments on a particular type of good or service

Approval means authorization to proceed with the purchase or disposal of goods and/or services

Bid means an offer or submission received in response to a request for quotation, tender or proposal, which is subject to acceptance or rejection

Bid Irregularity means a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response (see Appendix B)

Bid Request means a written request for bids or a solicitation, which may be in the form of a Request for Quotation, Request for Tender or Request for Proposal

Blanket Order (Supply Contract) means a Purchase Order which establishes prices or a method for determining prices, terms and conditions and the period of time during which a vendor agrees to provide goods and services to the purchaser upon the purchaser' demand

Clerk means the Municipal Clerk for the Township of Wollaston

Contract means a legally binding agreement between two or more parties. Such agreements will consist in the form of a formal agreement between two or more parties that creates an obligation to provide defined goods and/or perform defined services

Conflict of Interest refers to a situation in which private interests or personal considerations may affect an employee's judgment in acting in the best interest of the Township of Wollaston. It includes using an employee's position, confidential information or corporate time, material, or facilities for private gain or advancement or the expectation of private gain or advancement. A conflict may occur when an interest benefits any member of the employee's family, friends, or business associates

Corporate Signing Officer means the Head of Council, and Municipal Clerk or other individuals designated by Council or this policy

Cost Effective Bid means a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selection procedure

Council means the Council for the Township of Wollaston

Co-op means a Co-operative acquisition venture

Department Head means the person responsible for direction and operational control of a Department or authorized designate

Designated Signing Authorization provides the authority for members of staff to execute legally binding contracts, on behalf of the Township of Wollaston. Thresholds governing signing authorizations are as follows:

Purchase Requisitions	
\$0 - \$5,000	Department Head or Clerk-Treasurer
\$5,001 - \$20,000	Department Head or Clerk-Treasurer
\$20,000 plus	Department Head or Clerk-Treasurer

Agreements/Contracts	
\$0 - \$20,000	Department Head or Clerk-Treasurer
\$20,001 - \$50,000	Head of Council and Clerk-Treasurer
\$50,000 plus	Head of Council and Clerk-Treasurer

Direct Appointment means to directly appoint a consultant on the basis of defined selection criteria, including but not limited to qualifications and experience

Disposal means the removal of materials owned by the municipality, which are deemed surplus, by sale, trade-in, auction, alternative use, gift, or destruction

Emergency means a situation where the purchase of goods and services requires immediate action to prevent or correct dangerous or potentially dangerous safety conditions, further damage, to restore minimum service or ensure the safety of the Public

Execute means to legally bind the Township of Wollaston to the terms and conditions defined within the Agreement

Expression of Interest means a situation where vendors are solicited by the Municipality to advise the Municipality of their ability or desire to undertake municipal requirements

Goods and/or Services includes supplies, equipment, property insurance, maintenance, professional and consulting services and service contracts not otherwise provided for

List of Bidders means a list, retained by the Township of Wollaston of those vendors who are interested in submitting bids

Lowest Responsive Bid means the lowest bid price submitted which meets the requirements and specifications as set out in the bid request, minor deviations excepted

Material Safety Data Sheets (MSDS) means Material Safety Data Sheets which must be submitted by the vendor for all hazardous materials, including an index of chemical compounds with details of properties, handling details, precautions and first-aid procedures

Municipality means the Township of Wollaston

Negotiation means the action or process of conferring with one or more vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this Policy

Open Market Procedure means obtaining price quotations from vendors verbally or in writing

Privilege Clause means the standard clause used in bid documents and advertising that reads in part "the lowest or any tender not necessarily accepted"

Procure/Procurement/Purchase means to acquire by purchase, rental or lease of goods and/service

Professional and Consulting Services includes architects, auditors, engineers, designers, planners, surveyors, management and financial consultants, brokers, legal services, and any other professional and consulting services rendered on behalf of the municipality

Proposal (Request for Proposal /RFP) means an offer to provide goods or services to the Municipality, where it is not practical to prepare precise specifications, or where "alternatives" to detailed specifications will be considered, which may be subject to further negotiation. This process allows vendors to propose solutions to arrive at the end product, and allows for evaluation on criteria other than price.

Purchase Order means a written offer to purchase goods and services or a written acceptance of an offer where such offer has been made on forms prescribed by the Municipality

Purchase Requisition means a request for goods and/or services initiated by the user, for which budget approval has been granted

Purchasing Coordinator means the designated person, who is responsible for the Municipality's centralized purchasing function and is hereby authorized to act as agent in all such matters pertaining thereto

Quotation (Request for Quotation/RFQ) means an offer to sell goods and services to the Municipality or an offer to purchase surplus goods from the Municipality

Real Property means land or buildings and any interest, estate or right of easement affecting same

Responsive and Responsible Vendor means one who complies with the provisions of the bid solicitation, including specifications, contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed contract based on reputation, or references, or performance on previous contracts, and adequate financial and other resources

Single Source means there is more than one source in the open market but only for reasons of function or service one vendor is recommended for consideration of the particular goods and/or services

Surety means a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit or any other form as deemed necessary and stated in any quotation, tender or proposal documents issued by the Municipality

Tender means an offer received from a supplier of goods and/or services in response to public advertisement-requesting tenders sealed in an envelope

Treasurer is the Director of Finance/Treasurer for the Township of Wollaston

Verbal Quotation means the requisitioning department will receive pricing via telephone or in person, and will retain written documentation of the conversation and document the information on the requisition.

Section II

PROCUREMENT PRINCIPLES and GOALS

The purchasing principles of the Township of Wollaston are as follows:

- to procure by purchase, rental or lease the required quality and quantity of goods and/or 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 Wollaston and to determine the appropriate actions to be taken through purchasing 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.

Section III

GENERAL CONDITIONS

- Where a Department Head is authorized to undertake any act pursuant to this Policy, such act may be undertaken by the Department Head's authorized designate.
- Council must first approve any commitments being made where it is recommended that the Head of Council and the Clerk-Treasurer execute a contract.
- Where it is recommended that a contract other than a purchase order be executed, it will be authorized:
 - For contracts over \$50,000 by the Head of Council and Clerk-Treasurer after being approved by Council
 - For contracts under \$50,000 by a Department Head, or where requested the Head of Council and Clerk-Treasurer.
- No expenditure or commitment shall be incurred or made and no account shall be paid by the municipality for goods and services, except as approved by Council or as otherwise authorized in accordance with this policy.
- The Clerk-Treasurer in consultation with the Department Head of the requisitioning department may remove a vendor's name from the list of bidders for a period of up to two years on the basis of documented poor performance, non-performance, or conflict of interest. The Treasurer will provide a written notice of the decision to the vendor.
- Material Safety Data Sheets must be maintained on file by the user department for all relevant products whether acquired through tendering, quoting or the proposal process.
- When using the privilege clause, which reads in part "the lowest or any tender may not necessarily be accepted", the specific reasons must be stated why the bids may not be accepted.
- The Clerk-Treasurer will assist in developing evaluation criteria and submission analysis for all procurement needs.
- Prior to awarding any procurement of goods and/or services, the user department will forward recommendations to the Clerk-Treasurer for final review and comments.
- No employee or elected official shall purchase or offer to purchase, on behalf of the Municipality, any goods and services, except in accordance with this Policy.
- Any employee who intentionally and knowingly acquires or disposes of any goods and services for the Municipality in contravention of any section of this Policy, as amended from time to time, shall be subject to disciplinary actions in accordance with Municipal policies.

- All petty cash purchases must exclude tendered goods and services.
- No requirement for goods and services may be divided into two or more parts to avoid the provisions of this policy.
- A Department Head shall not award a contract where the Clerk-Treasurer has determined that the provisions of this policy have not been adhered to and has so advised the Department Head.
- That Schedules A-E (attached hereto) may be amended from time to time, as required, provided the Council has approved such amendments and the amended Schedule(s) has been circulated to affected staff.

Section IV

REQUIREMENT FOR APPROVED FUNDS

- Net Departmental expenditures are authorized by Council each year as part of either the Operating or Capital Budget process. Pending Council's approval of proposed budgetary estimates, Department Heads are authorized to spend up to 50% of the previous years approved Operating Budget. Department heads are not authorized to overrun net departmental operating budgets, except in accordance with this Policy.
- The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Council approved Operating budget.
- Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
 - the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates, and
 - the requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the Treasurer, the required funding can reasonably be expected to be made available, and
- The Clerk-Treasurer may reject all purchase requests for which sufficient funds are not available and identified. If the Department Head advises the Clerk-Treasurer that the deficiency is minimal and alternative funding has been identified, the purchase request may proceed provided appropriate authorizations are met in accordance with this policy.
- The Department Head will co-ordinate, with the Clerk-Treasurer, all leasing requirements including term capitalization rates, lease vs. buy (or other) analysis, etc. The Clerk-Treasurer will ensure that all lease commitments comply with Municipal Act 2001 as amended and regulations made there under.
- Where this policy prescribes financial limits on contracts that may be awarded under the authority of a Department Head, or provides for financial limits on contracts required to be reported to Council, for the purpose of determining whether a contract falls within these prescribed limits, the contract amount shall be the sum of:
 - all costs to be paid to the supplier under the contract, excluding all taxes
 - less any rebates

Section V

SPECIFICATIONS

The department whose budget provides for the procurement of goods and services shall be responsible, in consultation with the Clerk-Treasurer for the preparation and approval of all specifications and/or Terms of Reference (Scope of Work) to be used for the procurement of such goods and services.

Where practical, specifications or Terms of Reference should be considered that are detailed but not brand specific to leave room for potential vendors to provide alternatives in the event an equal or better-proven product or method is available.

Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.

When such services are required:

- the Clerk-Treasurer shall be advised
- the contracted vendor will be considered as a consultant and unable to make an offer for the supply of the goods and services
- a fee shall be paid
- the detailed specification shall become the property of the municipality for use in obtaining competitive bids

Section VI

STANDARDIZATION

It will be the policy of the Township of Wollaston wherever possible, to standardize the procurement of goods and services to allow for:

- reduced number of goods and services required
- increased volume on common items or services
- maximizing volume buying opportunities
- providing economies of scale
- reduced handling, training and storage costs
- minimizing maintenance costs
- co-operative purchasing activities
- competitive bid results
- reduced overall cost

Section VII

RESPONSIBILITIES AND AUTHORITIES

The Department Head has responsibility for procurement activities within their departments and is accountable for determining and achieving specific objectives as outlined for each procurement project.

Department Heads have the authority to award contracts in the circumstances specified in this policy provided that the delegated power is exercised within the limits prescribed in this policy, and the requirements of this policy are met

The Clerk-Treasurer is responsible for:

- providing procurement advice and services to Department Heads,
- monitoring compliance with this policy.

Department Heads, in consultation with the Clerk-Treasurer, shall inform Council that non-compliance with this policy has occurred.

For awards of value \$50,000 or less:

- the Clerk-Treasurer shall execute all orders provided
- that the issuing Department has approved the order and
- requirements of this policy are met
- the Department Head shall execute all related agreements.

The Clerk-Treasurer has the authority to instruct the Department Head not to award a contract and may direct staff to submit recommendations to Council for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interests of the Municipality.

The Department Head is required to forward to the Clerk-Treasurer, a copy of all legally executed contracts relating to the procurement of optional goods and services.

Section VIII

METHODS OF PROCUREMENT

Notwithstanding any other provisions of this Policy, the acquisition of the items listed in Appendix "A" do not fall under the guidelines of the Purchasing Policy and shall be subject to applicable Policies and Procedures established from time to time.

Procurement by means of a lease agreement is also addressed separately in Schedule E.

PROCUREMENT OF GOODS AND/OR SERVICES

Where the required product or service can be specified, (and such goods and services are not stocked in the central stores or covered by a Blanket Purchase Order), it shall be acquired by Purchase Requisition.

Where it is estimated that the value of the goods and services, inclusive of all delivery charges will cost:

\$0 to \$200 direct acquisition is acceptable.

\$201 to \$2,500 the user department shall obtain 3 quotations, where possible and practicable. No Purchase Order is required.

\$2,501 to \$10,000 the initiating Department in consultation with the Clerk-Treasurer shall obtain three (3) written quotations, where possible (using a Request for Quotation, invitational Request for Quotation, or other method). No report to Council is necessary.

\$10,001 to \$50,000 The Clerk-Treasurer, in consultation with the initiating Department Head, shall issue a Request for Quotation. A minimum of three quotations (where possible) are to be received before the municipality commits to a Vendor.

If only one quotation is received, the municipality may exercise its right to cancel the call for quotations. Quotations are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission.

\$50,000 and over

The Purchasing Coordinator in consultation with the requisitioning Department Head shall issue a Tender for all approved projects based on defined requirements (specifications are available to readily compare products).

Tenders require a reply by a designated date and time, signed by a Corporate Officer, authorized to bind the Corporation. Any requested bid deposits, security or bonds must be included with the submission. Replies are delivered directly to the Clerk-Treasurer's Department and are opened at a public tender meeting. If only one tender is received, the municipality has the option of not opening the bid and closing the call for tender.

Each sealed bid received in response to a formal bid request is reviewed to determine whether a bid irregularity exists, action is taken according to the nature of the irregularity (see Appendix B).

A report initiated by the issuing Department Head and reviewed by the Clerk-Treasurer shall be prepared for Council consideration and approval.

Upon Council's approval, the Clerk-Treasurer shall ensure that the Reeve and Clerk execute a legally binding agreement, or a purchase order is issued.

The Department Head is responsible for maintaining current insurance certificates and WSIB certificates, as called for in the bid documents.

**REQUESTS FOR PROPOSALS
(Including the Engagement of Professional and Consulting Services)**

This method of acquisition can be used for any dollar value and involves the solicitation of proposals when the requirements for goods and/or services cannot be definitely specified, the requirements of the municipality are best described in a general performance specification, and innovative solutions are sought. Depending on its' terms, the process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices.

The Clerk-Treasurer shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation scoring scheme using a standard Request for Proposal that includes factors such as qualification and experience, strategy, approach, methodology, scheduling, and past performance, facilities, and equipment. Department Heads shall identify appropriate criteria from the list but are not limited to the standard criteria from the list. Requests for Proposals are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission. If only one proposal is received, the Clerk-Treasurer, in consultation with the Department Head, has the option of not opening the bid and closing the call for proposal.

(SEE APPENDIX C)

Where the required goods or service cannot be specified and it is estimated that the value of the goods and services (excluding all taxes) cost:

\$10,000 or less

a written quotation must be acquired by the initiating Department.

\$10,001 to \$50,000

written quotations shall be advertised through the Request for Proposal (RFP) process and evaluated on the basis of quantitative and qualitative criteria.

\$50,000 and over

written quotations shall be acquired through the Request for Proposal (RFP) process and evaluated on the basis of quantitative and qualitative criteria. A report to Council is required from the department issuing the RFP for Council consideration and approval. **Upon Council's approval, the Mayor and Clerk-Treasurer must execute a contract.**

EXPRESSION OF INTEREST and/or REQUEST FOR PRE-QUALIFICATION

Used where bidders offer their interest in submitting a bid on a product or service.

Advertised publicly, and information is requested to determine reference checks, past performance, and financial liability. A reply to the Request for Expression of Interest and/or Pre-Qualification is required by a designated date and time to the Clerk-Treasurer, signed by an Officer authorized to legally bind the Corporation.

Submissions are reviewed and subsequently a Request for Quotation or Tender is prepared for a short list to invited pre-qualified bidders.

METHODS OF PROCUREMENT – SUMMARY TEMPLATE

The following are authorized procedures for the procurement of goods, services, and construction, not available from pre-existing agreements.

Goods and Services

\$200 & Under	Type of Quotation Source of Bids Type of Contract Reporting Status	none required none required direct acquisition no report to Council required
\$201 to 2,500	Type of Quotation Source of Bids Reporting Status	none required purchase made from the competitive market place where possible and practicable no report to Council required

2,501 to 10,000	Type of Quotation Source of Bids Report Status	written quotation required 3 written quotes to be obtained report to Council required
10,000 to 50,000	Type of Quotation Source of Bids Reporting Status	written quotation acquired by 'Request for Quotation' advertise locally in newspaper that covers the widest area report to Council required
50,000 + over	Type of Quotation Source of Bids Reporting Status	written quotation acquired by ' Request for Tender' advertise locally in newspaper that covers the widest area report to Council

Request for Proposals

(Including the engagement of professional and consulting services)

10,000 + under	Type of Quotation Source of Bids Reporting Status	written quotation acquired by Department Head report to Council required
10,001 to 50,000	Type of Quotation Source of Bids Reporting Status	written quotations through request for proposals advertise locally in newspaper that covers the widest area report to Council required
50,000 + over	Type of Quotation Source of Bids Type of Contract Reporting Status	written quotations through request for proposals advertise locally in newspaper that covers the widest area written agreement report to Council

Expression of Interest and/or Request for Pre-Qualification

Type of Quotation	request for information only, followed by Invitation to Bid or Prequalified Tender
Source of Bids	advertise locally in newspaper that covers the widest area
Type of Contract Reporting Status	no contract, followed by further request report to Council required

EXCEPTIONS TO METHODS OF ACQUISITION

Volatile Market Conditions

Notwithstanding the provisions of this policy, where market conditions are such that long term price protection cannot be obtained for goods and services, the Clerk-Treasurer will obtain competitive prices for short term commitments until such time as reasonable price protection and firm market pricing is restored.

Sole Source Procurement

Purchase by negotiation may be adopted, if in the judgment of the Clerk-Treasurer and in consultation with the requisitioning Department Head any of the following conditions apply:

- I. goods and services are in short supply due to market conditions
- II. the sources of supply are restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to any of the following:
 - components or replacement parts for which there is no substitute
 - compatibility with an existing product, facility or service is required
 - specific standards are adopted by Council
- III. there is documented evidence that the extension or reinstatement of an existing contract would prove most cost effective or beneficial (to a maximum of 10% of the original contract)
- IV. work is required at a location where a contractor has already been secured through a tender process, with established unit prices by another party and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed for the municipality
- V. after the RFP process has closed, it may be necessary for discussion to clarify and/or make significant revision(s) to the initially defined requirements of the call for quotations/proposals
- VI. when only one bid/proposal is received through the procurement process and it is impractical to recall the requirements of the call for quotations/proposals

Emergency Procurement

Notwithstanding the provisions of this policy, the following shall only apply in case of an emergency, when an event occurs that is determined by a Department Head or the Clerk-Treasurer to be:

- a threat to public health
- the maintenance of essential municipal services
- the welfare of persons or of public property or
- the security of the municipalities interests and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive bids

The above criteria are to be applied on the basis of:

Procurement under \$50,000:

Wherever feasible, the Clerk-Treasurer, upon the recommendation of the Department Head, shall secure by the most open market procedure at the lowest obtainable price, any goods and services required.

Procurement Over \$50,000:

The Department Head shall obtain the prior approval of the Clerk-Treasurer. An information report shall be submitted to Council explaining the actions taken and the reason(s) therefore.

Co-operative or Joint Ventures

The municipality may participate with other Government agencies or public authorities in co-operative procurement/acquisition ventures or utilize a 'piggy back clause' within public sector contracts, whenever it is determined to be in the best interest of the municipality to do so.

Unsolicited Proposals

Unsolicited proposals received by the municipality shall be reviewed by the Department Head and Clerk-Treasurer. Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this policy. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement requirements comply with the non-competitive procurement policies and procedures.

Section IX

BID ANALYSIS

The analysis of bid responses shall be as follows;

- Tenders shall be tabulated and analyzed by the initiating department staff, and are commended forwarded to the Clerk-Treasurer for review
- Bid responses dealing with the lease, rental or purchase of physical assets shall be tabulated and analyzed by the initiating department staff, and a recommendation forwarded to the Clerk-Treasurer for review
- All other bid responses shall be tabulated and analyzed by the Clerk-Treasurer in consultation with the initiating department staff.

Section X

REPORTING

GOODS AND SERVICES and PROFESSIONAL and CONSULTING SERVICES

Council approval is required where the:

- value of the goods and services is over \$2500.00, or
- purchase is for vehicles or heavy equipment, or
- purchasing policy is being waived, or
- acquisition exceeds the approved capital budget amount , or
- lowest responsive vendor submission is not being recommended, or
- there was no provision in the budget for the item, or
- Clerk-Treasurer requests that a report be presented for Council consideration and approval

Based on the above criteria, a contract shall be executed by the Mayor and Clerk-Treasurer in accordance to the reporting guidelines in this policy.

The Clerk-Treasurer will hold all contracts with copies being sent to the issuing department.

Section XI

DISPOSAL OF SURPLUS GOODS

The Department Head shall obtain the approval of Council for the disposal and/or sale of surplus assets. Surplus goods shall be sold by sealed bid.

Section XII

CONFLICT OF INTEREST

All consultants (e.g.: architects, engineers, etc.) retained by the municipality shall disclose to the municipality prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the municipality as directed by the Department Head may, at its discretion, withhold the assignment from the consultant until the matter is resolved. And furthermore, if during the conduct of a municipal assignment, another client giving rise to a potential conflict of interest retains a consultant, then the consultant shall so inform the municipality.

GOODS and SERVICES "EXEMPT" from PROVISIONS OF THE PROCUREMENT POLICIES

Petty Cash Items

Training and Education

- Conferences
- Courses
- Conventions
- Memberships
- Seminars
- Periodicals
- Magazines
- Staff training
- Staff development
- Staff workshops
- Subscriptions

Employee Expenses

- Advances
- Meal allowances
- Travel & Hotel accommodation
- Entertainment
- Miscellaneous – Non-Travel

Employer's General Expenses

- Payroll deduction remittances
- Licences (vehicles, elevators, radios, etc.)
- Debenture payments
- Grants to agencies
- Payments of damages
- Tax remittances
- Charges to/from other Government or Crown Corporations
- Employee income

Professional and Special Services

- Committee fees
- Witness fees
- Court reporters' fees
- Honoraria
- Arbitrators
- Legal settlements

Utilities

- Postage
- Water and sewer charges

- Heat/Hydro
- Cable television charges
- Telephone

BID IRREGULARITIES

A bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response. For the purposes of this policy, bid irregularities are further classified as "major irregularities" or "minor irregularities".

A "**major irregularity**" is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. The Clerk-Treasurer must reject any bid, which contains a major irregularity.

A "**minor irregularity**" is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The Clerk-Treasurer may permit the bidder to correct a minor irregularity.

Mathematical Errors Rectified by Staff

The Clerk-Treasurer will correct errors in mathematical extensions and/or taxes, and the unit prices will govern. The responsibility for correcting mathematical errors may be delegated to the requisitioning department.

Action Taken

The Clerk-Treasurer, and Department Head will be responsible for all action taken in dealing with bid irregularities, and acts in accordance with the nature of the irregularity:

- major irregularity (automatic rejection)
- minor irregularity (bidder may rectify)
- mathematical error (additions or extensions) as above

In the event that the vendor withdraws his bid due to the identification of a major irregularity, the municipality may disqualify such vendor from participating in municipal quotation, tenders, requests for proposals for a period of up to one year.

Bid Irregularities - Summary

Item Description, Major or Minor Action

- late bids (by any amount of time) = automatic rejection
- bids completed in pencil = automatic rejection

- bid surety not submitted with the bid when the bid request (or any addenda) indicated that such surety is required = automatic rejection

EXECUTION OF AGREEMENT TO BOND:

- bond company corporate seal or equivalent proof of authority to bind company or signature missing
- surety company not licensed to do business in Ontario = automatic rejection

EXECUTION OF BID BONDS:

- corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing
- corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing = automatic rejection

OTHER BID SECURITY:

- cheque which has not been certified = automatic rejection
- bidders not attending mandatory site meeting = automatic rejection
- unsealed tender envelopes = automatic rejection
- proper response envelope or label not used = acceptable if officially received on time
- pricing or signature pages missing = automatic rejection
- insufficient financial security (i.e.: no deposit or bid bond or insufficient deposit) = or = where security is required & amount is not specified in request, automatic rejection unless insufficiency is de minimus (trivial or insignificant) where security is required and amount of security is specified in request, automatic rejection
- bid received on documents other than those provided in request = not acceptable unless specified otherwise in the request

EXECUTION OF BID DOCUMENT

- proof of authority to bind is missing automatic rejection
- part bids (all items not bid)= or = acceptable unless complete bid has been specified in the request
- bids containing minor clerical errors = 2 working days to correct initial errors. Municipality reserves the right to waive initialing and accept bid
- uninitialed changes to the request documents which are minor (i.e.; the bidder's address is amended by overwriting but not initialed) = 2 working days to correct initial errors. Municipality reserves the right to waive initialing and accept bid
- alternate items bid in whole or in part = available for further consideration unless specified otherwise in request
- unit prices in the schedule of prices have been changed but not initialed = 2 working days to correct initial errors. Municipality reserves the right to waive initialing and accept bid
- other mathematical errors which are not consistent with the unit prices = 2 working days to initial corrections. Unit prices will govern.
- pages requiring completion of information by vendor are missing = automatic rejection

- bid documents which suggest that the bidder has made a major mistake in calculations or bid consultation with a Solicitor on a case-by-case basis and referenced within the staff report if applicable

NOTE: The above list of irregularities should not be considered all-inclusive. The Purchasing Coordinator, in consultation with the requisitioning department will review minor irregularities not listed. The Purchasing Coordinator may then accept the bid, or request that the bidder rectify the deviation.

TENDER PROCESS

Tenders will be called for all work, equipment, and materials with a value exceeding \$50,000 by way of public advertising or invitational bid, as outlined in the Municipal Purchasing Policy.

- The Department Head will send a draft advertisement and tender documents to the Clerk-Treasurer for review, providing the following information:
 - dollar value
 - account number & Council authority
 - description of work
 - closing date
- The Clerk-Treasurer will provide assistance with documents, if required.
- The Department Head will forward plans and specifications to the Clerk-Treasurer, at least one day before the ad appears.
- The Clerk-Treasurer will advertise and distribute tenders, and book a suitable room for the tender opening:
- all public tenders are advertised in the Municipality and will be advertised in a local, regional, and/or construction newspaper (2 days lead time required) in some instances the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes the screening of potential vendors in which such factors as financial capability, reputation, qualified staff and equipment management and product quality are considered.
- After evaluation of responses, only those contractors who are "pre-qualified" are allowed to submit tenders.
- Advertisements must include the following information (if applicable):
 - site meeting time/date/location, contacts names for technical and purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.
 - The closing date is usually 15 calendar days after date of issue. However, a tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s) being tendered.
 - Advertised tender packages are available from the Clerks Department Township of Wollaston. The tender fee (if applicable) is paid to Treasury and information is recorded from bidders as documents are picked up. A copy is available for viewing prior to purchase.
 - All tender submissions must be addressed to the Clerk-Treasurer, Township of Wollaston. The Clerks Department will receive all sealed tender submissions and issue a date and time-stamped receipt.

- The Clerks Department will refuse to accept any tender submission that is not sealed, received after the closing deadline submitted after a tender has been cancelled.
- Requests for withdrawal of a tender shall be allowed if the request is made before the closing time for the contract to which it applies. A Senior Official of the company must direct requests to the Clerk-Treasurer by letter, fax or in person,, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract.
- Tenders close at 12:00 noon on the appointed day, and are opened publicly as specified in the tender documents).
- Each tender is reviewed to determine whether a bid irregularity exists, and action is taken according to the nature of the irregularity (see Appendix B).
- Tenders are tabulated and evaluated by the using department.
- A report initiated by the issuing Department Head and reviewed by the Clerk-Treasurer shall be prepared for Council consideration and approval.
- Following Council's approval, the Department Head shall ensure that a contract which legally binds the corporation is executed by the Mayor and Clerk-Treasurer.
- **Tender results, if requested, shall be made public by the Clerk-Treasurer.**

REQUEST FOR PROPOSAL PROCESS

- REQUESTS FOR PROPOSALS (RFP's) may be called instead of tenders, by way of public advertising or invitational bid, as outlined in the Municipal Purchasing Policy:
 - when requirements or services cannot be definitively specified, or
 - when the requirements or services are non standard or specialized in nature, or
 - the cost is only a minor component making up the award.
- RFP's with a value over \$10,000 the following information must be provided:
 - approximate dollar value
 - account number and budget authority
 - description of work
 - closing date
- The User Department will initiate the RFP process by preparing documents, with input and assistance from the Clerk-Treasurer if required.
- Prior to printing, documents must be submitted to the Clerk-Treasurer for review to ensure that all provisions other than specifications have been included in the proper format.
- The Clerk-Treasurer will advertise and distribute RFP packages.
- All public RFP's are advertised in the Municipality and in a local, regional, and/or construction newspaper (2 days lead-time required).
- Advertisements must include the following information (if applicable):
 - site meeting time/date/location, contacts names for technical and purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.
 - The closing date is usually 15 calendar days after date of issue. However, an RFP may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s).
- Public Request for Proposal document packages are available from the Clerks Department, Township of Wollaston.
- RFP's must be addressed to the Clerk-Treasurer. The Clerks Department will receive all sealed submissions and issue a date and time-stamped receipt.
- The municipality will refuse to accept any submission that is
 - not sealed
 - received after the closing deadline
 - submitted after an RFP has been cancelled.

- Requests for withdrawal of an RFP shall be allowed if the request is made before the closing time for the contract to which it applies. Requests must be directed to the Clerk-Treasurer by letter, or in person by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered.
- The withdrawal of an RFP does not disqualify a bidder from submitting another RFP on the same contract.
- Proposals shall be opened at 12:00 noon on the appointed day for registration of bids or at such time as may be set out in the RFP. Only names of bidders will be made public.
- An Evaluation Committee shall evaluate proposals received on the basis of quantitative and qualitative criteria.
- **RFP's with an anticipated value over \$50,000** require the Clerk-Treasurer's review prior to issuance, and a report from the department to Council for consideration and approval prior to the award. Following Council's approval, the Mayor and Clerk-Treasurer must execute a contract.
- Once Council makes an award, the report recommending an award shall be a matter of public record.
- **RFP results, if requested, shall be made public by the Clerk-Treasurer.**

LEASES

- Leases are to be negotiated by the Clerk-Treasurer and the Department Head. The recommendation will be forwarded to Council for approval. As a general principle, a lease shall be considered when the following conditions are applicable:
 - When the expenditure of the goods or services is less than the purchase of goods and services.
 - The residual payment on the lease is negligible or justification can be made to accept a residual payment that is higher.
- Leases will be treated in the same manner as purchase, based upon the retail value of the lease payment, (e.g. a \$25,000 vehicle will be purchased through the tender process, even though the annual payment is less than the amount required to go to tender).
- At the expiration of a lease, a replacement goods or product be re-quoted or re-tendered.
- Automatic "roll-over" of a lease payment into a new product must be authorized by Clerk-Treasurer and/or Council as appropriate.
- The report to Council recommending the entering into a lease agreement will require the Clerk-Treasurer to include the following information:
 - Value of product or service if being purchased
 - Length of the lease
 - Monthly and annual lease payments
 - Residual Amount
 - Interest
- Once a lease has been negotiated and approved, a copy of the lease and documents must be forwarded to the Clerk-Treasurer.