

THE COPORATION OF THE TOWNSHIP OF JOLY

BYLAW NUMBER F-2024-006

BEING A BYLAW TO GOVERN PROCUREMENT POLICIES AND PROCEDURES

Legal Authority

Scope of Powers

Section 8(1) of the Municipal Act, 2001, S.O. 2001, c.25, ("Municipal Act") as amended, provides that the powers of a municipality shall be interpreted broadly so as to confer broad authority on municipalities to enable them to govern their affairs as they consider appropriate, and to enhance their ability to respond to municipal issues.

Powers of a Natural Person

Section 9 of the Municipal Act provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act.

Powers Exercised by Council

Section 5 (1) of the Municipal Act provides that the powers of a municipality shall be exercised by its Council

Powers Exercised by By-law

Section 5(3) of the Municipal Act provides that a municipal power, including a municipality's capacity, rights, powers and privileges under section 9, shall be exercised by bylaw unless the municipality is specifically authorized to do otherwise

Preamble

Council for the Corporation of the Township of Joly ("Council") acknowledges that a municipality shall adopt and maintain policies with respect to its procurement of goods and services. This policy establishes the authority and sets out the methods by which goods and services will be purchased and disposed of for the proposes of the Township of Joly subject to certain exceptions set out herein;

Decision

Council of the Corporation of the Township of Joly deems it in the best interest of Municipality of Joly to establish and approve a bylaw to provide policies on Procurement Policies and Procedures.

Direction

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE TOWNSHIP OF JOLY
ENACTS AND BE IT ENACTED AS FOLLOWS:

1. That the Procurement Policy attached hereto as Schedule "A" be amended.
2. That any previous Bylaws pertaining to a procurement policy, purchasing policy, or similar, including Bylaw 2013-12, are hereby rescinded.
3. That this Bylaw comes into effect on the date of passing.

Bylaw read a first, second and third time and finally passed at a meeting of Council on the 9th day of April, 2024

Original Copy Signed

Mayor, Brian McCabe

Original Copy Signed

Municipal Administrator, Jennifer Martin

Schedule “ A”
to By-law F-2024-006

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1.0 Definitions

Acquisition shall mean the process used for obtaining goods and services.

Agreement shall mean a legal document that binds the Corporation of the Township of Joly and all other parties subject to the provisions of the contract.

Approved Invoice means an original supplier's invoice issued for goods and services which bears both the authorized signature and appropriate account number.

Annual Aggregate Value means that total amount anticipated to be spent annually by all departments on a particular type of Good and/or Service.

Approval Shall mean authorization to proceed with the purchase or disposal of goods and/or services.

Award, Awarded, Awarding is the acceptance of a Bid or Proposal in accordance with this policy.

Best Value means the optimal balance of performance and cost as determined by the decision maker and in accordance with any pre-determined evaluation plan.

Bid is a document (in the form of a Quotation, Tender, or Proposal) received by the Township in response to a request.

A Bidder is a person who submits a bid.

Blankets Order shall mean the agreement wherein a vendor will provide certain items to the Township for an agreed period of time with established terms and conditions.

Budget shall mean the budget approved by Council for the current fiscal year at which time purchases of goods and services are being considered.

Call is a solicitation from the Township to potential Vendors to submit a Bid or Formal Informal Quotation.

Clerk- Administrator shall mean the Municipal Administrator for the Corporation of the township of Joly.

Commodity means good or services.

Competitive is an adjective describing that aspect of the Procurement Process in which two or more Personal act independently to try and secure the Township's Business by offering the most favourable terms and conditions.

Conflict of Interest refers to a situation in which private interest or personal considerations may affect an employees' judgement in acting in the best interest of the Township of Joly. It includes using an employee's position, confidential information or corporate time, material of faculties for private gain or advancement or the expectation or private gain or advancement.

Consultant means the provider of a commodity who by virtue of professional expertise or service is contracted by the Township to undertake a specific task or assignment. Examples include: a planner completing specific study; an architect or engineering drawing plans for the particular building or project; a lawyer representing the Township for a particular legal matter; an appraiser providing an opinion of value on an asset; etc.

Construction means a construction, reconstruction, demolition repair or renovation of a building structure of other civil engineering or architectural work and includes site preparation, excavation drilling seismic investigation, the supply of products and materials and the supply of equipment and machinery if they included in and incidental to the construction and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional services related to the construction contract unless they are included in the procurement.

Corporation shall mean the corporation of the Township of Joly.

Council shall mean the council of the Cooperation of the Township of Joly.

Department Head shall mean the person responsible for the direction and operational control of the Department.

Department means an administrative unit of the Township.

A Developer is a person delivering a particular project for the Township.

Disposal shall mean the removal of materials owned by the Township by sale, trade in, auction, alternative use, gift, or destruction which are deemed surplus.

Emergency Purchase shall mean a purchase made in a crisis situation where immediate action is required to prevent or correct dangerous or potentially dangerous conditions, further damage, to restore minimum service or ensure the safety of the public.

Execute shall mean to legally bind the Corporation of the Township of Joly to the terms and conditions defined within an Agreement.

Expression of Interest shall mean a situation where vendors are solicited but the Township to advise the Township of their ability or desire to undertake Township requirement's.

Fair Market Value means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arms length where fully informed and not under any compulsion to transact.

Firm shall mean the company, group, supplier, business, vendor, or individual conducting business and supplying goods or services.

Formal Bid shall mean a sealed bud submission.

Informal Quotation means quotations obtained in writing via mail, email or hand delivered.

Insurance Certificate a certified document issued by an insurance company licensed to operate by the Government of Canada or the Province of Ontario certifying that the Bidder is insured in accordance with the Township's requirements.

Highest Technical Bid shall mean the bid that would provide the Township with the best product or service as measured by the evaluation criteria.

Hold back shall mean an amount withheld under the terms of contract and avoid overpayment in relation to progress of work

In /House Bid shall mean a bid made by a department and authorized by Council submitted in a response to a Bid Solicitation, where the provision of goods, service or construction will be provided entirely by the employees of the Township of Joly.

Lowest Responsive Bid shall mean the lowest bid price for goods or services that is submitted which meets the requirement and specifications as set out in the bid request, minor deviation expected.

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

Opening/Evaluation Committee refers to at least three individuals tasked with reviewing Bids, Any combination of the following, Clerk, Department Head, Treasurer, Council member.

Open Market Procedure shall mean obtaining price questions from vendors verbally or in writing or internet research.

Pre-qualified Supplier shall mean a supplier of specific goods or services listed in Schedule B attached to and forming part of this by-law

Privileged Clause shall mean the standard clause used in bid document and advertising that reads in part “the lowest or any tender not necessarily accepted”.

Professional Services shall mean person having a specialized knowledge or skills for defined service requirement including accountant, architects, engineers, designers, management and financial consultants, lawyers, Planners, and environment consultant and firm or individuals having specialized competence in other disciplines.

Procure/Procurement/Purchase shall mean to acquire by purchase, rental, or lease of goods and/or services.

Procurement Process is a method of Purchasing a commodity. There are several types of Procurement Processes referenced in this Policy. All documents required by the Township will be prepared by the Department Head and Treasurer. Council will approve the documents, when necessary, prior to proceeding with the Procurement Process Methods are:

A. **Direct Purchase** – where the Vendor of a Commodity is approached and the commodity is purchased without a formal or competitive process, obtaining three prices is Township’s best practice when practical to do so:

B. **Information Quotation** – where the staff approach several potential Vendors seeking price Quotations (fixed as to the total price or on a unit basis or both) for specific and defined commodities, submitted in writing:

C. **Formal Quotation** – where several potential Vendors are approached to provide price quotations (fixed as to the total price or on a unit basis or both) for specific and defined commodities to be submitted by way of sealed Quotation on or before specified date and time.

d. **Tender** – where potential Vendors submit bids to supply a defined quantity and quality of Commodity, with all of the materials terms, conditions and specifications pre-set (with the exception of the Price), and a contract is formed through selection of one of the Bids submitted without any further Negotiation; and

e. **Request for Proposals** – where potentials vendors are invited to propose solutions or methods for particular project where creative solutions are sought by the Township, for evaluation on criteria other than price, and Negotiation for an eventual Contract occurs as a result of the submission for Bids.

Purchase means act of acquiring a Commodity.

SECTION 2 PROCUREMENT PRINCIPLES AND GOALS

The procurement principles of the Corporation of the Township of Joly are as follows:

2.1. To procure by purchase, rental or lease the required quality and quantity of Goods and/or Services, in an efficient, timely, and cost-effective manner;

2.2. To encourage open and fair Competitive Bidding for the Purchase and Disposal of Goods and/or Services where practicable;

2.3. To ensure ethical practices by all participants in the Procurement Process – including Township Staff, Council and Vendors.

2.4. To exercise professional Purchasing practices which obtain the most competitive offers from the most Responsible and Responsive Vendors;

2.5. To encourage the Procurement of Goods and/or Services with due regard to the preservation of the natural environment and the promotion of waste reduction and recycling of waste materials;

2.6. To encourage innovation and the use of technology which meet Township specifications and industry standards in order to ensure the utilization of the most efficient and effective processes and practices; and

2.7. To have regard to the accessibility for persons with disabilities to the Goods and/or Services Purchased by the Township of Joly, as well as to the Procurement Process itself.

This Policy will be reviewed every four years by The Township of Joly Staff to evaluate its effectiveness, to ensure that dollar values are current, and to recommend changes.

SECTION 3 GENERAL CONDITIONS & POLICY OBJECTIVES, PROCEDURES & INSTRUCTIONS

- 3.1. **Accessibility:** When Purchasing Goods and/or Services, the Township will incorporate accessibility design, criteria, and features. Where applicable, Procurement documents will specify the desired accessibility criteria to be met and provide guidelines for the evaluation of Bids in respect of those criteria. Where it is impractical for the Township to incorporate accessibility criteria and features when Purchasing specific Goods and or/ Services, a written explanation will be supplied upon request.
- 3.2. **Confidentiality:** The Township will make every reasonable effort to protect the privacy of those involved in a Procurement Process as per the Municipal Freedom of Information and Protection of Privacy Act.
- 3.3. **Applicability & Exceptions:** All Commodities required by the Township shall be Purchased in accordance with this Policy, unless:
- The Council directs by resolution that any particular Purchase or Disposal of a Commodity shall be carried out in some other manner;
 - An Exemption to this Policy applies (Appendix A); or
 - Any applicable law requires that the Purchase of a Commodity be carried out in some other manner.
- 3.4. **Where Exceptions Apply:** Where the circumstance mentioned in subsection 3.3 occurs, the Purchase of those Commodities shall be carried out in accordance with any applicable resolution passed by Council or the applicable law, as the case may be, and the provisions of this Policy shall in all other regards continue to apply to the Purchase with all necessary modifications.
- 3.5. **Local Preference:** In accordance with the Discriminatory Business Practices Act, there will be no local preference for Purchases.
- 3.6. **Co-operative Purchasing:** The Department Head may participate and shall encourage participation with other governments or Public Agencies in co-operative ventures or Contracts where the best interest of the Township would be served.
- 3.7. **Environmental Purchasing:** All departments shall encourage, wherever possible, specifications which provide for expanded use of durable, reusable Commodities, and Commodities which contain the maximum post-consumer waste and/or recyclable content, without significantly affecting the intended use of the Commodity.

3.8. **Privilege Clause:** When using the privilege clause which reads in part “the lowest or any Bid may not necessarily be accepted”, the specific reasons must be stated why a Bid may not be accepted. Vendors, Bidders, and Township Staff must still comply with all sections of this Policy.

3.9. **Fairness:** Councillors and Staff must not:

- Acquire any Goods and/or Services for personal use in representation of the Township;
- Purchase or offer to Purchase, on behalf of the Township, any Goods and/or Services, except in accordance with this Policy;
- Knowingly cause, permit, or omit anything to be done or communicated to anyone which is likely to cause any potential Vendor to have an unfair advantage or disadvantage in obtaining a Contract for the supply of a Commodity to the Township, or any other municipality, Public Agency or public body involved in the Purchase of Commodities either jointly or in cooperation with the Township;
- Knowingly cause, permit, or omit anything to be done which will jeopardize the legal validity or fairness of any Purchase of a Commodity under this Policy, or which might subject the Township to any claim, demand, action or proceeding as a result.

3.10. **Use of Policy:** No employee shall Purchase or agree to Purchase a Commodity unless

- The Commodity is legitimately required for the purposes of the Township; and
- The funds for the Purchase of the Commodity are available within the Budget or the request to Purchase is expressly made subject to funding approval of the Council.

3.11. **Municipal Promotion:** The Township shall not promote or advertise any Vendor or Commodity in any manner that may be construed as the Township endorsing the Vendor or Commodity.

3.12. **Personal Purchases:** The Township will not make Purchases for the personal use of Councillors or employees, or members of staff of Public Agencies, except through programs which may, from time to time, be expressly and specifically approved by Council.

SECTION 4 REQUIREMENT FOR APPROVED FUNDS

- 4.1 Council has ultimate authority for all expenditures. Council delegates this authority by authorization of budgets or by specific authorization. Treasury shall not pay for any item that has not been authorized by Council through budget appropriation of specific resolution.

Department heads shall be responsible for the approval of accounts within their approved department budget. Over and Unbudgeted operational/capital expenditures require Council approval.

Resolution approving budget amendments, capital expenditures or special appropriations shall contain the purpose of expenditure, cost estimates or expenditures limitation, and the fund in which an appropriation has been provided. All staff reports recommending such resolution shall contain the Department Head's Endorsement. This report will be turned into the Municipal Administrator no later than seven (7) days prior to the next Regular Meeting of Council.

- 4.2. 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 budget. Budgets may from time to time be altered by Council resolution. It shall be the responsibility of the Department Head to ensure sufficient funds remain prior to commencement of the Procurement Process. This shall include verifying of budgeted funds to those already committed to ensure available funds with the Treasurer.
- 4.3. Where Goods and/or 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 and/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
- 4.4. The Treasurer will co-ordinate all leasing requirements including term capitalization rate, lease vs buy (or other) analysis, etc. The Treasurer will ensure that all lease commitments comply with Municipal Act 2001 as amended and regulations made there under.

SECTION 5 EXCEPTIONS & EXEMPTIONS TO METHODS OF ACQUISITION

5.1. 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/or Services, such as in the case of a fluctuating Canadian Dollar, the Department Head will obtain competitive prices for short term commitments until such time as reasonable price protection and firm market pricing is restored.

5.2. Sole Source Procurement

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

- a. Goods and/or Services are in short supply due to market conditions;
- b. 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.
 - There is only one Vendor who can provide the Commodity by the specified date required.
 - Specific standards are adopted by Council.
- c. Work is required where a Vendor 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 Township;
- d. 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;
- e. When only one Bid is received through the Procurement Process and it is impractical to recall the requirements of the call for Bids; and
- f. There is documented evidence that the extension or reinstatement of an existing Contract would prove most cost effective or beneficial.

5.3. Single Source

When there is more than one source in the open market, but for reasons of standardization, function or service, one Vendor is recommended for consideration of the particular Commodity, such as:

- Compatibility with an existing product, facility or service is required; and
- The Vendor for function or service has skills related to and existing knowledge of the nature of the service,

the Department Head requesting Sole or Single Source must submit a Sole/Single Source Approval Form to the Treasurer outlining the justification of

the request. Upon approval by the Treasurer further approval shall be required by Council for purchases over \$ 5,000.

5.4. Service Contract Renewal

Prior to the expiration of an existing Contract for service (e.g., consulting, cleaning services), the Department Head shall prepare a report for Council summarizing the performance of the Vendor over the term of the Contract. Upon review of the report, Council may extend the term of the Contract provided that:

- i. the Vendor's performance in supplying the Goods and/or Services is considered to have met the requirements of the Contract; and
- ii. the Council and Department Head agree that the exercise of the option is in the best interest of the Township.

5.5. Exercise of Contract Renewal Options

Prior to the expiration of an existing Contract for service (e.g., consulting, cleaning services), the Department Head shall prepare a report for Council summarizing the performance of the Vendor over the term of the Contract. Upon review of the report, Council may extend the term of the Contract provided that:

- i. the Vendor's performance in supplying the Goods and/or Services is considered to have met the requirements of the Contract; and
- ii. the Council and Department Head agree that the exercise of the option is in the best interest of the Township.

5.6. 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 to be a threat to:

- The public health;
- The welfare of persons or of public property; or
- The security of the Township's interests and the occurrence requires the immediate delivery of Goods and/or Services and time does not permit for competitive Bids.

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

i) Procurement under \$ 10,000:

Wherever feasible, the Department Head shall secure by the most open market procedure at the lowest obtainable price, any Goods and/or Services required.

ii) Procurement over \$ 10,000:

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

SECTION 6 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 this Procurement Policy and shall be subject to applicable Policies and Procedures established from time to time.

6.1. Procurement of Goods and/or Services

Where the required Goods and/or Services can be specified, (and such Goods and/or Services are not covered by a Standing Order), they shall be acquired by Purchase Acknowledgement.

Where it is estimated that the value of the Goods and/or Services, inclusive of all delivery charges, will cost:

a. Low dollar value purchases: (\$ 0 to \$ 2,000.00)

- Petty Cash, Direct Acquisition (“On-Account”) or Purchase Card is acceptable.
- The Department Head may delegate approval authority to their staff for low dollar value procurements and it is their responsibility to ensure that this policy is adhered to. All information on low dollar procurements must be documented and maintained on file. Low dollar value procurements do not require a purchase order, RFQ, or RFT. Obtaining competitive quotes is considered a good business practice and should be attempted.

b. Informal Quotation Purchases: (\$2,000.01 to \$10,000.00)

Procurements greater than \$2000.00 but not exceeding \$10,000 are to be completed through an Informal Quotation process.

The Department Head or any employee exercising delegated authority shall be authorized to make purchases of goods and services for budgeted expenditures. Informal bids shall be obtained in the following manner:

- Three (3) written bids/quotations, obtained from (3) separate potential vendors;
- A “No Bid” response shall not be considered as a valid bid;
- The informal quotation shall be awarded to the lowest responsive bid; and
- Documentation on all bids, including but not limited to the prospective bidders list, bid document, bid responses and decision-making rationale shall be maintained on file;
- No Report to Council is necessary once current year budget is approved.

- Any end of year purchases that may or may not fit into budgetary items but are purchased in the best interest of the Township will be reported to Municipal Administrator.

Staff is encouraged to seek three (3) bids/quotes to ensure a more competitive process. If staff has exhausted all efforts to obtain three (3) bids/quotes and can support this documented evidence, a minimum of two (2) written bids is acceptable. Exclusions to this process are single item small capital projects or purchases including those of complex specifications it requirements, which must be issued in a formal bid document.

c. Formal Quotation Purchases (RFQ) \$ 10,000.01 to \$ 25,000.00

- The Department Head shall issue a Formal Quotation. A minimum of three written Quotations (where possible) are to be received by the Department before the Township commits to a Vendor.
- The Formal Quotation request shall be reported to Municipal Administrator five (5) working days before the next Regular Meeting of Council to be reported on the Agenda.
- If only one Quotation is received, the Township may exercise its right to cancel the call for Quotations. Quotations are not formally opened in public, nor is it required to disclose prices or terms at the time of submission or at any time thereafter.
- All Procurement Processes for Goods and/or Services exceeding \$ 10,000.01 are awarded by Council. The Municipal Administrator/Department Head and Treasurer shall provide a combined written recommendation to Council after the opening meeting which will be held the week prior to the next regular council meeting.
- The approved Purchase Acknowledgement shall initiate the Purchase.
- The Department Head shall review the bid and verify that all terms, conditions and specifications of the bid are met.
- The Township reserves the right in its absolute sole discretion to accept or reject any submission.

d. Request for Tender (RFT) \$ 25,000.01 and over

- The Department Head shall issue a Tender for all approved Goods and/or Services based on defined requirements (see Appendix C) advertised on the Township website at a minimum.
- The Tender document will be reviewed by Council and reported to the Municipal Administrator ten (10) prior to the next regular meeting of Council.

- Tenders require a reply by a designated date and time, signed by a Corporate Officer, authorized to bind the Bidder. Any requested Bid deposits, security or Bonds must be included with the Bid. Replies are delivered directly to the Township Office and are opened at a public Tender opening meeting. If only one Bid is received, the Township 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).
- Upon Council's approval, the Department Head shall ensure that a Contract is executed or a Purchase Acknowledgement is issued.
- The Department Head shall be responsible for arranging for the public opening of tender submissions at the time and date specified by the tender call. There shall be in attendance at that time:
 - Department Head or Designate; and
 - The Clerk; and
 - At least one other representative of the Township
 - The Department Head shall complete a summary of the bids and make recommendations to Council on the award of the contract.
- The Township reserves the right in its absolute sole discretion to accept or reject any submission.

6.2 Requests for Proposals (see Appendix D for details)

This method of acquisition shall only be used for the solicitation of Bids when the requirements for Goods and/or Services cannot be definitely specified, the requirements of the Township 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 Bids on any or all of the specifications, contract terms, and prices.

Request for Proposals are not formally opened in public nor is it required to disclose prices or terms at the time of submission. If only one Bid is received, the Department Head has the option of not opening the Bid and closing the Request for Proposal.

A Request for Proposal may be issued to select an Engineer of Record for a finite term and for projects of a type to be included in the general performance specification.

Where the required Goods and/or Services cannot be specified and it is estimated that the value of the Goods and/or Services (excluding all taxes) cost:

a. \$ 5,000.00 or less

- A written Bid must be acquired by the initiating Department.
- Report to Council is required

b. Over \$ 5,000.00

- Proposal guideline documents shall be processed through the Department and shall be advertised on the Township website at a minimum.
- Bids will be evaluated on the basis of quantitative and qualitative criteria, established and rated by the Department Head and Municipal Administrator.
- A report to Council is required from the Issuing Department for Council consideration and approval.
- Upon Council's approval, a Contract must be executed by the Municipal Administrator or Treasurer.

Methods of Procurement – Summary Template

The following is a summary of authorized procedures for the Procurement of Goods and/or Services.

Cost of Procurement	Type of Procurement	Source of Bids	Type of Contract	Authority	Reporting Status
1. GOODS AND SERVICES					
Under \$2,000.00			Petty Cash Funds, Direct acquisition (on account), Purchase card	Department Head	No report to Council required
\$2,000.01 to \$10,000.00		Purchase made from competitive marketplace where possible & practicable	Purchase card (if no standing orders are in place) or Purchase Acknowledgement	Department Head	No report to Council required
\$10,000.01 to \$25,000.01	Formal Quotation: Documented quotations	Advertised on website	Purchase Acknowledgement	Department Head & treasurer	Report to Council
Over \$25,000.01	Bid acquired by Tender Process	Advertised on website	Purchase Acknowledgement & Executed Contract/Agreement	Council	Report to Council
Sale of Surplus Goods				Treasurer &/or Council	Report to Council over \$3,000.00
2. REQUEST FOR PROPOSALS					
Under \$5,000.00	RFP		Purchase Acknowledgement	Department Head	No report to Council

Over \$5,000.01	RFP	Advertised on website	Contract	Department Head	Report to Council required
3. SOLE/SINGLE SOURCE PURCHASES					
\$5,000.00 & Over				Department Head	Report to Council
4. IRREGULARITIES & CONTRACT RENEWAL					
\$5,000.00 & Over					Report to Council

7. REPORTING

GOODS AND/OR SERVICES and PROFESSIONAL AND CONSULTING SERVICES

7.1. Where the:

- a. Value of the Goods and/or Services is less than \$10,000.00; and
- b. Procedures defined by this Policy have been followed; and
- c. Purchase is within the approved Department net budget amount; and
- d. Lowest responsive Bid is being recommended; then
no report to Council is required and the Department Head shall execute a Purchase Acknowledgement or arrange for a Contract to be signed by the Department Head or Corporate Signing Officer(s).

7.2. Council approval is required where the:

- a. Value of the Goods and/or Services is over \$10,000.00; or
- b. The Procurement Policy is being waived; or
- c. Purchase exceeds the approved capital budget; or
- d. Lowest responsive Bid is not being recommended; or
- e. There was no provision in the budget for the item, or
- f. Clerk requests that a report be presented for Council consideration and approval.

Based on the above criteria, a Purchase Acknowledgement shall be issued and/or Contract executed by the Department Head and the Clerk or Treasurer in accordance with the reporting guidelines in this Policy.

7.3. All Original Contracts will be held by the Treasurer with copies being sent to the issuing Department. The Department Head shall be responsible for ensuring executing Contracts are forwarded to the Vendor.

8. DISPOSAL OF SURPLUS GOODS

8.1. The Department Head shall notify the Treasurer once any item has been deemed as surplus assets for Disposal. If the value is greater than \$3,000.00, the Treasurer shall obtain the approval of Council prior to Disposal.

8.2. Revenue generated from the Disposal of assets may be credited to the appropriate equipment replacement reserve for future Purchase of Goods and/or Services.

9. CONFLICT OF INTEREST

9.1. All employees and Councillors shall disclose as soon as they become aware of (and as circumstances change) any business or personal relationship they might have which might create a potential, perceived, or real conflict of interest relative to the Procurement of Goods and/or Services for the Township.

9.2. All employees authorized to Purchase on behalf of the Township shall be required to declare any known or perceived Conflict of Interest to the Township.

9.3. All Vendors shall disclose any perceived, potential, or real conflict of interest to the Township in the Bid documents. If such a conflict of interest does exist, the Township, as directed by the Department Head, may, at its discretion, temporarily halt the Purchase from the Vendor until the matter is resolved. Furthermore, if during the conduct of a Township assignment, a Vendor becomes aware of a potential, perceived, or real conflict of interest, then the Vendor shall so inform the Township immediately.

APPENDIX “A” – EXEMPTIONS FROM PROVISIONS OF PURCHASING POLICIES

Petty Cash Items

- Training and Education
- Conferences/courses
- Conventions/Seminars
- Memberships
- Periodicals/magazine subscriptions
- Staff training/development/workshops

Employee Expenses

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

Employer's General Expenses

- Payroll deduction remittances
- Licenses (vehicles, radios, etc.)
- Debenture payments
- Grants to agencies
- Insurance Claim Payments
- Real Estate Costs
- Courier and freight
- Licenses
- Payments of damages
- Tax remittances
- Charges to/from other Government or Crown Corporations
- Employee income
- Employee benefit payments and premiums
- Petty Cash Replenishments
- Sinking Fund Payments
- Building Lease Payments
- General IT manufacturer's warranty agreements
- Charges to and from Area Municipalities in association with legal agreements

Professional and Special Services

- Committee fees
- Temporary Help
- Banking and Underwriting Services where covered by Agreements
- Workers Compensation Payments
- Benefit Agent
- Honoraria

- Donations
- Arbitrators
- Legal settlements

Utilities

- Postage
- Hydro
- Natural Gas
- Fuel for vehicles

APPENDIX “B” – BID IRREGULARITY

BID IRREGULARITY

A Bid Irregularity or 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 purpose of this policy, 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 Department Head must reject any Bid, which contains a Major Irregularity. The Bidder will be notified of the rejection due to the 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 Department Head may permit the Bidder to correct a Minor Irregularity.

MATHEMATICAL ERRORS – RECTIFIED BY STAFF

The Department Head will correct errors in mathematical extensions and/or taxes, and the unit price will govern. If, based on the corrected total the required Bid deposit is insufficient, the Bidder shall be notified and will be given 24 hours to rectify the issue or the Bid will be automatically rejected.

ACTION TAKEN:

The Department Head and Treasurer will be responsible for all action taken in dealing with Irregularities, and will act 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 Bidder withdraws their Bid due to the identification of a Major Irregularity, the Township may disqualify such Bidder from participating in Township Quotations/Tenders/Requests for Proposals for a period of up to one year.

APPENDIX “C” – TENDER PROCESS

Where the quantity and quality of a Commodity has been defined, Tenders will be called for all Commodities with a value exceeding \$ 25,000.00 by way of public advertising or invitational Bid.

Advertising

The Department Head will advertise and distribute Tenders:

- All public Tenders are advertised on the Township of Joly Website. Additionally, at the discretion of the Department Head and/or Council, Tenders may be advertised in a local, regional and/or construction newspaper and/or on procurement websites (e.g., Biddingo, Merx).
- Advertisements must include the following information (if applicable): title, Tender number, brief description of the Commodity being Tendered, site meeting time/date/location, contact names for Purchasing inquiries, document fee, and location for pick up and drop off of Bid documents. To be completed by Department Head
- In some instances, the Tender 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, ability to support, and product quality are considered. After evaluation of responses, only those Vendors who are Pre-Qualified are allowed to submit Bids.

Where possible, at least fifteen days' notice shall be given between the date of the advertisement/notice and the closing time of the Tender, in accordance with the Ontario/Quebec Trade Agreement if applicable. However, a Tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the Commodity being Tendered.

A Bidder may be disqualified for contacting or questioning Township Staff or Council regarding details of the Tender unless that person is the Township's Lead Contact.

All Bids must be addressed to the Department Head or Lead Contact, Township of Joly, on documents provided and returned in the envelope if provided with the Tender package.

Release of Tender Documents

- a. Privilege Clause: All Tender documents shall contain the following statement "The lowest or any Bid will not necessarily be accepted and the Township reserves the right to award any portion of this Tender", or words to that effect.
- b. Bid Surety Requirements: Bid deposits are guarantees that a Bidder will enter into a Contract with the Township.
Where deemed necessary by the Department Head, or where labour (or services) and material are involved, a Bid deposit is required in an amount equal to ten (10%) per cent of the Bid price.

Bid deposits must be cash, certified cheque, bank draft, bid bond or money order.

Any Bid received without the required Bid deposit shall be disqualified.

- c. Insurance: Where deemed necessary by the Department Head, or where the Township could experience significant financial loss, the Tender shall require that an insurance certificate be provided. The insurance coverage must be a minimum of five Million (\$ 5,000,000.00) Dollars for liability, bodily injury and property, unless alternatively stated in the Tender document. The insurance policy will require that the Township be added as an additional named insured (for the project in question) and that the Township be notified in advance in the event that the insurance policy is cancelled or changed in any manner.
- d. Occupational Health and Safety: All Tender document forms and Contracts shall require that the Occupational Health and Safety Act be complied with.
- e. Workplace Safety and Insurance Board Certificate (WSIB): All Tender document forms and Contracts involving a labour component shall require a WSIB Certificate of Clearance from the Vendor.

Receipt and Opening of Bid Documents

The Township will refuse to accept any Bid that is:

- Not sealed
- Received after the closing deadline
- Submitted after a Tender has been cancelled.

Requests for withdrawal of a Bid shall be allowed if the request is made before the closing time for the Tender to which it applies. Requests must be directed to the Lead Contact 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 a Bid does not disqualify a Bidder from submitting another Bid on the same Tender, subject to the provisions of Appendix C.

Tenders close at 4:00 p.m. on the appointed day, and are opened publicly as specified in the Tender documents.

- a. Timed and Dated: When Bids are received they shall be time and date stamped. Bid envelopes shall be dated, timed and initialed by the person receiving the Bid, and placed in a secure location until the Tender opening.
- b. Number of Bids and Bidder Name not to be Divulged: The number of Bids received and the names of Bidders are confidential and shall not be divulged prior to the Tender opening.
- c. Bid envelopes: Bids shall be received in an envelope clearly marked as to contents, including:
 - Tender Number and Title
 - Name and Address of Bidding Firm
- d. Bids Received After Closing Time and Date: Bids received after the closing time shall be noted and returned unopened to the Bidder, as soon as possible. If a late Bid is received without a return address on the envelope it shall be opened, the address obtained, and then returned. The covering letter will advise why the envelope could not be returned unopened.
- e. Alternative Bids: Unsolicited alternative Bids shall not be considered.
- f. Two Bids for Same Tender - Same Envelope: If two Bids for the same Tender are received in the same envelope, the Bids must be contained in separate envelopes within the exterior envelope a must be marked as Bid A and/or Bid B. If the two Bids are not contained in separate envelopes within the exterior envelope, then the first Bid in the envelope shall be considered the intended Bid.
- g. Two Bids Same Tender – Different Envelopes: If two Bids for the same Tender are received in different envelopes the envelope with the latest date and time received shall be considered the intended Bid.
- h. Bids Received By: Bids shall be received by the Municipal Office Staff.

- i. Tender Opening: Bids shall be opened in public by Township Staff, preferably in the presence of the Department Head. The names of those individuals in attendance, the time and date of the opening, the names of the firms submitting a Bid, the completeness of each Bid received, and the total Bid price of each Bid shall be recorded at the opening.

Action when Tied Bids Received

All things being equal, and two or more low Bids have been received in the same amount, the names of the tied Bidders shall be placed in a container and the Bid to be recommended to Council for award shall be drawn by the Clerk, in the presence of the Reeve or Council.

Action when all Bids Received are Over Budget

At such time that a Tender closes, the competition is over. If all Bids are over-budget, the Tender shall be cancelled and the scope of the project reviewed prior to re-Tender. If complete re-Tender is not financially viable or the project is required immediately, as determined by the Opening/Evaluation Committee, two procedures are acceptable:

- a) Negotiate with the lowest Bidder(s); or
- b) Re-Tender via post-Tender addendum to the lowest three Bidders, provided that there are tangible changes in the scope of the work, and with a view to bringing the cost of the project within the budget.

Return of Deposit Cheques

- a. Immediately following the Tender opening, all Bid deposit cheques (other than those of the two lowest Bidders) shall be returned to the applicable Bidders by regular mail, or pick-up by the Bidder. In the case of a pick-up, the person picking up the Bid deposit shall execute a receipt.

Upon receipt of the executed Contract (and all other required documents, etc.) in a format acceptable to the Township, the deposit cheques of the second low Bidders shall be returned by courier, registered mail or pick-up by the Bidders. The Bid deposit of the successful Bidder will be held as performance Surety until completion of the project.

- b. The Bid deposit cheques that are retained, shall not be cashed unless the deposit is forfeited as set out herein.

Action When Successful Bidder Does Not Finalize Contract

After Tender opening, if the successful Bidder should fail to sign the Contract or fail to provide any required documents within the specified

time, the Department may grant additional time to fulfill the necessary requirements or may recommend that either:

- a. The Tender be Awarded to the next highest Bidder; or
- b. The Tender is cancelled.

In either case, the deposit of the originally Awarded Bidder is forfeited to the Township.

APPENDIX “D” – REQUEST FOR PROPOSAL PROCESS

REQUESTS FOR PROPOSALS (RFPs) may be called by way of public advertising or invitational Bid, as outlined in the Township’s Procurement Policy. In the event that there is an applicable Standing Order for the Commodity, that Standing Order shall be used to a limit of \$5,000.00 as set out herein:

- When the Commodity cannot be definitely specified, or
- When the Commodity is non standard or specialized in nature, or
- The cost is only a minor component making up the Award.

An RFP with a value over \$5,000.00 must be assigned an RFP number by the Treasurer. The following information must be provided:

- Budgeted dollar value
- G/L account number
- Description of work
- Requested closing date
- Site visit date(s) or information session date(s)

The Department Head and support staff will advertise and distribute RFP packages.

Advertising

The Department Head will advertise and distribute Tenders:

- All public RFPs are advertised on the Township of Joly Website. Additionally, at the discretion of the Department Head, RFPs may be advertised in a local, regional, and/or construction newspaper and/or on procurement websites (e.g., Biddingo, Merx).
- Advertisements must include the following information (if applicable): title, RFP number, site meeting time/date/location, contact names for Purchasing inquiries, document fee, and location for pick up and drop off of Bid documents.
- In some instances, the RFP 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, ability to support, and product quality are considered. After evaluation of responses, only those Vendors who are Pre-Qualified are allowed to submit Bids.

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).

The document fee (if applicable) is paid to "The Township of Joly" and information is recorded from Bidders as documents are picked up. A copy is available for viewing prior to purchase.

Bids must be addressed to the Lead Contact, Township of Joly. The Office Staff will receive all sealed submissions and will date and time stamp and initial all submissions.

The Township of Joly 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 a Bid 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 Lead Contact 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 a Bid does not disqualify a Bidder from submitting another Bid, subject to the provisions of AppendixB

A Bidder may be disqualified for contacting or questioning Township Staff or Council regarding details of the RFP unless that person is the Lead Contact.

Bids received shall be evaluated on the basis of quantitative and qualitative criteria by an Evaluation Committee. Each Evaluation Committee member shall evaluate the Bids separately. The recommended Bid is the one that achieves the highest average overall score based on the combined evaluations of all Evaluation Committee Members.

RFP's with an anticipated value over \$ 5,000.00 require a report from the Department Head to Council for consideration and approval prior to the Award. Following Council's approval, a Contract must be executed by the Mayor and the Clerk or Treasurer.

Once an Award is made by Council, the report recommending an Award shall be a matter of public record. RFP results, if requested, may be made public by the Department Head.

APPENDIX “E” – MINIMUM STANDARDS & REQUIREMENTS FOR PURCHASING CARD USE

The following are the minimum standards or requirements to govern the use of Purchasing Cards in accordance with this Policy. Other Procedures may be developed in accordance with this Policy.

1.0 Authority

- 1.1 The Municipal Administrator and Deputy Clerk Treasurer are authorized to use a Township Purchasing Card.

2.0 Purchasing Card Coordination

- 2.1 The Treasurer shall be the Purchasing Card Coordinator.
- 2.2 The Card Coordinator is responsible for the Purchasing Card co-ordination function within the Township of Joly.

3.0 Purchasing Card Use

- 3.1 Purchasing Cards must not be used:
 - a) When the total Purchase price exceeds the credit limit on the card (in accordance with the Procurement Policy, purchases shall not be split to avoid the approval levels required);
 - b) When the cost of the Goods and/or Services would be significantly increased as a result of using the Purchasing Card and an alternative method of payment is available (e.g., a sizeable discount is provided by the Vendor as a result of not using the Purchasing Card);
 - c) When the Goods and/or Services are available under an existing Blanket Purchase Order or Contract;
 - d) For personal Purchases; and
 - e) To obtain cash advances;
- 3.2 No cardholder may accept cash or a cheque from a Vendor who is making a refund pertaining to a transaction previously charged to a Purchasing Card account. The Vendor in all cases must issue a credit voucher.
- 3.3 Cardholders will be held accountable for any misuse or willful disregard of policies or operating procedures, which result in a loss of money, fraud or collusion.

- 3.4 The Township of Joly reserves the right to withdraw Purchasing Card privileges from any employee who has used the Purchasing Card in a manner, which contravenes the Purchasing Card Policy and Procedures. It is the responsibility of the Treasurer to collect the Purchasing Card from employees who have had their privileges revoked and on termination of employment of any employee with the Township of Joly.

4.0 **Responsibilities**

4.1 Treasurer's Responsibility

The Treasurer is responsible for:

- a) Ensuring that all employees adhere to this Policy and its procedures;
- b) Ongoing monitoring and controlling the use of Purchase Cards by the Township;
- c) Establishing the credit limit, in consultation with the Municipal Administrator, for all card holders and reviewing the same on an ongoing basis;
- d) Reviewing and approving, on a monthly basis, the Purchase Card Monthly Statements for all Purchases charged;

4.3 Cardholder Responsibility

The Cardholder is responsible for providing supporting documentation (ie. Sales slips, cash register and credit receipts, refund credits, sales tax information,) related to all Purchases made with the Purchasing Card for reconciliation, account verification, payment and audit purposes.