

BY-LAW No. 2007-51

A BY-LAW OF THE TOWNSHIP OF BONFIELD
GOVERNING PROCUREMENT POLICIES
AND PROCEDURES

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Township of Bonfield
Deputy Clerk-Treasurer

**THE CORPORATION OF THE
TOWNSHIP OF BONFIELD**

BY-LAW No. 2007-51

**Being a by-law to govern Procurement
Policies and Procedures**

WHEREAS Section 270(1) 3 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, requires a municipality to adopt and maintain policies with respect to its procurement of goods and services;

AND WHEREAS 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 Bonfield, subject to certain exceptions set out herein;

NOW THEREFORE the Council of the Corporation of the Township of Bonfield ENACTS AS FOLLOWS:

PART I – SHORT TITLE

This by-law may be cited as the “Purchasing By-Law”.

PART II – PURPOSES, GOALS AND OBJECTIVES

The purchasing principles of the Corporation of the Township of Bonfield are as follows:

- a) To procure by purchase, rental or lease the required quality and quantity of goods and/or services, including professional and consulting services in an efficient, timely and cost effective manner;
- b) To encourage open competitive bidding for the acquisition and disposal of goods and services where practicable;
- c) To consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in evaluating bid submissions from qualified, responsive and responsible vendors;
- d) To ensure service and product delivery, quality, efficiency and effectiveness;
- e) To ensure openness, accountability and transparency while protecting the financial best interests of the Township of Bonfield;
- f) To have regard to the accessibility for persons with disabilities to the Goods, Services and Construction purchased by the Township of Bonfield;
- g) To encourage the procurement of goods and services with due regard to the preservation of the natural environment, vendors may be selected to supply goods made by methods resulting in the least damage to the environment and supply goods incorporating recycled materials where practicable.

PART III – DEFINITIONS

Accounting Department

Means the Accounts Payable Department of the Corporation of the Township of Bonfield

Acquisition

Means the process used for obtaining goods and services

Administrator, Clerk-Treasurer

Means the Administrator, Clerk-Treasurer for the Corporation of the Township of Bonfield

Agreement

Means a legal document that binds the Corporation of the Township of Bonfield and all other parties, subject to the provisions of the contract

Annual Aggregate Value

Means the total amount anticipated to be spent annually by all departments on a particular type of goods or service

Approval

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

Approved Invoice

Means an original supplier's invoice issued at the time of purchase which bears the signature of an appropriately authorized employee

Award, Awarded and Awarding

Means authorization to proceed with the purchase of Goods, Services or Construction from a chosen supplier

Bid

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

Bid Irregularity

Means a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response

Bid Request

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

Blanket Purchase Order

Means a Purchase Order which can be used for a determined period of time for which convenience and location are major factors during which a vendor agrees to provide goods and services to the purchaser upon the purchaser's demand

Clerk

Means the Administrator, Clerk-Treasurer for the Corporation of the Township of Bonfield

Contract

Means a legally binding agreement between two or more parties, regardless of form or title, for the lease, purchase or disposal of Goods, Services or Construction authorized in accordance with this By-Law

Conflict of Interest

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

Corporate Signing Officer

Means the Mayor, and Clerk or other individuals designated by Council

Cost Effective Bid

Means a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selections procedure

Council

Means the Council for the Corporation of the Township of Bonfield

Council Approved Budget

Means Council approved department budgets including authorized revisions

Co-op

Means a Co-operative acquisition venture

Department Head

Means the person responsible for direction and operational control of a Department, or authorized designate

Direct Appointment

Means to directly appoint a consultant on the basis of defined selection criteria including but not limited to qualifications and experience

Disposal

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

Emergency

Means a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public, or the property of the residents of the Township of Bonfield, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level

Execute

Means to legally bind the Corporation of the Township of Bonfield to the terms and conditions defined within the Purchase Order or Contract

Expression of Interest

Means a situation where vendors are solicited by the Township to advise the Township of their ability or desire to undertake Township requirements

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

Goods

Means moveable property including the cost of installing, operating, maintaining or manufacturing such moveable property. It also includes raw materials, products, equipment and other physical objects of every kind and description

In-House Bid

Means a bid made by a department and authorized by Council, submitted in response to a bid solicitation, where the provision of the Goods, Services or Construction will be provided entirely by the employees of the Township of Bonfield

List of Bidders

Means a list, retained by the Department Heads of those vendors who are interested in submitting bids

Lowest Compliant Bid

Means the bid that would provide the Township of Bonfield with the desired Goods, Services or Construction at the lowest total Acquisition Cost, meets all the specifications and contains no irregularities requiring automatic rejection

Material Safety Data Sheets (MSDS)

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

Negotiation

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

Non-Competitive

Single Sourcing and Sole Sourcing

Open Market Procedure

Means obtaining price quotations from vendors verbally or in writing

Privilege Clause

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

Procure/Procurement/Purchase

Means to acquire by purchase, rental or lease goods and/or services

Professional Services

Means persons having a specialized knowledge or skill for a defined Service requirement including architects, auditors, engineers, designers, planners, surveyors, management and financial consultants, brokers, legal services, and any other professional and consulting services rendered on behalf of the Township of Bonfield

Proposal

Means an offer submitted in response to a Request for Proposal, acceptance of which may be subject to further negotiation

Purchase Order

Means a written offer to purchase goods and services defined by such things as time period, location(s) and price, or a written acceptance of an offer where such offer has been made on prescribed forms

Purchase Requisition

Means a request for goods and/or services initiated by the Department Head for which budget approval has been granted and sent to the Treasurer for the preparation of a purchase order.

Quotation

Means an offer to sell goods and services to the Township or an offer to purchase surplus goods from the Township

Real Property

Means land or buildings and any interest, estate or right of easement affecting same

Request for Proposal

Means a Bid Solicitation that is used to acquire Goods, Services or Construction, the suitability of which is dependant upon non-price factors and which may result in further negotiation between the parties

Responsive and Responsible Vendor

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

Services

Includes all professional and consulting services, all services in relation to real property or personal property including without limiting the foregoing the delivery, installation, construction, maintenance, repair, restoration, demolition or removal of personal property and real property and all other services of any nature and kind save and except only services to be delivered by an officer or employee of the Township of Bonfield in accordance with terms of employment

Single Source

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

Sole Source

Means the procurement of a good or service that is unique to a particular vendor and cannot be obtained from another source without undue hardship or inconvenience

Surety

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

Tender

Means a publicly advertised Bid Solicitation

Total Acquisition Cost

Means an evaluation of quality and service in the assessment of a Bid and the sum of all costs including purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery, inventory carrying costs, operating and disposal costs for determining the Lowest Compliant Bid

Township

Means the Corporation of the Township of Bonfield

Treasurer

Means the Administrator, Clerk-Treasurer for the Corporation of the Township of Bonfield

Vendors of Record

A supplier of goods and service who has done satisfactory work in the past

Verbal Quotation

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

PART IV – GENERAL PROCUREMENT POLICY

Section 1. GENERAL CONDITIONS

1. The Treasurer, or designate, shall act as the authorized designate.
2. Where a Department Head is authorized to undertake any act pursuant to this Policy, such act may be undertaken by the Department Head's authorized designate.
3. Any commitments being made where it is recommended that a contract be executed by the Mayor and the Clerk must first be approved by Council.
4. Where it is recommended that a contract other than a purchase order be executed, it will be authorized by the Mayor and Clerk after being approved by Council.

5. No expenditure or commitment shall be incurred or made and no account shall be paid by the Township for goods and services, except as approved by Council or as otherwise authorized in accordance with this policy.
6. Council may remove a vendor's name from the list of bidders for a period of up to two years on the basis of documented poor performance, non-performance, or conflict of interest. A written notice of the decision will be provided to the vendor by resolution of Council.
7. All Township employees shall follow the guidelines as approved by Council, in adhering to the Policy as set out.
8. Material Safety Data Sheets must be maintained on file by the user department for all relevant products whether acquired through tendering, quoting or the proposal process.
9. When using the privilege clause which reads in part "the lowest or any tender may not necessarily be accepted", the specific reasons must be stated why the bids may not be accepted.
10. The Department Head will assist in developing evaluation criteria and submission analysis for all procurement needs.
11. Prior to awarding any procurement of goods and/or services, the Department Head will forward recommendations to Committee or Council for final review, comments, and approval of Council.
12. No employee or elected official shall purchase or offer to purchase, on behalf of the Township, any goods and services, except in accordance with this Policy.
13. Elected Officials shall not independently approve nor acquire any goods and services.
14. Any employee who intentionally and knowingly acquires or disposes of any goods and services for the Township in contravention of any section of this Policy, as amended from time to time, shall be subject to disciplinary actions in accordance with Township Policy.
15. All petty cash purchases must exclude tendered goods and services.
16. No requirement for goods and services may be divided into two or more parts to avoid the provisions of this policy.
17. The Treasurer shall, in conjunction with the Department Head, reject all purchase requisitions for services where the services could result in the establishment of an employee-employer relationship.

Section 2. REQUIREMENT FOR APPROVED FUNDS

1. Net Departmental expenditures are authorized by Council each year as part of either the Operating or Capital Budget process. Department Heads are not authorized to overrun net departmental operating budgets, except in accordance with this Policy.
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 Operating Budget.
3. The Treasurer may reject all purchase requests for which sufficient funds are not available and identified. If the Department Head advises the Treasurer that the deficiency is minimal and alternative funding has been identified, the purchase request may proceed provided appropriate authorizations are met through Council approval. The Department Head will co-ordinate, with the Treasurer, all leasing requirements including term capitalization rate, lease vs. buy (or other) analysis, etc. The Treasurer will ensure that all lease commitments comply with the Municipal Act 2001 as amended and regulations made there under prior to presenting to Council for approval.

Section 3. SPECIFICATIONS

1. The Department Head whose budget provides for the procurement of goods and services shall be responsible, in consultation with the Treasurer and any other Township department, for the preparation of all specifications and/or

- Terms of Reference (Scope of Work) to be used for the procurement of such goods and services for presentation to Council.
2. Where practical, specifications or Terms of Reference should be considered that are detailed but not brand specific to leave room for potential vendors to provide alternatives in the event an equal or better-proven product or method is available.
 3. Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.
When such services are required:
 - a. Council shall be advised;
 - b. The contracted vendor will be considered as a consultant and unable to make an offer for the supply of the goods and services;
 - c. A fee shall be paid; and
 - d. The detailed specifications shall become the property of the Township of Bonfield for use in obtaining competitive bids.

Section 4. STANDARDIZATION

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

1. Reduced number of goods and services required;
2. Increased volume on common items or services;
3. Maximizing volume buying opportunities;
4. Providing economies of scale;
5. Reduced handling, training and storage costs;
6. Minimizing maintenance costs;
7. Co-operative purchasing activities;
8. Competitive bid results;
9. Reduced overall cost.

Section 5. RESPONSIBILITIES AND AUTHORITIES

1. 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.
2. The Treasurer is responsible for providing procurement advice and services to Department Heads and monitoring compliance with this policy.
3. Department Heads, in consultation with the Treasurer, shall inform Council that non-compliance with this policy has occurred.
4. The Treasurer shall execute all purchase orders provided that the issuing Department has submitted a purchase requisition and the requirements of this policy are met.
5. Department Heads shall be responsible for and shall have authority for all procurement activity and decisions within their Departments and may delegate their authority, where appropriate.
6. Department Heads shall monitor contract expiration dates and the progress of projects and acquisitions to ensure satisfactory completion.

Section 6. APPLICATION TO LOCAL BOARDS

1. Local boards are bound by this By-Law and this By-Law shall apply with necessary modification to such local boards unless such local boards have adopted their own procurement policies and procedures.
2. For all purposes of this By-Law and this Section, all references to Council shall mean the governing body of the local board named in Section 6.1.

Section 7. RESTRICTIONS

1. No contract for Goods, Services or Construction may be divided into two or more parts to avoid the application of the provisions of this By-Law.
2. No contract for services shall be awarded where the services would result in the establishment of an employee – employer relationship.
3. Where an employee involved in the award of any contract, either on his or her own behalf or while acting for, by, with or through another person, has any pecuniary interest, direct or indirect, in the contract, the employee:
 - a. Shall immediately disclose the interest to Council and shall describe the general nature thereof;
 - b. Shall not take part in the award of the contract; and
 - c. Shall not attempt in any way to influence the award of the contract.

An employee has an indirect pecuniary interest in any contract in which the Township of Bonfield is concerned, if, the employee or his or her spouse or same-sex partner

- a. Is a shareholder in, or a director or senior officer of, a corporation that does not offer its securities to the public that has a pecuniary interest in the contract;
- b. Has a controlling interest in or is a director or senior officer of, a corporation that offers its securities to the public that has a pecuniary interest in the contract, or
- c. Is a member of an incorporated association or partnership, that has a pecuniary interest in the matter.
- d. Is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the contract.

All Council members shall conduct themselves in accordance with the Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50, as amended.

PART V – METHODS OF PROCUREMENT

Section 1. PROCUREMENT OF GOODS AND SERVICES

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

The purchasing methods for the purchase of Goods, Services or Construction are as follows:

- a. Petty Cash
Department Heads have been approved and provided with a Petty Cash fund in such an amount to meet the requirements of the Department for the acquisition of Goods having a minimal total acquisition cost of \$100.00 or less. All petty cash fund disbursements shall be evidenced by vouchers and shall be available for auditing purposes through the Treasurer.
- b. \$0 - \$500
Direct acquisition is acceptable, no other quotes required. Single or Sole Sourcing permitted within this price range for convenience and efficiency, as well as the use of Vendors of Record.
- c. \$500 - \$2500
The Department Head shall obtain two to three quotations, where possible and practicable. No report to Council is necessary as long as the purchase is within the approved budget. A purchase requisition shall be submitted to the Treasurer together with all quotes received and a Purchase Order shall be issued.

d. **\$2500 - \$10,000**

Purchases shall be specifically identified in the annual budget. The Department Head shall obtain two to three written quotations, where possible, and submitted to their respective Committee for recommendation to Council. A purchase requisition is used to initiate the process and a purchase order must be issued. Council approval is required when the purchase is not included in the annual budget.

e. **\$10,000 - \$75,000**

Upon Council's approval of a Request for Quotation, Request for Proposals or a Tender document, the procurement of Goods and Services shall be obtained following the appropriate process as outlined in this By-Law.

Section 2. IN-HOUSE BIDS

In-House Bids shall not be accepted in the tendering process.

Section 3. REQUESTS FOR QUOTATIONS

A minimum of three quotations (where possible) are to be received. If only one quotation is received, Council may exercise its right to cancel the call for quotations. Quotations are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission. A purchase requisition is used to initiate the process and a purchase order must be issued.

Section 4. REQUESTS FOR TENDERS

Council, in consultation with the Department Heads and/or their respective Committees, shall issue a Tender for all approved projects based on defined requirements (specifications are available to readily compare products).

Tenders require a reply by a designated date and time, signed by a Corporation Officer, authorized to bind the Corporation. Any requested bid deposits, security or bonds must be included with the submission. Replies are delivered directly to the Clerk's Department and are opened at a public meeting. If only one tender 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.

Upon Council's approval, the Treasurer shall ensure that a by-law authorizing a legally binding agreement is prepared.

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

Identical Tenders

If the Lowest Compliant Bids from two or more bidders are identical in total Acquisition Cost or unit price, Council is authorized to enter into negotiations with the bidders who have submitted the identical prices in an attempt to obtain a lesser price and shall maintain a record in respect of such negotiations. Information pertaining to such negotiations or the manner in which the final price was determined shall not be revealed to any of the bidders concerned. When negotiations are not successful in breaking the identical tenders, then the successful bidder shall be determined by coin toss.

Bid Analysis

Analyzing of bid responses shall be as follows:

- a. Bid responses dealing with the lease, rental or purchase of physical assets shall be tabulated and analyzed by the initiating Department Head and the Treasurer, and a recommendation forwarded to Council for consideration.
- b. All other bid responses shall be tabulated and analyzed by the initiating Department Head and the Treasurer, and a recommendation forwarded to Council for consideration.

Bid Irregularities

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

For the purposes of this policy bid irregularities are further classified as "major irregularities" or "minor irregularities".

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

A "minor irregularity" is a deviation from the bid request with 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 Administrator, Clerk-Treasurer may permit the bidder to correct a minor irregularity.

Mathematical Errors – Rectified by Staff

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

Action Taken

The Administrator, Clerk-Treasurer, the Department Head and Council 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 rejections)
- Minor irregularity (bidder may rectify)
- Mathematical error (additions or extensions) as above

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

Bids Exceeding Budget

In the event that the lowest compliant bid exceeds the budget allocation for the goods, services or construction project, Council reserves the right to either negotiate with the selected compliant bidder or canceling the project in its entirety.

Section 5. REQUESTS FOR PROPOSALS

(including the engagement of professional and consulting services)

Similar to the Request for Tender but usually invitational style. This method of acquisition can be used for any dollar amount and involves the solicitation of proposals 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 proposals on any or all of the specifications, contract terms, and prices.

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

PART VI – PROCUREMENT PROCEDURES

Section 1. PURCHASE REQUISITION

A Purchase Requisition will be completed by the Department Head, or designate, detailing the department's name, the account number to which the goods will be charged, the description, quantity and individual cost of each item before applicable taxes. This form will be completed and submitted along with all quotes, if required, for the completion of the Purchase Order. The Purchase requisition form will be attached to the Purchase Order.

Section 2. PURCHASE ORDER

The Purchase Order is comprised of an original and two copies. The number will be used in consolidating all documentation in relations to each purchase. Suppliers must be given the Purchase Order number at all times. The original will be sent to the supplier or Department Head, the second copy will be attached to invoice, the third copy will be filed in the Accounting Department for future reference.

The Purchase Order will be completed upon receipt of the Purchase Requisition and approved by the Treasurer, or designate. In the event that the employee is in the field and is unable to complete the requisition, a call to the municipal office, to obtain a Purchase Order number will be granted, and all completed documentation supporting the Purchase Order will be provided immediately upon return.

In the event of continual basis, we will introduce a standing purchase order for the month, such as the practice does not get out of hand and all information listed in the requirements are met.

Section 3. BLANKET PURCHASE ORDERS

A blanket purchase order may be used where a need is anticipated for a range of Goods, Services or Construction for a specific purpose and for which convenience and location are major factors but the actual demand is not known at the outset. The invoices for the blanket purchase order shall be consolidated monthly.

Section 4. SINGLE SOURCING

Single sourcing is the procurement of a good or service from a particular vendor rather than through solicitation of bids from other vendors who can also provide the same item. Single sourcing may be the best course to take in some circumstances, but it is important to be transparent in the municipal/local board policies about the process for arriving at procurement decisions.

Section 5. SOLE SOURCING

The procurement of a good or service that is unique to a particular vendor and cannot be obtained from another source.

Section 6. EMERGENCY SITUATIONS

In the event of an emergency situation relating to evenings and weekends, the Department Head should contact the Township office first thing on the following working day, or make use of petty cash on hand.

Section 7. MAJOR PURCHASES

All major purchases whether approved or not approved through the annual budget process, require Council's approval prior to proceeding with any method of procurement.

Section 8. CO-OPERATIVE OR JOINT VENTURES

The Township may participate with other Government agencies from time to time in co-operative procurement/acquisition ventures, whenever it is determined to be in the best interest of the Township to do so.

Section 9. UNSOLICITED PROPOSALS

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

Section 10. GOODS AND SERVICES "EXEMPT" FROM THE PROVISIONS OF THE PROCUREMENT POLICIES:

Although no purchase order will be issued for the following Goods and Services, the appropriate invoices will be circulated to the Department Heads for approval. Non-budgeted items will require Council approval, in addition to expenses such as conferences, courses, legal fees.

1. Petty Cash items
2. Training and Education
 - Conferences,
 - Courses
 - Conventions
 - Memberships
 - Periodicals
 - Magazines
 - Staff training
 - Staff development
 - Staff workshops
 - Subscriptions
3. Employee/Council Expenses
 - Advances
 - Meals allowances
 - Travel and Hotel accommodations
 - Entertainment
 - Miscellaneous – Non-Travel
4. Employer's General Expenses
 - Payroll deduction remittance
 - Licenses (radio)
 - Telephones, cell phones, pagers, answering services, internet
 - Photo copy charges
 - Prior approved leases and rentals
 - Debenture payments

- Grants to agencies
 - Annual levy of local boards and commissions
 - Damage Claims
 - Tax remittance
 - Insurance premiums
 - Charges to/from other Government or Crown Corporations
 - Employee income
5. Professional and Special Services
- Committee fees
 - Witness fees
 - Honoraria
 - Arbitrators
 - Legal fees and other Professional Services related to litigation or legal matters
 - Funeral and Burial expenses
 - Annual auditing fees
6. Utilities
- Postage
 - Hydro
 - Furnace oil
7. Equipment Maintenance
- Fuel, gasoline, lubes and oil
 - Routine maintenance
 - Repairs as a result of certification
 - Licences

PART VII – OTHER

Section 1. DISPOSAL OF SURPLUS GOODS

1. The Department Head shall notify the Administrator, Clerk-Treasurer once any item has been deemed as surplus assets for sale or disposal.
2. The Administrator, Clerk-Treasurer shall circulate a list of surplus assets available to all departments free of charge prior to the sale or disposition of such items.
3. Surplus assets not required by any other department shall be sold or disposed of via formal auction, internet auction, tender, quotation or trade-in, at Council's discretion. The disposition shall be documented with a Sales Order. Revenue generated from the sale of surplus assets shall be credited to the appropriate equipment replacement reserve or the working capital reserve for future allocation.
4. Lands and buildings deemed to be surplus shall be disposed of in accordance with the provisions of the Municipal Act, 2001, and Township policies for the sale and other disposition of land.

Section 2. CONFLICT OF INTEREST

All consultants (eg: architects, engineers, etc....) retained by the Township of Bonfield shall disclose to the Township prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, Council may, at its discretion withhold the assignment from the consultant until the matter is resolved. If during the conduct of a Township assignment, a consultant is retained by another client giving rise to a potential conflict of interest, then the consultant shall so inform the Township.

Section 3. INFLUENCE

No person, company, corporation or organization shall attempt in any way, either in private or in public, to influence the outcome of any Township purchasing or disposal process.

The bid, quotation or proposal of any person, company, corporation or organization that does attempt to influence the outcome of any Township purchasing or disposal process will be disqualified, and the person, company, corporation or organization may be subjected to exclusion or suspension for a period of one year.

No Member of Council or employee of the Township shall accept gifts from suppliers or potential suppliers, in order to avoid the risk that procurement decisions will not be objective.

Section 4. ACCESS TO INFORMATION

The disclosure of information received relevant to the issue of Bid Solicitations or the Award of Contracts emanating from Bid Solicitations shall be in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

Section 5. BY-LAW REVIEW

1. This By-Law shall be reviewed prior to the end of each Council term and any amendment thereto shall be made prior to the inaugural meeting of the next Council.
2. The review shall determine how effective this By-Law has been in achieving the objectives set out in this By-Law as well as the requirements of the Municipal Act, 2001, as amended.
3. The review may be undertaken by an ad-hoc committee of Council, the final result of which shall be comprised of a report to Council.

Section 6. EFFECTIVE DATE

This By-Law shall come into force and take effect on the date of final passing.

Section 7. REPEAL

That By-Law No. 2004-40 be repealed in its entirety on the date of final passing of this by-law.

READ A FIRST AND SECOND TIME THIS 13 DAY OF NOVEMBER, 2007.

READ A THIRD TIME AND FINALLY PASSED THIS 11 DAY OF DECEMBER, 2007.


MAYOR


CLERK

SCHEDULE 'A' TO BY-LAW NO. 2007-51

TENDER PROCESS

Tenders will be called for all work, equipment, and materials with a value determined by Council by way of public advertising or invitation bid, as outlined in the Township's Procurement Policy.

The Department Head and the Clerk will prepare a draft advertisement and tender document for Council's review, providing the following information:

- Budget allocation;
- Description of work or supplies; and
- Recommended closing date.

Tender documents may be reviewed by either a consulting engineer or the municipal solicitor, at Council's discretion.

All public tenders will be advertised in either The North Bay Nugget or the Almaguin News, or both, at Council's request. In some instances the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes the screening of potential vendors in which such factors as financial capability, reputation, qualified staff, equipment management and product quality are considered. After evaluation of responses, only those contractors who are "pre-qualified" are allowed to submit tenders.

Advertisements must include the following information (if applicable): site meeting, time/date/location, contact names for technical and purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.

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

Advertised tender packages are available from the Clerk of the Township of Bonfield, 365 Hwy 531, Bonfield, Ontario. The tender fee (if applicable) is paid to the Treasury and information is recorded from bidders as documents are picked up. A copy is available for viewing prior to purchase.

All tender submissions must be addressed to the Clerk, Township of Bonfield, and returned in the envelope provided with the tender package. The Clerk will receive all sealed tender submissions and issue a date and time-stamped receipt.

The Clerk will refuse to accept any tender submission that is:

- not sealed;
- received after the time specified closing deadline; or
- submitted after a tender has been cancelled.

Requests for withdrawal of a tender shall be allowed if the request is made before the closing time for the contract to which it applies. Requests for withdrawal must be directed to the Clerk by a letter submitted from a Senior Official of the company. Telephone requests will not be considered. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract.

Tenders will close and be opened publicly at a time determined by Council and specified in the tender document. Tender results shall be made public by resolution of Council.

Each tender is reviewed, tabulated and evaluated by the Department Head and the Clerk to determine whether a bid irregularity exists, and action is taken according to the nature of the irregularity.

A report initiated by the issuing Department Head and the Clerk shall be prepared for Council's consideration and approval. Following Council's approval, the Clerk shall prepare a by-law to legally bind the Corporation.

SCHEDULE 'B' TO BY-LAW NO. 2007-51

REQUEST FOR PROPOSAL PROCESS

REQUESTS FOR PROPOSALS (RFP's) may be called instead of tenders, by way of public advertising or invitational bid, as outlined in the Township's Procurement Policy:

- When requirements or services cannot be definitively specified, or
- When the requirements or services are non standard or specialized in nature, or
- The cost is only a minor component making up the award.

The Department Head and the Clerk will initiate the RFP process by preparing documents for Council's review, providing the following information:

- Budget allocation;
- description of work or supplies; and
- recommended closing date.

Following Council's approval all public RFP's are advertised in The North Bay Nugget or the Almaguin News, or both, at Council's request. Advertisement must include the following information (if applicable): site meeting time/date/locations, contact names for technical and purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.

The closing date is usually 15 calendar days after date of issue. However, an RFP may be closed in a shorter or longer period to time depending on the urgency or complexity of the items(s).

The RFP document shall be available from the Clerk, Township of Bonfield, 365 Hwy 531, Bonfield, Ontario.

RFP submissions must be addressed to the Clerk, Township of Bonfield, and the Clerk will receive all sealed submissions and issue a date and time-stamped receipt, if requested.

The Clerk will refuse to accept any tender submission that is:

- Not sealed;
- Received after the time specified closing deadline; or
- Submitted after a tender has been cancelled.

Requests for withdrawal of a RFP shall be allowed if the request is made before the closing time for the contract to which it applies. Requests for withdrawal must be directed to the Clerk by a letter submitted from a Senior Official of the company. Telephone requests will not be considered. The withdrawal of a RFP does not disqualify a bidder from submitting another RFP on the same contract.

Proposals shall be opened at a public meeting on the specified day for registration of bids, or at such time as may be set out in the RFP. Only names of bidders will be made public.

Council shall evaluate all proposals received on the basis of quantitative and qualitative measures. RFP documents may be reviewed by either a consulting engineer or the municipal solicitor, at Council's discretion.

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

SCHEDULE 'C' TO BY-LAW NO. 2007-51

BID IRREGULARITIES SUMMARY

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1	late bids (by any amount of time)	X		automatic rejection
2	bids completed in pencil	X		automatic rejection
3	bid surety not submitted with the bid when the bid request (or any addenda) indicated that such surety is required	X		automatic rejection
4	EXECUTION OF AGREEMENT TO BOND: a) Bond company corporate seal or equivalent proof of authority to bind company or signature missing b) surety company not licensed to do business in Ontario	X		automatic rejection
5	EXECUTION OF BID BONDS: a) corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b) corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X		automatic rejection
6	OTHER BID SECURITY: Cheque which has not been certified	X		automatic rejection
7	bidders not attending mandatory site meeting	X		automatic rejection
8	unsealed tender envelopes	X		automatic rejection
9	proper response envelope or label not used		X	acceptable if officially received on time
10	pricing or signature pages missing	X		automatic rejection
11	insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X or	X	where security is required & amount is not specified in request, automatic rejection unless insufficiency is trivial or insignificant where security is required and amount of security is specified in request - automatic rejection
12	bid received on documents other than those provided in request	X		not accepted unless specified otherwise in the request
13	EXECUTION OF BID DOCUMENT proof of authority to bind is missing	X		automatic rejection
14	part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request
15	bids containing minor clerical errors		X	2 working days to correct initial errors. Township reserves the right to waive initialing and accept bid
16	uninitialed changes to the request documents which are minor (ie: the bidder's address is amended by overwriting but not initialed)		X	2 working days to correct initial errors. Township reserves the right to waive initialing and accept bid
17	alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request

18	unit prices in schedule of prices have been changed but not initialed		X	2 working days to correct initial errors. Township reserves the right to waive initialing and accept bid
19	other mathematical errors which are not consistent with the unit prices		X	2 working days to initial corrections. Unit prices will govern
20	pages requiring completion of information by vendor are missing	X		automatic rejection
21	bid documents which suggest that the bidder has made a major mistake in calculations or bid			consultation with a Solicitor on a case-by-case basis and referenced within the staff report if applicable

NOTE: The above list of irregularities should not be considered all-inclusive. The Department Head and the Clerk will review minor irregularities not listed. Council may then accept the bid, or request that the bidder rectify the deviation.