

THE CORPORATION OF THE TOWNSHIP OF ESSA

BY-LAW NO. 2017 – 24

**A By-law to adopt a policy governing procurement and acquisition by the Township of Essa.**

WHEREAS Section 270 of the *Municipal Act*, 2001, S.O. 2001, c. 25, as amended, provides that a municipality shall adopt and maintain a policy with respect to its procurement of goods and services; and

WHEREAS the Procurement and Acquisition Policy (Policy No. A17-01) attached as Schedule "A" to this By-law establishes the authority and sets out the methods by which goods, services or construction will be purchased and disposed of for the purposes of the Township of Essa, subject to certain exceptions as set out herein; and

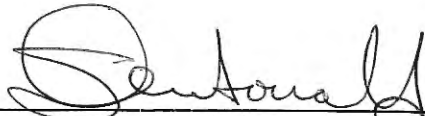
WHEREAS the Township must be prepared to manage extraordinary circumstances from time to time, which may require immediate procurement decisions that are necessary to prevent or alleviate serious delay, a threat to public health, safety or welfare, the disruption of essential services or damage to public property, or to respond to an emergency; and

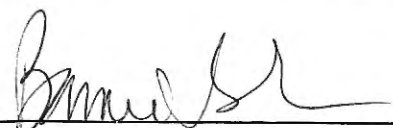
WHEREAS Council of the Township of Essa deems it necessary to establish sound policies for the purpose of procuring goods and services in a manner that is consistent with its legislative mandate to provide effective, responsive and efficient delivery of services to the residents of the Township of Essa in a transparent and accountable manner;

NOW THEREFORE BE IT RESOLVED THAT Council of the Corporation of the Township of Essa hereby enacts as follows:

1. That Schedule "A" attached hereto and forming part of this By-law is adopted and maintained in accordance with paragraph 270(1)3 of the *Municipal Act*, 2001.
2. The short title of this by-law shall be the "Procurement and Acquisition Policy By-law".
3. That the Township of Essa's previous Procurement Policy A05-01 (as amended) is hereby repealed.
4. This By-law shall come into force and take effect on the final day of passing thereof.

READ A FIRST AND TAKEN AS READ A SECOND AND THIRD TIME AND FINALLY PASSED on this the 3<sup>rd</sup> day of May, 2017.

  
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Sandie Macdonald, Deputy Mayor

  
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Bonnie Sander, Clerk

**TOWNSHIP OF ESSA  
CORPORATE POLICY AND PROCEDURE MANUAL**

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<b>Department:</b>	<b>Administration</b>	<b>Approved by Council:</b>	<b>May 3, 2017</b>
<b>Subject:</b>	<b>Procurement and Acquisition Policy</b>	<b>Date of Effect:</b>	<b>May 3, 2017</b>
<b>Policy Number:</b>	<b>A17-01</b>	<b>Supersedes: A05-01 (as amended)</b>	

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**A. POLICY STATEMENT AND RATIONALE**

In accordance with Section 270 of the *Municipal Act, 2001*, municipalities and local boards shall adopt policies with respect to its procurement of goods and services.

This Policy outlines:

- a) The types of procurement processes that shall be used;
- b) The goals to be achieved by using each type of procurement process;
- c) The circumstances under which each type of procurement process shall be used;
- d) The circumstances under which a tendering process is not required;
- e) The circumstances under which in-house bids will be encouraged as part of a tendering process;
- f) How the integrity of each procurement process will be maintained;
- g) How the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
- h) How and when the procurement process will be reviewed to evaluate its effectiveness; and
- i) Any other prescribed matter.

In accordance with the *Accessibility for Ontarians with Disabilities Act, 2005*, Ontario Regulation 191/11, public sector organizations shall incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities, except where it is not practicable to do so. If the municipality determines that it is not practicable to incorporate such criteria and features when procuring or acquiring goods, services or facilities, it must provide an explanation, if so requested.

**B. SCOPE**

This policy will define how the interest of the municipality and local boards, the public and persons participating in a procurement process will be protected, and how the integrity of each procurement process will be maintained. This policy will also have regard at all times for other policies and legislation including, but not limited to the *Planning Act*, the *Ontario Building Code Act*, and the *Accessibility for Ontarians with Disabilities Act, 2005*.

**C. DEFINITIONS**

“Acquisition” means the process used for obtaining goods and services.

“Agreement” means the legal document that binds the Corporation of the Township of Essa and all other parties, subject to the provisions of the contract.

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

“Authorized Purchases” are those that have prior approval of Council either through departmental budgets, including authorized revisions by resolution or where applicable, Council approved budgets of local boards to which this policy applies.

“Bid” means an offer or submission received by the Township in response to a request for proposals, quotations, or tender which is subject to acceptance or rejection.

“Bid Documents” mean standardized forms which are to be given to potential bidders in response to a call for quotation, tender or RFP.

“Bid Irregularity” means a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided (refer to Schedule “B”).

“Bidder” is an individual, company or agency which responds to requests for proposals, quotations or tenders.

“Blanket Order” 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 demand.

“C.A.O.” means the Chief Administrative Officer of The Township of Essa.

“Committee” means any Board or Committee appointed by the Council of The Township of Essa, including the Essa Public Library Board.

“Conflict of Interest” refers to a situation in which private interests or personal considerations may affect one’s judgment in acting in the best interests of the municipality. It includes using one’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 one’s family, friends or business associates.

“Contract” means a legally binding agreement between two or more parties for the supply of goods, services, equipment or construction which creates an obligation to provide the defined goods and/or perform defined services.

“Cooperative or Joint Purchasing” means coordination of Township purchases with purchases from other not-for-profit organizations including but not limited to municipalities, school boards, hospitals, the Province.

“Council” means the Council of The Township of Essa.

“Current Budget” means the budget approved by Council for the current fiscal year at which time the purchase of goods and services are being considered.

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

“Direct Purchase” means the purchase of an item or service the cost of which does not exceed \$5,000.00 and where no competitive process is required.

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

“Electronic Advertising” means the use of a web-based computer system which is accessible by suppliers over the internet which provides information related to Requests for Proposals, Quotations and Tenders.

“Emergency” purchasing refers to a situation where a good or service is required immediately to prevent the possible loss of life or assets, to restore minimum service or ensure the safety of the public, and which will not allow for the usual quotation, tendering or bidding process. A Council resolution is to be obtained for emergency purchases at the first opportunity, with exception to when there has been an emergency declared by the Head of Council or their designate.

“Goods and/or Services” includes supplies, works, equipment, materials, products, maintenance, repairs, professional and consulting services and service contracts not otherwise provided for.

“In-House Bidding” is a process whereby a Township employee competes with external parties for the opportunity to provide goods and services.

“Library Board” means the Board of Directors of the Essa Public Library.

“Lowest Bid” means the lowest bid price submitted which meets the requirements and specifications as set out in the bid request; minor deviations accepted.

“Municipality” refers to the Corporation of the Township of Essa. Also referred to as the Township.

“Non-competitive Procurement” includes sole sourcing and single sourcing. See definitions.

“Privilege Clause” is the standard clause used in bid documents and advertising that reads in part “the lowest or any bid not necessarily accepted”.

“Professional or Consulting Services” refers to architects, engineers, surveyors, planners, auditors, management consultants, legal representation, insurance providers and any other consulting or professional services provided to The Township of Essa.

“Purchase Card” refers to a VISA card issued in the name of a Township employee with a spending limit and transaction limit imposed, to be used for non-competitive procurement using approved vendors or vendors of record wherever possible.

“Quotation” means an offer received from a firm in response to a direct request by the Corporation to provide a specific good or service. Can be informal or formal (refer to Section 15).

“Request for Proposal” (RFP) means a written offer received from a firm in response to a direct request by the Corporation whereby the municipality defines parameters for a good or service, and that item is created or customized based on the municipality’s request.

“Sealed Bids” are bids submitted in a sealed envelope to a specified location by a specified date.

“Single Source” means the procurement decision whereby acquisitions are made from one source where other sources may be available.

“Sole Source” means the procurement decision whereby acquisitions are made from one source, where only one source of supply exists that meets the requirement of the Township.

“Tender” means a competitive written offer received by the Corporation from a firm in response to a public advertisement requesting bids on forms provided by the Township and sealed in an envelope to provide goods and/or services on behalf of the Corporation.

“Unsolicited” refers to bids, quotations or offers randomly submitted to the Township for a good or service which has not been requested by the Corporation.

“Vendor” means an individual or company supplying goods or services to the Municipality.

“Verbal Quotation” means the receipt of pricing via telephone or in person which will be retained and recorded in writing and documented. Also known as an informal quotation.

## **D. PROCEDURE AND IMPLEMENTATION**

### **1. Purposes, Goals and Objectives**

The purposes, goals and objectives of this Policy and of each of the methods of procurement authorized within it are:

- 1.1. To ensure openness, accountability and transparency while protecting the financial best interests of the Township.
- 1.2. To encourage an open, competitive bidding process for the acquisition and disposal of goods and/or services where practical, as well as the objective and equitable treatment of all vendors.
- 1.3. 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.
- 1.4. To give full consideration for the total project cost of specific goods and services that will be required prior to determining the appropriate acquisition method.
- 1.5. To maximize savings while ensuring quality for the taxpayers of the Township of Essa .
- 1.6. To procure goods and/or services with due regard to the preservation of the environment. Vendors may be selected to supply goods which utilize environmentally sensitive methods and the supply of goods incorporating recycled materials where practicable.
- 1.7. To incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities, except where it is not practicable to do so.
- 1.8. To review this policy every five years or less to evaluate its effectiveness.
- 1.9. To standardize the procurement of goods and services to allow for:
  - a) Reduced number of goods and services required.
  - b) Increased Volume on common items or services.
  - c) Maximizing volume purchasing opportunities.

- d) Providing economies of scale.
- e) Reduced handling, training and storage costs.
- f) Minimizing maintenance costs.
- g) Co-operative purchasing activities.
- h) Competitive bid results.
- i) Reduced overall cost(s).

## 2. General Policies

- 2.1. Township Council has ultimate authority for all expenditures. Council delegates this authority to staff through the authorization of budgets or by specific resolutions. No good or service shall be paid for which has not been authorized by Council through budget approval or specific resolution, with the exception of purchases required for emergency situations (see Section 4 "Emergency Purchasing").
- 2.2. No employee, elected official or Committee/Board member shall purchase, lease, request quotes, proposals or tenders, or enter into contracts and agreements on behalf of the Township for goods or services that are not included in the approved operating or capital budgets, unless authorized to do so by Resolution of Council.
- 2.3. In accordance with the Township *Code of Conduct for Employees*, and the *Municipal Conflict of Interest Act*, any employee or elected official involved with the procurement of goods and/or services that has any direct or indirect pecuniary interest shall immediately disclose the interest to their Department Head or to the Head of Council and shall not participate in the determination of the successful bidder or attempt to influence the decision in any way.
- 2.4. Any employee who intentionally and knowingly acquires or disposes of any goods and/or services on behalf of the Township in contravention of any section of this Policy shall be subject to disciplinary action.

Department Heads, in consultation with Manager of Finance, shall inform the Chief Administrative Officer when non-compliance with this Policy has occurred. The Chief Administrative Officer shall inform Council when serious non-compliance of this Policy has occurred as deemed necessary by the Chief Administrative Officer.

- 2.5. All invoices and accounts from vendors shall be authorized prior to payment via signatures of the Department Head or designated staff denoting clerical accuracy, budgetary or specific resolution approval and indication that goods and services were received in good order. These signatures will be deemed to authorize payment.
- 2.6. The *Discriminatory Business Practices Act*, as amended, prevents discrimination on the grounds of race, creed, colour, nationality, ancestry, place of origin, sex or geographical location of persons employed in or engaging in business in Ontario. As a result, granting preference to local vendors for the supply of goods and/or services to the Township is prohibited.

- 2.7. In all acquisitions, price shall be the main determining factor, providing that all specification requirements are met. The specifications must outline all factors which will be used to determine the purchasing decision.
- 2.8. The *Privilege Clause* will be included in all vendor information, which reads in part that "*the lowest or any bid not necessarily accepted*" for RFQ's, RFP's and/or Tenders. In the Tender/quotation process the specific reasons why the lowest bid may not be accepted must be stated.

In the case of advertisements for the disposal of surplus goods, the following clause will be included: "*the highest or any bid may not be accepted*".

- 2.9. No procurement or contract shall be divided into parts to avoid complying with any provision in this policy.
- 2.10. Performance evaluations may be conducted on suppliers and providers of service at any time. If the evaluation is unsatisfactory and the provider fails to meet the specifications agreed upon, the Township reserves the right to terminate the agreement or contract.

Council and/or Senior Management may remove a vendor's name from consideration for a bid or contract under this Policy for a period of up to two years on the basis of documented poor performance or non-performance, health and safety violations, conflict of interest, or is currently involved in any litigation with the Township with respect to any previous contract. A written notice of the decision will be provided to the vendor and reported to Council in Closed Session.

- 2.11. Information relating to vendors that were successful in their competitive bid, including purchase requisitions and other relevant documentation involved in obtaining prices for goods and services, shall be retained by the issuing department for the entire budget year, and then for five (5) years in Corporate Records (6 years in total).

Information relating to unsuccessful bids shall be destroyed one year from the award of the contract, as in compliance with the Township's Records Retention By-law.

- 2.12. All attempts must be made to obtain **at least** three (3) written quotations or bids where possible and practical.
- 2.13. The *Accessibility for Ontarians with Disabilities Act, 2005, Regulation 191/11* mandates that accessibility criteria and features be incorporated into the municipality's procurement of goods, services and facilities where practicable to do so. If it is not practicable to incorporate such criteria and features into the procurement of goods, services and facilities, then, the municipality shall provide an explanation, upon request. Factors relevant to practicability may include the availability of accessible goods, services or facilities, or technological compatibility between older products and newer ones being procured.
- 2.14. Purchases shall not be made in such a manner that the services could result in the establishment of an employee-employer relationship.

- 2.15. Elected Officials shall not individually approve nor acquire any goods and services, including the negotiation of contracts for goods and services. Council approval of any purchase or offer to purchase under this Policy is subject to the provisions of the *Municipal Conflict of Interest Act*.
- 2.16. Department Heads shall determine the most suitable purchasing method to be utilized in the procurement of goods and /or services appropriate to their needs, taking into account the authorization limits set forth in section 22 of this Policy.
- 2.17. Department Heads will follow the steps outlined in each applicable procurement method by referring to the appropriate sections pertaining to the following:
  - a) Emergency Purchasing (see section 4 of this Policy)
  - b) Non-Competitive Procurement (see section 8 of this Policy)
  - c) Single or Sole Source Procurement (see section 9 of this Policy)
  - d) In-House Bids (see Section 10 of this Policy)
  - e) Requests for Quotations (see section 15 of this Policy)
  - f) Requests for Tender (see section 16 of this Policy)
  - g) Requests for Proposals (see section 17 of this Policy)
  - h) Direct Purchasing (see section 19 of this Policy)

### **3.0 Conflict of Interest**

- 3.1. Members of Council and Local Board members are subject to the Municipal Conflict of Interest Act or any successor or other legislation.
- 3.2. A conflict of interest under this Policy:
  - a) Means a situation where private interests or personal considerations may affect an employee's judgment in acting in the best interest of the Township of Essa; and/or
  - b) 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; and/or
  - c) Occurs when the procurement of goods or services benefits the employee or any member of an employee's family, friends or business associates.
- 3.3. Any potential conflict of interest shall be disclosed by an employee to the Township prior to bidding on, or the awarding of, a contract. Any potential conflict of interest shall be referred to the Chief Administrative Officer for review. If the Chief Administrative Officer determines that a conflict of interest does exist, the Chief Administrative Officer may award the contract with conditions, disqualify the employee as a qualified vendor, or may withhold the assignment from the vendor associated with the Conflict of Interest.
- 3.4. If, prior to or during the conduct of a Township assignment, the Department Head overseeing a contract has a potential Conflict of Interest, a report shall be made to the Chief Administrative Officer, and the Chief Administrative Officer shall determine whether a Conflict of Interest exists, and if so, the Department Head shall be removed from the project.
- 3.5. A conflict of interest under this Policy shall also include a situation where the private interests of a consultant may affect the consultant's judgment in acting in the best interest(s) of the Township.



- 3.6 All consultants retained by the Township of Essa shall disclose to the Township prior to accepting a contract any potential conflict of interest. Any potential Conflict of Interest shall be referred to the Chief Administrative Officer for review prior to the awarding of a contract. If the Chief Administrative Officer determines that a Conflict of Interest does exist, the Chief Administrative Officer may award the contract with conditions, disqualify the consultant as a vendor, or may withhold the assignment from the consultant.
- 3.7 If during the conduct of a Township contract, a consultant is retained by another client giving rise to a potential Conflict of Interest, or becomes aware of a potential Conflict of Interest which did not exist prior to accepting the contract, then the consultant shall so inform the Township. The Chief Administrative Officer shall determine whether a Conflict of Interest exists and may remove the consultant from the assignment.

#### **4.0 Emergency Purchasing**

- 4.1 Any provision of this Policy shall be disregarded for goods and/or services that may be required in the event of an emergency situation, as declared by the Mayor or the Fire Chief, and shall be acquired in the most expedient and economical means available. The Department Head shall obtain the approval of the Chief Administrative Officer when expenditures are required for an emergency situation.

In the case of an emergency outside of normal business hours or when the Chief Administrative Officer is away, which requires the immediate purchase of goods or services to prevent serious delays in the operation of the Department or further damage, or to restore minimum services, the Department Head or designate may purchase the necessary goods or services and shall report all actions to the Chief Administrative Officer. Any goods and/or services which are procured as the result of an emergency shall be reported to Council at its first meeting following the emergency.

- 4.2 An Emergency shall be defined as a situation where a good or service is required immediately to prevent the possible loss of life or assets, to restore minimum service, and to ensure the safety of the public.
- 4.3 Emergency Procedures include but are not limited to the following:
- a) A threat to public health;
  - b) The maintenance of essential Township services/equipment;
  - c) The welfare of persons and/or of public property; or
  - d) The security of the Township's interests and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive bids.

#### **5.0 Requirement for Approved Funds**

- 5.1 Between the last regular meeting of Council in any year, and the adoption of a new budget for the next year, the Manager of Finance is authorized to pay the accounts included on Appendix "A" attached hereto, which items are exempt from this policy.

- 5.2 Departmental expenditures are authorized by Council each year as part of the budget process. Pending Council's approval of the next year's budget, Department Heads are authorized to spend up to 50% of the previous year's approved operating budget.
- 5.3 Subject to the purchasing procedures and authorization limits specified in this Policy, the inclusion of any item in a department's operating or capital budget shall provide the Department Head with the authority to incur such expenses without further funding approval.
- 5.4 Where a Department Head wishes to incur an expenditure not included in the approved budget, a report shall be submitted to Council requesting approval for such expenditure and providing rationale and justification so that Council may determine if the request is justified.
- 5.5 Where goods and services are routinely purchased or leased on a multi-year basis, the authority to award a contract is subject to the following:
- a) the identification and availability of sufficient funds in appropriate accounts for the current year, to be determined by the Department Head; and
  - b) whether the need for the good or service will continue to exist in forthcoming years and the required funding can reasonably be expected to be made available; and
  - c) Council approval.
- 5.6 The Chief Administrative Officer may reject all purchase requests for which sufficient funds are not available and have not been identified in the approved budget.
- 5.7 The Department Head will coordinate all leasing requirements including term capitalization rate, lease vs. buy, or other analysis. All lease commitments must comply with the *Municipal Act, 2001*.

## **6.0 Local Boards**

- 6.1 Local Boards established by the Township, including the Essa Public Library Board, will be subject to the provisions of this By-law. The procurement of all goods and services shall be approved through an annual budget process.
- 6.2 For Local Boards, spending limits will pertain to the procurement of goods and services only and any reference to the Department Head shall mean the Chief Executive Officer of the Library or assigned designate.
- 6.3 Notwithstanding the foregoing, the Essa Public Library Board has adopted its own procurement policy. Where its policy is silent this policy shall prevail.
- 6.4 All expenditures of Local Boards will be subject to annual review by the Township Auditors.

## **7.0 Specifications**

- 7.1 A Department Head whose budget provides for the procurement of goods and services shall be responsible for the preparation and approval of all

specifications, requirements, terms of reference, and scope of work to be used in the procurement of such goods and services. Departments Heads responsible for the preparation and approval of such specifications shall incorporate accessibility criteria and features into their preparation for procurement of goods and services. If it is not practicable to incorporate such criteria and features into the procurement process, then an explanation shall be provided (upon request).

- 7.2 Vendors should not be requested to spend time, money or effort on design or developing specifications, or to help define a requirement beyond the normal level of service expected as it may provide them unfair advantage in a competitive bidding process.
- 7.3 When such services are required:
- a) the vendor will be considered a Consultant and will be prohibited from bidding on the supply of the good or service;
  - b) a fee may be paid for the development of the specifications; and
  - c) the detailed specifications shall become the property of The Township of Essa for use in obtaining competitive bids.

## **8.0 Non-Competitive Procurement**

- 8.1 Any provision in this Policy may be excepted where a Department Head deems it necessary or in the best interests of the Township to acquire goods or services from a particular source through the use of non-competitive procurement such as single sourcing or sole sourcing. Due to the potential public perception regarding favouritism or conflict of interest, it is important to be transparent when using the non-competitive method.
- 8.2 The approval of Council may be sought to acquire goods or services through a non-competitive process.

## **9.0 Single or Sole Source Procurement**

- 9.1 Purchase by negotiation (see Section 14.1 of this Policy) may be adopted, if, in the judgement of the Department Head, any of the following conditions apply:
- a) Goods and 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:
    - i. Components or replacement parts for which there is no substitute;
    - ii. Compatibility with an existing product, facility or service is required;
    - iii. Specific standards are adopted by Council
    - iv. Warranty, maintenance, or service will be affected if a substitute is used, and it is therefore not in the Township's best interest(s) to use the substitute.
  - c) Work is required on a project 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 Township;

- d) When only one bid/proposal is received through the procurement process and it is impractical to recall the requirements of the request for quotations/proposals;
- e) When the expertise or product of an individual organization or individual is deemed to be specifically required by the Corporation;
- f) Where the procurement is a prototype of a first good or service to be developed in the course of and for a particular contract for research experiment, study, or original development, but not for any subsequent purchases;
- g) Ensure continuity of critical processes or to avoid technical or environmental risk or violation of warranty/guarantee requirements when service is required;
- h) Where there is an absence of competition for technical reasons and the goods and/or services can be supplied only by a particular supplier and no alternative or substitute exists, or where in depth knowledge of a specific consultant (ie: where one vendor or their product is far more advanced and/or experienced than others in the field and has historically outperformed all others in terms of value);
- i) Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations must be considered;
- j) When there is documented evidence to support the extension, enhancement or takeover of an existing contract (that may include existing subcontractors) would prove more cost-effective or otherwise beneficial as defined by the requester and agreed to by the Chief Administrative Officer and the involved Department Head.
- k) When there is statutory or market-based monopoly on the item;
- l) Where the required item is covered by an exclusive right such as a brand name, patent, copyright or exclusive license or to maintain specialized products that must be maintained by the manufacturer or its representative;
- m) A good or service is of a confidential condition or matter, and where the disclosure of such in an open competition could compromise confidentiality of the Vendor or the Township, or be contrary to public interest; or
- n) When the Township has a lease with a purchase option and exercising the purchase option would benefit the Township.

9.2 All purchases made through sole source procurement are subject to approvals by the Chief Administrative Officer and the Manager of Finance.

9.3 Department Head(s) responsible for the single or sole source procurement of a good/service greater than \$10,001.00 shall submit a report to Council for information outlining what occurred and the reasons for such procurement.

Subject to Section 4 of this Policy, if the single or sole source purchase item has not been included in the current year's budget, regardless of the purchase amount, the Department Head shall submit a report to Council seeking approval prior to procuring the good/service.

## **10.0 In-House Bids**

10.1 In-house bids by employees will not be considered during the public procurement process. Volunteer members of the Essa Fire Department are excluded from this provision.

## **11.0 Items Exempt from this Policy**

11.1 Notwithstanding any other provision of this Policy, the acquisition of the items listed in Appendix "A" do not fall under the guidelines of the purchase method provisions of the Purchasing Policy but may be subject to other applicable policies which may be established from time to time.

## **12.0 Professional and Consulting Services**

12.1 For professional or consulting services provided on a continuing basis, such as, but not limited to, legal, auditing, insurance or engineering, proposals shall be sought from time to time at the discretion of Council.

12.2 For a specific or limited time project for which professional or consulting services are required that are not provided in accordance with a contract or agreement in effect at the time, proposals shall be sought.

## **13.0 Provision of Information**

13.1 Upon request of a prospective bidder, the Department Head shall provide the following documents for each good, service or project:

- two copies of the official tender form
- tender materials such as specifications, plans, service requirements, etc.
- details regarding the time, date and location of any site meetings (where applicable)
- a summary of requirements such as fees, deposits or certificates
- a statement that failure to satisfy all of the tender requirements will result in the bid being rejected
- the Privilege Clause stating that the lowest, or any, bid not necessarily accepted.
- A sealable envelope with the bidder's label for submission of documents.

13.2 The municipality shall provide the information to the prospective bidder in an accessible format, upon request.

## **14.0 Purchasing Methods**

14.1 Negotiated Purchases:

Negotiations during acquisitions may be used:

- a) When only one submission is received and it exceeds the amount allocated in the budget, and the selected vendor is compliant;
- b) During a single, sole or emergency purchase;
- c) When a competitive process has been conducted and an extension of the contract term is available as outlined in the original Call for Bid;
- d) When a competitive bid has been conducted and the contract has expired or will shortly expired and unforeseeable circumstances have caused a delay in issuing a new Call for Bid; in such cases, the contract extension should not extend beyond a one (1) year term.

- 14.2 The method of purchase to be used will depend upon:
- a) the value of the purchase
  - b) the budget source (capital or operating)
  - c) the number of available suppliers
  - d) the type of materials
  - e) time lines, delivery dates or commencement of work
  - f) seeking suitable sources for supply
  - g) applicable legislation
  - h) placing the order
- 14.3 Tenders and Quotations are similar in that they both detail exactly what the bidders are to bid on by way of specifications provided by the municipality.
- a) Informal quotations are generally used for purchases that are over \$5,000.00 but less than \$20,000.00.
  - b) Formal quotations are generally sought for purchases over \$20,000.00 but less than \$75,000.00, and may be offered to a known or pre-qualified list of vendors.
  - c) The Tender process is more formal, providing greater confidentiality of bids, and is used for amounts exceeding \$75,000.00.
  - d) An RFP is generally used for more complicated purchases where the good(s) or service(s) does not currently exist.
- 14.4 All bids, quotations and tenders will be opened in a public forum with the exception of RFP's where bids are kept confidential to avoid influencing the evaluation process. All bidders or their representatives may be present.
- 14.5 Awards are based on the bidder's ability to meet all of the specifications, terms and conditions, and the bottom line price.
- 14.6 Requests for Formal Quotations, Tenders and RFP's shall be advertised on the Township website, and may be advertised in local media or trade publications as the Department Head deems appropriate.
- 14.7 To facilitate distribution of information regarding a competition, the names, addresses, telephone and fax numbers of prospective bidders shall be recorded when tender documents are provided.
- 14.8 A list of prospective bidders shall be maintained by the Department Head for one year following closure of the bidding.
- 14.9 Refer to Schedule "C" attached for further detail.

## **15.0 Quotations**

- 15.1 Quotations may be solicited on an invitational basis from a pre-determined bidders list, or the Department Head may choose to publicly advertise the call for quotes. Requests for Quotations may be made through the informal or formal process, as deemed appropriate by the Department Head, subject to the authorization limits as set forth in section 22 of this Policy.

- 15.2 The Department Head shall be authorized to make purchases of goods and services by Formal Quotation for approved expenditures up to \$75,000.00 from such vendors and upon such terms and conditions as the Department Head deems appropriate.
- 15.3 Informal, quotations:
- May be sought to obtain competitive pricing in an expeditious and cost effective manner;
  - May be accepted by fax, e-mail, verbally over the telephone, or by other methods;
  - May be used for purchases with a value of \$5,000.00 or more but less than \$20,000.00;
  - Every reasonable effort shall be made to obtain a minimum of three quotes from reputable vendors however should only one be received, the Township may exercise its right to award or cancel the call for bids;
  - All details of the informal quotes received shall be retained on file, particularly the name of the vendor and the quoted amount; and
  - A summary of results shall be submitted to Council for information, if requested by the Chief Administrative Officer.
- 15.4 **Formal Quotations:**
- Shall be obtained for all purchases of goods and services with a value of \$20,000.00 or more and less than \$75,000.00;
  - Every reasonable effort shall be made to obtain a minimum of three written quotes from reputable vendors however should only one be received, the Township may exercise its right to award or cancel the call for bids;
  - Shall be accepted only in written form, in response to a direct request by the Township of Essa;
  - Shall be advertised on the Township website or via media outlets (ie: biddingo.com, kijiji.com, etc.);
  - Shall be reviewed collectively as soon as possible after the deadline for submission has passed; and
  - A summary of results shall be submitted to Council for information and/or approval if the expenditure is not accounted for in the current year's budget.
- 15.5 If sealed quotations are requested, they shall be opened in the presence of the Department Head and another member of staff who is not in the same department or the Manager of Finance or designate. Bidders or their representatives may be present.
- 15.6 The Department Head shall review all bids received and submit a report to Council recommending the award. If the recommended award is not the lowest quotation submitted the report shall outline the reasons for the recommendation. The report should refer to any budget implications.
- 15.7 If accessibility criteria and features were not incorporated into the request for quotation by the Department Head responsible for the procurement, then the Department Head will provide an explanation as to why it was not practicable to do so, upon request.

- 15.8 The successful bidder shall be notified by telephone and in writing, confirming the price, any specifications, and commencement of work or delivery date.
- 15.9 All formal RFQ's shall be advertised on the Township website. As well, local media and/or electronic advertising devices and/or social media outlets (ie: biddingo.com, kijiji.com, Ontario Tenders Portal, etc.) as deemed appropriate by the Department Head may be utilized to advertise. Known vendors may also be notified directly.

## **16.0 Tenders**

- 16.1 Any acquisition of goods or services exceeding \$75,000.00 shall be obtained by way of sealed tenders, unless specifically authorized by Resolution of Council.
- 16.2 Tenders may be used for the procurement of any good(s) or service(s) up to \$75,000.00 where the Department Head feels a more formalized, regulated process is appropriate, and a wide variety of vendors is to be sought.
- 16.3 The Township shall provide, and bidders must use, two copies of the approved tender documents outlining the specific requirements of the good(s) or service(s). A submission label detailing the project name, bidders name and address shall also be provided.
- 16.4 Information regarding the award of tenders shall be made available upon request and shall include a brief description of the project, a project number (if applicable), the successful bidders name and the amount of the approved bid.
- The Department Head responsible for the tender shall submit a summary of results containing a recommendation to award to Council for approval.
- 16.5 As all tender submissions must be sealed, tenders which are received by fax or e-mail will be rejected. Only documents containing original signatures will be accepted.
- 16.6 When tender documents and/or deposit cheques are returned to the bidders by hand, a signed acknowledgement of receipt must be obtained.
- 16.7 If accessibility criteria and features were not incorporated into the tender documentation by the Department Head responsible for the procurement, then the Department Head will provide an explanation as to why it was not practicable to do so, upon request.
- 16.8 All tenders shall be advertised on the Township website. As well, local media and/or electronic advertising devices and/or social media sites (ie: biddingo.com, kijiji.com, Ontario Tenders Portal, etc.) may be utilized. Known vendors may be notified directly.

## **17.0 Requests For Proposals**

- 17.1 The Department Head may issue a Request for Proposal (RFP) in place of a tender or quotation for any dollar value when the good(s) or service(s) does not currently exist, or when the item is non-standard or specialized and is to be



created or customized based on the municipality's request. The evaluation criteria and process shall be approved by the Chief Administrative Officer prior to the issuance of the RFP.

- 17.2 The specifications for an RFP may be developed and prepared by the Department Head or by an outside consultant.
- 17.3 If accessibility criteria and features were not incorporated into the request for proposal by the Department Head responsible for the procurement, then the Department Head will provide an explanation as to why it was not practicable to do so, upon request.
- 17.4 All RFP's will be advertised on the Township website. As well, local media and/or electronic advertising devices and/or social media sites (ie: biddingo.com, kijiji.com, Ontario Tenders Portal, etc.) may be utilized. Known vendors may be notified directly.
- 17.5 The closing date should be 15 calendar days after the 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.
- 17.6 The Department Head responsible for the proposal shall submit a summary of results containing a recommendation to award to Council for approval.

#### **18.0 Cooperative or Joint Purchasing**

- 18.1 The Township of Essa may participate in Cooperative or Joint Purchasing with other public sector organizations such as municipalities, school boards, hospitals, etc., where it is in the best interest of the Township to do so and where the purposes, goals and objectives of this Policy are complied with by such organizations (ie: Ministry of Government Services Vendor of Record Program, and the Georgian Bay Public Purchasing Co-operative "GBAPPC").

#### **19.0 Direct Purchase**

- 19.1 The direct purchase method may be used when the dollar value of an item does not exceed \$5,000.00, if the item (such as parts) can only be purchased through a sole source, or in the case of an emergency.

#### **20.0 Unsolicited Proposals**

- 20.1 Unsolicited proposals received by the Township shall be reviewed at the discretion of the Department Head. Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this Policy.
- 20.2 A contract or award resulting from an unsolicited proposal shall be awarded on a non-competitive basis only, when the process complies with the non-competitive procurement procedures outlined in Section 8 of this Policy.

#### **21.0 Authorization and Responsibilities**

- 21.1 The Department Head shall be responsible for approval of accounts or invoices within the approved budget or any amendment to same. Resolutions approving

budget amendments, capital expenditures or special acquisitions shall contain the purpose of the expenditure, cost estimates or limitations, and the account to which an expenditure applies.

- 21.2 The Department Head has responsibility for procurement activities within their departments and are accountable for determining and achieving specific objectives as outlined for each procurement project.
- 21.3 A Department Head may appoint a designate(s) to purchase or acquire goods or services by direct purchase up to \$5,000.00.
- 21.4 Each sealed bid received in response to a formal bid request is reviewed by the Department Head to determine whether a bid irregularity exists (see Appendix "B" attached), and the action to be taken.
- 21.5 The Chief Administrative Officer may direct the Department Head not to award a contract based on any provision of this policy, and may provide additional restrictions concerning procurement where such action is considered to be in the best interests of the Township. In the event that Council approval is not required as above, the Department Head, on approval by the Chief Administrative Officer, shall be authorized to award the tender.
- 21.6 Department Heads are responsible for monitoring and ensuring compliance with this policy, including maintaining current insurance certificates and WSIB certificates, as may be requested in the bid documents.
- 21.7 Original copies of all legally executed contracts relating to the procurement of goods and services are to be provided to the Clerk to be retained in the Township Corporate Records files in accordance with the Retention Schedule.
- 21.8 The Department Head shall be authorized to select potential vendors not solely on the basis of cost, but also on ability, quality of workmanship, service record, history, availability, overall performance and experience, ability to meet accessibility criteria and features required for the good or service, without first obtaining quotations. Vendors may be excluded if there is a history of unsatisfactory performance.
- 21.9 If the amount of the preferred proposal exceeds the approved budget, the Chief Administrative Officer may approve the transfer of unspent funds to make up shortfalls in funds for like projects, which form part of the approved budget.

## 22.0 Authorization Limits

- 22.1 Designated signing limits provide the authority for various employees to approve expenditures and execute legally binding contracts on behalf of the Township of Essa. All amounts described in this Policy include applicable sales tax. Thresholds governing signing authorizations are as follows:

Up to \$5,000.00: Direct purchase by staff is acceptable upon completion of a purchase order approved by the Department Head where practical.

\$5,000.00 to 20,000.00: With the exception of the Purchase Card, the Department Head shall determine the method of procurement and attempt to

obtain a minimum of three (3) written quotations or bids where possible and practical. A purchase order number shall be issued. No report to Council is necessary for budget approved items.

\$20,000.00 to \$75,000.00: The Formal Quotation process is most often used but a Tender may be used as per Section 16 of this policy. An RFP may be used in accordance with Section 17. A minimum of three quotations are to be sought but should only one quotation be received, the Township may exercise its right to cancel the call for bids.

\$75,000.00 and over: The Department Head shall issue a Tender or RFP Package for all approved projects over \$75,000.00 based on specified requirements. Specifications must be provided to readily compare projects.

Council approval of any award is not required if the following conditions have been met:

- a) \*The project has been approved in the current year's budget;
- b) \*The lowest or all bids are within the budgeted amount;
- c) The contract is being awarded to the lowest bidder meeting the specifications;
- d) The total value of the tender is less than \$75,000.00;
- e) There are no upper level government requirements for Council approval of a tender.

*\*If the bid or project is slightly over the Council approved budget amount (no more than 10% of the total budgeted amount), the Chief Administrative Officer shall have the authority to authorize the project to proceed or the goods and services to be purchased, and the Department Head shall provide an Information Report to Council at the first regularly scheduled meeting outlining what has occurred.*

## **23.0 Accessibility**

23.1 Each tender/RFQ/RFP document shall state the following:

*"Contracted employees, third party employees, agents and others that provide services to the public on behalf of the Township of Essa must meet the requirements of the Accessibility for Ontarians with Disabilities Act, 2005, inclusive of all requirements outlined in Ontario Regulation 429/07 and Ontario Regulation 191/11. A document describing your training policy or procedure, a sample copy of training and details of training dates and attendees may be required for submitted to the Township of Essa, prior to the commencement of any work."*

23.2 If accessibility criteria and features were not incorporated into the request for proposal by the Department Head responsible for the procurement, then the Department Head will provide an explanation as to why it was not practicable to do so, upon request.

23.3 Each Tender/RFQ/RFP document shall state the following:  
*"These documents are available in an alternate format upon request by the applicant."*

- 23.4 If a prospective applicant requires the documents in an alternate format, the Township of Essa shall provide them the documents in a format that will be reflective of the applicants' needs, at no additional cost, within a reasonable amount of time.

#### **24.0 Sale and/or Disposal of Surplus Equipment/Vehicles**

- 24.1 When a Department Head has determined that an item is in disrepair and no longer meets the health and safety or other requirements of the Township, it shall be disposed of in a proper manner.
- 24.2 When a Department Head has determined that an item owned by the Township is surplus to the needs of their department and may be of value to another Township department or facility, an email shall be sent to the other members of Senior Management.
- 24.3 When a Department Head has determined that an item owned by the Township is deemed to be surplus to the needs of their department and may be of value to a member of the public and/or another municipality, a report shall be brought forward to Council for approval to advertise such surplus items "for sale-as is" to interested parties on social media outlets and/or other such sites.
- 24.4 In the event that an item is no longer required for Township purposes, and the cost to prepare the item for sale exceeds the estimated value, the Department Head, with the approval of the Chief Administrative Officer, may dispose of the item in the following manner:
- a) Donate this item to any interested local non-profit organization for charitable purposes (ie: school, church, daycare facility, seniors centre, etc.); or
  - b) Dispose of the item at an approved landfill site or recycling centre.
- 24.5 In the event that an item is no longer required for Township purposes and it is anticipated that the estimated value exceeds any costs associated with disposal, the Department Head shall recommend to the Chief Administrative Officer, that the item be advertised for sale in one or more of the following manner(s):
- a) Internal notice for Township staff; or
  - b) Public notice on the Township's website; or
  - c) A local newspaper; or
  - d) Sale at public auction (ie: County of Simcoe's Auction website)
- 24.6 All advertisements listed in section 24.4 shall be approved by the appropriate Department Head. The notice as determined above shall include the date and time for the closing of offers, and the person and location to which offers in sealed envelopes, suitably marked, are to be delivered. All notices or advertisements shall include the provision that "*neither the highest nor any offer shall necessarily be accepted*".
- 24.7 Township Council and/or staff may submit an offer, provided that any such Council or staff member is not directly involved in the review and recommendation of such offers.

- 24.8 All offers will be opened in the presence of the appropriate Department Head and one other member of staff. In the event that the anticipated value of the surplus item and/or any bid exceeds \$10,000.00, a report summarizing the offers received shall be submitted to Council at its next regularly scheduled meeting (following the close of the sale), as well as a staff recommendation on whether and what bid to accept. Senior Management, with the approval of the Chief Administrative Officer, may accept any bid less than \$10,000.00, where the anticipated value was below that amount.

#### **E. COMPLIANCE**

The Department Head issuing the quote, tender or RFP shall be the main contact person responsible for each bid. The Chief Administrative Officer and/or Council will be involved as provided herein.

All employees and Council members of the Township of Essa shall comply with the provisions of this policy.

#### **F. SUMMARY**

Due to the number of variables involved in the procurement of goods and services, and the public and transparent nature of municipal government, it is essential that staff be provided with definitive guidelines to follow to ensure integrity of the process while protecting the interest of taxpayers, and providing the best possible value for the public dollar.

#### Attachments:

- Appendix 1 – Quick Reference Guide
- Schedule A – Goods and Services Exempt from Purchasing Method Provisions
- Schedule B – Bid Irregularities
- Schedule C – Tender, Quotation or Request for Proposal (RFP) Process
- Schedule D – Reasons Why Lowest, or any, Bid Not Accepted
- Schedule E – Purchasing Card Use

**TOWNSHIP OF ESSA PROCURMENT POLICY A17-01**  
**Appendix 1**  
**QUICK REFERENCE GUIDE**

	Threshold Amount	Procurement Method	Advertising Requirement	Approval required by:		Summary of Results submitted to Council		Execution of Agreement
				If within Budget	If over Budget	If included in Budget	If not included in Budget or if over the Budget Amount	
Direct Purchase	Up to \$5,000	Non-Competitive	None	DH or designate	CAO	No	No	n/a
Informal Quotation	\$5,000 to \$20,000	Invitational & Non-Competitive	None	DH	CAO Council	No	Yes, for information and approval	n/a
Formal Quotation	\$20,000 to \$75,000	Open & Invitational Competition	Yes	DH	CAO Council	Yes, for acceptance	Yes, for acceptance/approval	n/a
Tender	Up to \$75,000	Open & Invitational Competition	Yes	DH	CAO Council	Yes, for acceptance & award of contract	Yes, for acceptance & award of contract	Mayor & Clerk
	Over \$75,000	Open & Invitational Competition	Yes	Council	Council	Yes, for acceptance & award of contract	Yes, for acceptance & award of contract	Mayor & Clerk
Proposal OR if the good/service does not currently exist	Over \$75,000	Open & Invitational Competition	Yes	Council	CAO Council	Yes, for acceptance & award of contract	Yes, for acceptance & award of contract	Mayor & Clerk
Emergency Purchasing	n/a	Non-Competitive	No	DH	CAO Council	At next mtg following emergency; for acceptance	At next mtg following emergency; for acceptance	Mayor and Clerk, if applicable
Single or Sole Source	n/a	Invitational & Non-Competitive	No	CAO Mgr Finance	CAO Mgr Finance Council	For Purchases over \$10,001, a Dept. Head information report is to go to Council after the purchase or service has been completed.	Yes, for approval of purchase	Mayor and Clerk, if applicable
Declaration of Emergency by Head of Council or Designate	n/a	n/a	None	**CCG		Yes, as soon as is practicable after the emergency has been terminated		n/a

**\*\*CCG-means Community Control Group – pursuant to the Township’s Emergency Response Plan, the CCG has the authority to authorize spending of monies required to deal with the declared emergency (ie: tornado, flooding, etc.)**

## Township of Essa Purchasing Policy

### Schedule "A"

#### GOODS AND SERVICES EXEMPT FROM PURCHASING METHOD PROVISIONS OF THE PROCUREMENT AND ACQUISITION POLICY

1. **Petty Cash Items for Small Cost Invoices or Low Cost Items - up to \$250.00**
2. **Training and Education Expenses**
  - a) Conferences, Conventions and Seminars
  - b) Professional Association Memberships
  - c) Periodicals or Magazines
  - d) Continuing Education, Professional Development, Training, and Courses
  - e) Subscriptions
  - f) Periodicals
3. **Employee Expenses**
  - a) Payroll or Expense Advances
  - b) Meal allowances
  - c) Travel & Hotel accommodation
  - d) Entertainment
  - e) Miscellaneous – Non-Travel
  - f) Mileage
  - g) Advances from Petty Cash
4. **Employer's General Expenses**
  - a) Payroll deduction remittances
  - b) Licenses (vehicles, elevators, other permit fees, radios, etc.)
  - c) Debenture payments
  - d) Grants to agencies / donations
  - e) Payments of damages/ Insurance claims
  - f) Tax remittances and Write-offs
  - g) Charges to/from other Government or Crown Corporations
  - h) Employee income and benefits
  - i) Deposit returns, refunds and rebates
  - j) Miscellaneous (eg: Township Recognition)
  - k) Freight charges
  - l) Purchase of Real Property
  - m) Maintenance and licensing software for systems previously acquired
  - n) Those expenditures that will be wholly recovered from outside sources (ie: Developers)
  - o) Lease payments
5. **Professional and Special Services**
  - a) Legal settlements
  - b) Computer services and software
  - c) Legal fees and arbitrator's fees
  - d) Witness or court reporters' fees
  - e) Courier charges
  - f) Temporary help
  - g) Banking services
  - h) Real estate appraisals

**6. Utilities**

- a) Postage
- b) Water and sewer charges
- c) Hydro
- d) Natural Gas / Propane
- e) Telephone, long distance charges, communications and connectivity fees
- f) Cable television and/or satellite charges or other telecommunication charges
- g) Internet access charges

**7. Township Owned Vehicles**

- a) Emergency or routine repairs/servicing including legislated inspections.
- b) Unleaded gasoline, diesel fuel and propane.

**8. Other**

- a) The purchase of any replacement part or piece of equipment where the manufacturer is the sole provider
- b) Any single source supply item under \$10,000.00
- c) Public tender advertising
- d) Classified advertising such as "help wanted", "for sale", etc.
- e) Display advertising such as event notices
- f) Committee fees
- g) Council expenses
- h) Honorariums



**Township of Essa Purchasing Policy**  
**Schedule "B"**  
**BID IRREGULARITIES**

A bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided by a bidder.

For clarification, bid irregularities are classified as "major" or "minor" irregularities.

A "**major irregularity**" is a deviation from the bid request that affects the price, quality, quantity or delivery, and affects the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors, therefore any bid which contains a major irregularity will be rejected.

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 immaterial to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors, therefore the bidder may be permitted to correct a minor irregularity.

Errors in mathematical extensions and/or taxes will be corrected by the issuing department, and the unit prices will govern.

The Department Head, C.A.O. and in some instances the Township Solicitor 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

The following **Major Irregularities** will result in **automatic rejection** of the bid:

- ✓ Bids received late
- ✓ Bids completed in pencil
- ✓ Bids received by fax or e-mail
- ✓ Tender envelope is not sealed
- ✓ Bid surety is not submitted with the bid when such surety is required.
- ✓ Surety company is not licensed to do business in Ontario
- ✓ Deposit cheque has not been certified
- ✓ Bidders not attending mandatory site meeting, as specified in the documents
- ✓ Missing information such as pricing or signature pages, proof of authority to bind the corporation, pages requiring completion of information by vendor or Bond company corporate seal or equivalent proof of authority to bind the company

The following are **Major/Minor Irregularities** and will be dealt with as indicated:

- |  |  |
|--|--|
| ✓ Insufficient financial security<br>(i.e. no deposit or bid bond) | Automatic rejection unless insufficiency is trivial or insignificant.                      |
| ✓ Insufficient deposit provided                                    | Where security is required and amount of security has been specified, automatic rejection. |

### Schedule "B" BID IRREGULARITIES cont'd

- ✓ Part bids (all items not bid on)                      Acceptable unless complete bid was specified in the request.

The following are **Minor Irregularities** and will be dealt with as indicated:

- ✓ Proper response envelope or label not used                      Acceptable if received on time.
- ✓ Bids containing minor clerical errors                              Two working days to correct.
- ✓ Uninitialled changes which are minor (i.e. address)              Two working days to correct/initial
- ✓ Alternate prices in the schedule of prices have                  Two working days to correct/initial  
been changed but not initialed
- ✓ Other mathematical errors which are inconsistent              Two working days to initial  
with the unit prices.    corrections. Unit prices will govern.

In all cases above, the Township reserves the right to waive the requirement and accept the bid.

**Township of Essa Purchasing Policy  
Schedule "C"**

**TENDER, QUOTATION or REQUEST FOR PROPOSAL (RFP) PROCESS**

The Department Head will prepare an advertisement regarding the type of bids to be accepted and the good or service to be purchased. Bid packages will be available from the issuing department and shall provide the following information:

- ✓ description and scope of the work including service and warranty costs where applicable
- ✓ time frame within which the project is to be completed
- ✓ closing date and time
- ✓ contact information for technical and purchasing enquiries
- ✓ site meeting time, date, location
- ✓ document fee (if applicable) payable by bank draft, money order, or certified cheque
- ✓ location for pick up and drop off of bid documents.
- ✓ time and location of opening
- ✓ envelope and address label for bid submission (Optional)
- ✓ a statement that "The Township reserves the right to accept or reject any or all tenders", and that "The lowest or any tender/bid is not necessarily accepted."

The Department Head will determine whether it is practical to incorporate accessibility criteria and features into their tender, quotation, or RFP. If they determine that it is not practicable, they will provide an explanation for excluding such criteria, upon request.

The closing date will be determined by the urgency or complexity of the item(s) being tendered but is usually set for 15 calendar days after date of issue. However, a tender or RFP may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s) being tendered.

The application fee (if applicable) is paid, and information is recorded from bidders, when documents are picked up. A copy will be made available for viewing prior to purchase.

All tender and RFP submissions must be addressed to the Department Head responsible and returned in the envelope provided with the document package. Counter staff will receive all sealed submissions, writing the date and time on the envelope. A date and time-stamped receipt will be issued upon request.

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 Department Head by letter or in person, by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone withdrawals will not be considered. The withdrawal of a tender or RFP does not disqualify a bidder from submitting another tender on the same contract.

Following Council approval the Department Head shall ensure that a contract which legally binds the corporation is executed by the Mayor and the Clerk.

Details of all projects, bids and vendors are to be retained in accordance with the Township Records Retention By-law.

RFP's with an anticipated value over \$75,000.00 may require the Township Solicitor's review prior to issuance, and a report from the department to Council for consideration and approval prior to the award.

ALL documentation soliciting bids, quotes, tenders, or RFP's must include the following statements: "The lowest or any bid/quotation not necessarily accepted"; and "Failure to satisfy all of the tender requirements will result in the bid being rejected."

Where specified, submissions must be in SEALED envelopes and labeled according to Township direction.

Once an award is made by Council, the report recommending an award shall be a matter of public record.

**Township of Essa Purchasing Policy**  
**Schedule "D"**  
**REASONS WHY LOWEST, OR ANY, BID NOT ACCEPTED**

All bid documents issued by the Township shall clearly state that ***"The Township reserves the right to accept or reject any or all tenders"***, and that ***"The lowest or any tender/bid is not necessarily accepted"*** based on the following:

1. Vendor not qualified to conduct the work as specified; not proven to be experienced.
2. Vendor has a history with the Township of unsatisfactory performance, was unable to meet deadlines, did not live up to previous agreements, invoicing irregularities, etc.
3. There may be a real or perceived conflict of interest (vendor may be subject to privileged information other bidders were not).
4. If bid received late or is not sealed.
5. If information is provided on documents or paper other than the prescribed form.
6. Deemed unacceptable due to a bid irregularity as outlined in Schedule "B" (signatures, timing, fees not paid, forms completed incorrectly, insufficient information provided)
7. Service or warranty component – if the cost of additional service or an extended warranty would cause the price to increase beyond that of the next lowest bidder(s).
8. Incompatibility of equipment (for example) already in place.

**Township of Essa Procurement Policy  
Schedule "E"  
PURCHASING CARD USE**

**1. Purpose and Scope**

This section will outline the policy and procedures for the use and control of the Township of Essa purchasing card.

**2. Authorization and Benefits to the Township of Essa**

Employees are authorized by their Department Heads to use a purchasing card to purchase goods and services in support of sound business practices.

Purchasing cards are a non-competitive procurement method that may be used by Department Heads and Managers to directly procure goods or services from vendors valued up to \$10,000. Purchases shall be made at the cardholder's vendor of choice, using approved vendors or vendors of record wherever possible. Purchasing card transactions from approved vendors are exempt from competitive procurement.

Benefits to the Municipality will be realized by Treasury staff by reducing the number of invoices processed, fewer cheques being prepared, fewer purchase orders, and for user departments by providing a simplified process and an increased level of efficiency and convenience.

**3. Authority**

This policy authorizes the Department Heads to empower approved employees within their departments or areas of responsibility to procure using a purchasing card to limits approved by the CAO.

**4. Enquiries**

Enquiries related to the accounting aspects of this policy and related system enquiries i.e. additional General Ledger codes, should be addressed to the Manager of Finance or designate.

Enquiries related to the purchasing aspects of this policy and related online system inquiries i.e. new card requests, card cancellations, card replacements, vendor issues or reconciliation/statement inquiries from cardholders and/or approvers should be addressed to the Manager of Finance or designate.

**5. Policy Details**

5.1 The Manager of Finance or designate is responsible for the Purchasing Card coordination for the Township of Essa.

5.2 Each Purchasing Card will have a unique number, and will be issued in the name of the Township of Essa, and the name of the employee authorized to use that card. The card is not transferable to any other employee. Only where a card has been issued to a vehicle will more than one authorized employee have the ability to utilize a card.

- 5.3 The limits for the type of vendors where the card can be used, for the number of individual purchases per week or month, the credit limit per transaction and per card is restricted to the profile set up for each employee and approved by the Department Head.
- 5.4 Purchasing Cards must not be used:
- a. when the total price exceeds the total dollar limits per transaction for that cardholder.
  - b. when the goods are available from internal sources.
  - c. when the cost of the goods or services would be significantly increased as a result of using the card or when an alternative method of payment is available (i.e. a discount is provided by the vendor as a result of not using the card)
  - d. for personal vehicles
  - e. for personal purchases
  - f. to obtain cash advances
  - g. to procure items purchased through Cooperative Purchasing.
- 5.5 No cardholder may accept cash or a cheque from a vendor who is making a refund for a transaction previously charged to a Purchasing Card. A credit voucher must be issued by the vendor in all cases.
- 5.6 Every cardholder shall be informed in writing of their responsibilities and restrictions regarding the use of the Purchasing Card and shall agree to them in writing. Cardholders will be held liable for any misuse or willful disregard of policies or operating procedures which result in a loss of money, fraud or collusion.
- 5.7 To avoid payment of interest, payments to the Bank issuing the Purchasing Card shall be made in compliance with banking arrangements, with the approval of the Manager of Finance.
- 5.8 The liability for authorized charges on the Purchasing Cards rests with the Township of Essa, not the individual cardholder.
- 5.9 The maximum Township liability for unauthorized use of the card following loss or theft of the card shall be in compliance with banking arrangements. "Unauthorized use" means a use that was not for Township purposes and was made by someone other than the cardholder.

## 6. Responsibilities

### 6.1 The Cardholder is responsible for:

- a. adhering to all conditions and restrictions imposed on the Purchasing Card by the Township and issuing Bank; including the non-transfer nor loan of the card to another employee for any purpose whatsoever.
- b. ensuring that the Purchasing Card, monthly statements, and other documents bearing the card number are kept in a secure location with controlled access for reconciliation, account verification and audit purposes.
- c. submitting the Employee Acknowledgement Form to the Manager of Finance.
- d. immediately notifying the issuing Bank, the Manager of Finance and the Department Head of any loss or theft of the card.
- e. informing the Manager of Finance of cancellation, changes in business address or areas of responsibility, and/or telephone number.
- f. returning the card to the Manager of Finance for cancellation, as appropriate.
- g. maintaining their monthly statement information and submitting statements with receipts each month to accounts payable with the appropriate account number that the transaction shall be charged to.
- h. obtaining the required Material Safety Data Sheets for all Workplace Hazardous Material Information System controlled products purchased with the Purchasing Card and immediately forwarding a copy to the Department Head for centralized filing purposes.
- i. providing a written notation with each receipt clearly describing the purchase and the name of the vendor.
- j. ensuring that the Purchasing Card is used at the time of purchase, not as an alternate method of paying an invoice that has been issued to the Township.
- k. communicating to the vendor at the time of purchase that NO INVOICE shall be sent to the Township or, where one must be sent, that it is clearly marked PAID IN FULL BY VISA.

### 6.2 The Department Head or designate is responsible for:

- a. assessing the need for Purchasing Cards based on operational requirements.
- b. identifying the employee(s) who will be authorized to make purchases through the use of a Purchasing Card
- c. ensuring that employees who are issued Purchasing Cards have signed the attached Acknowledgement Form stating that they have read and understand the terms of use associated with being issued a Purchasing Card.



- d. establishing the credit limit, transaction limit and monthly limit for each cardholder with the approval of the Manager of Finance and/or CAO.
- e. preparing and submitting the appropriate forms and other pertinent information to the Manager of Finance for the issuance or cancellation of cards, increases or decreases to credit limits, change of address or change in department or area of responsibility.
- f. ensuring that each cardholder is informed of their responsibilities as outlined in this Policy regarding the use of the Purchasing Card.
- g. ensuring that the use of Purchasing Cards conforms to departmental and corporate policy and procedures.
- h. monitoring and controlling the utilization of Purchasing Cards within their department or area of responsibility.
- i. reviewing and approving the activity of cards within their department on a monthly basis, and for ensuring this responsibility is delegated to another employee in the event they are absent.
- j. ensuring the correct Account information is noted within the system including capital projects, and that clear notes are included to advise Treasury or the Auditors what the transaction was for.
- k. maintaining an awareness of the expenditures made using purchasing cards and how they impact the approved budget for the department within their scope of responsibility.

**6.3 Manager of Finance or designate is responsible for:**

- a. authorizing the issuance or withdrawal of Purchasing Cards with the issuing Bank.
- b. processing bank forms with respect to changes of address and changes of department or area of responsibility, as submitted by the Department Heads.
- c. compiling and reporting pertinent Purchasing Card data to the Department Heads.
- d. providing assistance and coordination with respect to the overall utilization of Purchasing Cards within the Corporation of the Township of Essa
- e. temporarily increasing the limit of credit for each cardholder at any time, upon written request of the Department Head with the approval of the Chief Administrative Officer.

**7. Spending Authority Limits**

- a. The spending limit for individual transactions is to be recommended by the Department Heads and approved by the Manager of Finance.
- b. Most card holders will have a maximum transaction limit of \$5,000. Department Heads may only approve operational expenditures valued up to \$10,000.

**8. Total Card Limits**

The total card limits of up to no more than \$10,000 for each cardholder shall be determined by the Chief Administrative Office and/or the Manager of Finance.

**Receipt of Purchase Card Acknowledgement:**

I, \_\_\_\_\_, an employee of the Corporation of The Township of Essa, do acknowledge that I have received a VISA Purchase Card in my name and the name of The Township of Essa, and that I have read, understand and acknowledge the guidelines provided in the *Procurement and Acquisition Policy* and do hereby agree to abide by these guidelines.

Card Number: \_\_\_\_\_ Expiry Date: \_\_\_\_\_

Spending Limit: \$ \_\_\_\_\_ Transaction Limit: \$ \_\_\_\_\_

Dated at the Township of Essa this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Employee Signature: \_\_\_\_\_

Department Head Signature: \_\_\_\_\_

### Purchase Card Return Sign-off Form

I, \_\_\_\_\_ (employee name), have returned the Scotia VISA  
purchase card to the Township Treasury Department on \_\_\_\_\_(date).

This card # will be made inactive on the Scotia VISA Management system and destroyed on this  
date.

VISA Card No. : \_\_\_\_\_

Employee: (Print Name) \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Witness (Print Name): \_\_\_\_\_

Witness Signature: \_\_\_\_\_

Date: \_\_\_\_\_