

THE CORPORATION OF THE TOWNSHIP OF BURPEE AND MILLS

By-law No 01 - 08

Being a By-law to amend the Purchasing Policy No 04 - 18

WHEREAS council has reviewed the Municipal Purchasing Policy as set out in Schedule A of By-law No. 04 -18.

NOW THEREFORE council replaces Schedule A of By-law No 04 - 18 with Schedule A as attached to this By-Law.

Read a first, second and third time and finally passed

This _____ Day of _____ 2008.

Reeve, Ken Noland

Clerk, Bonnie Bailey

Purchasing Policy
Schedule “A”

Policy

It is the policy of the Township of Burpee and Mills to obtain maximum value on the purchase of all goods and services; maintain a fair atmosphere; seek environmentally appropriate Canadian products and enter in cooperative tendering where feasible.

1. Implementation Procedure

1.1. Definitions - For the purpose of this Policy

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

Bid shall mean a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the municipality. Bids are bids submitted in a sealed envelope to a specified location, by a specified date

Bid Deposit shall mean a financial guarantee to ensure the successful bidder will enter into an agreement

Committee shall mean a committee as designated by the council of the Corporation of the Township of Burpee and Mills

Council shall mean the Municipal council of the Corporation of the Township of Burpee and Mills.

Emergency Purchase shall mean a purchase made in a crisis situation where immediate action is required to prevent the possible danger to or loss of life or property.

General Manager shall mean the clerk/treasurer or road superintendent, fire chief or cemetery board chair operating within the Township of Burpee and Mills

Generic shall mean that no specific brand or name shall be included as part of the specifications unless such a brand or name is required to identify the intent of a purchase, order or proposal.

Purchasing Designate shall mean a person designated by a General Manager or Manager to exercise any or all responsibilities of the General Manager or Manager with respect to this policy.

Services shall mean items such as telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical and related services, insurance, leases for grounds, building, office or other space required by the Corporation and the rental, repair or maintenance of equipment, machinery, or other personal and real property.

Supplies shall mean goods, wares, merchandise, material and equipment.

Tender means a document which sets out particular specifications for the commodity or service required. This can also refer to an offer in writing to execute some specified work or to provide some specified articles at a specified rate.

Tender Committee shall include persons appointed by council to open and review tenders.

The Corporation of the Township of Burpee and Mills herein is also referred to as the *Municipality* or the *Corporation*.

Vendor shall mean any person or enterprise supplying goods or services to the Corporation of the Township of Burpee and Mills.

Verbal Quotation shall mean a verbal quotation, either in person or by phone that sets out particular requirements for goods and/or services.

Written Quotation shall mean a competitive bid process for goods or services that is conveyed and received from bidders in a written format by letter, e-mail or fax.

2.Purchasing Responsibilities

2.1.Expenditure Authorization

- 2.1.1. Burpee and Mills council is the ultimate authority for all expenditures. Council may delegate this authority by approval of budgets or by specific resolution.

2.2.General Manager Authorization and Responsibilities

- 2.2.1. The General Manager shall be responsible for approval of accounts within the approved budget for such division or any amendment to same as approved by council. Unspecified capital expenditures in the annual estimates require prior council approval by resolution.
- 2.2.2. Resolutions approving budget amendments, capital expenditures or special appropriations shall contain purpose of expenditures in which an appropriation has been provided. All staff reports recommending such resolutions shall contain the general manager endorsement.

3.Purchasing Mechanisms

3.1.Verbal Quotation Purchase

- 3.1.1. The general manager shall be authorized to make purchases of goods and services for estimated expenditures less than **\$500.00**.

3.2.Written Quotation Purchases

- 3.2.1. The general manager shall be authorized to purchase goods and services for estimated expenditures exceeding **\$500.00 and less than \$5,000.00** without requesting tenders/bids provided three written quotes are obtained unless specifically authorized to do so by a resolution of Council for a particular transaction.

3.3.Tender Purchases

- 3.3.1. The general manager shall not order goods or services exceeding **\$5,000.00** unless specifically authorized to do so by a resolution of Council for a particular transaction. At least three (3) bids must be obtained whenever possible.
- 3.3.2. Notwithstanding the above, adherence to this purchasing policy is not required with respect to those items listed below, or to a transaction specifically authorized by resolution of council to be exempt from this tendering policy.
- 3.3.3. Purchases for the supply and placement of road material throughout the Township of Burpee and Mills in excess of **\$5,000.00** but not to exceed **\$100,000.00** which are clearly identified in the budget.

3.3.4. Tendering - Unless otherwise authorized by Council:

- a. The municipality will supply the tender documents which outline the specifics of the tender as well as the guidelines for the completion of the tender documents;
- b. Whether the bid is received through the mail or by personal delivery, the date and time of the receipt will be stamped or written directly on the envelope containing the bid and an independent record will be kept as well by the clerk-treasurer.
- c. The clerk-treasurer will secure the sealed tenders in the office until such time as the tenders are open for inspection
- d. Tenders will be opened by the tender committee immediately following the tender submission deadline.
- e. The clerk-treasurer will secure in the office all opened tenders awaiting council decision.

3.3.5. Advertising for Tenders - Unless otherwise authorized by Council:

- a. Advertising for tenders will be placed at least twice in two local papers no later than ten (10) days, including holidays, before the dead-line for acceptance of bids;
- b. The following information will be included in each advertisement for tender,
 1. The name of the municipality calling the tender;
 2. A description of the work, equipment required or property to be sold;
 - i. Where plans, specifications and forms may be obtained.
 - ii. The person or place where tenders should be sent;
 - iii. The date and time of closing for the receiving of tenders;
 - iv. The bonding or deposit requirements;
 - v. The statement that *the lowest or any bid not necessarily accepted*;
 - vi. The name and position of the clerk-treasurer.

3.3.6. Opening Tenders - Unless otherwise authorized by Council:

- a. The tender committee will open tenders in the order in which they were received;
- b. After all tenders have been opened and noted, the actual tender price of each bid will be announced except where a request for withdrawal has been made;
- c. Subsequent to the announcing of the successful bidder each bid must be validated by ensuring that certain conditions, such as the following, have been met;
 - i. The tender is properly signed, sealed and complete;
 - ii. The calculations, if any, are correct;
 - iii. The bid is on the forms supplied by the municipality;

- iv. No conditions unacceptable to the Municipality are enclosed;
 - v. Proper security deposits and other bonds, if required, are adhered to.
 - vi. Following this review, the bid prices will be recorded and initialled by the tender committee.
- d. Late submission shall not be opened but shall be returned to the bidder in question.
 - e. That all submission, once opened by the clerk-treasurer and tender committee, shall be submitted to council for their decision along with a recommendation for acceptance of a successful bidder.

3.1.2. Acceptance of Bids

- a. Written notice will be sent to the successful bidder and to all unsuccessful bidders.
- b. If more than two bids are received, the municipality may retain at least one of the other bids in addition to the successful bidder until a formal agreement has been entered into with the successful bidder.
- c. The municipality reserves the option to re-advertise should they decide not to accept any of the bids.
- d. Where two or more bids are equal, the bid that was received earlier shall be given preference.

3.1.3. Forms and Documents

- a. The clerk-treasurer may prepare the forms of certification, approvals, and authorizations referred to herein and all members of Council, other officers and employees shall adhere to the same.

4. Requests for Proposals

- 4.4. The council may use a Request for Proposal in place of a tender or quotation when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.
- 4.5. For **expenditures exceeding \$5,000.00** the evaluation criteria and process shall be approved by Council resolution prior to the issuance of the Request for Proposal.

5. Bid Closing and Opening

- 5.1. Purchasing procedures will establish appropriate bid closing and opening procedures.
- 5.2. All bids will be opened by the tender committee immediately following the closing of the tender.

6.Conditions applicable to all Bid Submissions

6.1.2.The following conditions apply to all bid submissions whether they are formal or informal:

- a. Bid documents must be submitted and received in the manner as specified in the tender document. No exemptions will be permitted.
- b. Bids received later than the specified closing date and time will be returned to the bidder. In the case of sealed bids, the bid will be returned to the bidder unopened. No exemptions will be permitted.
- c. A bidder who has already submitted a bid may submit a further bid at any time up to the official closing time. The last bid received will supersede and invalidate all bids previously submitted by that bidder.
- d. A bidder may in person withdraw a submitted bid at any time up to the official closing time.
- e. The Clerk/Treasurer must document the receipt of all submissions including the bidders' name, date/time of receipt of bid and initials of the employee accepting the bid.

6.1.3.Bids may be rejected for any of the following reasons:

- a. Bid received after the specified closing date and time as specified in the bid document. No exceptions.
- b. Bid does not comply with the requirements at time of closing as specified in the tender document. No exceptions.
- c. Bids which are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations or irregularities of any kind.
- d. Does not meet specifications or requirements of the tender document.

7.Blanket Orders

7.1.The establishment of Blanket Orders is by resolution of council.

7.2.Blanket Orders shall be issued for a specific time period with all ordering departments responsible for maintaining purchases within budget allocations.

8.Emergency Purchases

8.1.A general manager/designate and the Reeve shall be authorized to make emergency purchases and shall report to council at the next council meeting.

9.Purchase by Negotiation

9.1.A general manager may purchase by negotiation with one or more vendors under which a formal bid process may be waived by resolution of council:

9.2.When there is only one source of supply.

9.3.When two or more identical bids have been received, the general manager/designate may negotiate with the two lowest bidders, keeping all negotiations fair and ethical.

10.Exceptions

10.1.A general manager may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to council. Such exemption may be granted by resolution.

11.Exclusions

11.1.A general manager shall not be required to tender for goods or services provided by any of the following when such goods or services are not available elsewhere, including, but not limited to:

11.2.Utilities, government agencies, Crown corporations, traveling expenses, meals, conferences, seminars, memberships, subscriptions, medical exams, licenses, in-house services and any other goods or services as approved by council.

11.3.As identified elsewhere in this policy.

12.Advertising

12.1.Where effective in the opinion of the council, information regarding the tender document shall be advertised in the local newspaper and/or applicable publications necessary to comply with all existing statutory regulations.

12.2.Purchasing Procedures outline additional advertising opportunities and methods. Other means of advertising may be selected by approval of council.

13.Bid Deposit

13.1.Bid deposits to accompany bid submissions shall be as required by council resolution;

13.2.A bid deposit shall be provided in one of the following formats:

- a. A bid bond or an agreement to bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming The Corporation of the Township of Burpee and Mills as the obligee.
- b. A certified cheque made payable to the Corporation of the Township of Burpee and Mills.
- c. An irrevocable letter of credit naming The Corporation of the Township of Burpee and Mills.
- d. Money orders made payable to The Corporation of the Township of Burpee and Mills
- e. Canadian Currency

13.3. The Township does not pay interest on any bid deposits.

13.4. All bid deposits must be original documentation, signed and sealed as appropriate. No faxed or photocopies will be accepted.

13.5. The municipality is authorized to cash and deposit any bid deposit in the Township's possession that is forfeited as a result of non-compliance with any of the terms, conditions and/or specifications of a sealed bid.

13.6. All bid deposits will be returned to unsuccessful bidders

14. Bonding Requirements

- 14.1. Performance, Labour and Material and/or Maintenance Bonds may be required for all projects for a minimum of 50% of the bid amount by council resolution.
- 14.2. All bonds shall be originals, signed and sealed. No faxed or photocopies will be accepted.

15. Insurance

- 15.1. The successful bidder must furnish the municipality at his/her cost a “certified copy” of a liability insurance policy covering public liability and property damage to the satisfaction of the municipality and in force for the entire contract period. The policy must contain:
 - a. A *Cross Liability* clause or endorsement.
 - b. An endorsement certifying that **The Corporation of the Township of Burpee and Mills** and the successful bidder are included as an additional named insured.
 - c. An endorsement to the effect that the policy or policies will not be altered cancelled or allowed to lapse without thirty days prior written notice to the municipality.
 - d. Contractor’s Liability Insurance Policy providing a minimum coverage for loss and damage of **5,000,000.00** and shall not contain any exclusions of liability for damage, etc. to property, building or land arising from:
 - ii. The removal or weakening of support of any property, building or land whether such support be natural or otherwise.
 - iii. The use of explosives for blasting.
 - iv. The vibration from pile driving or caisson work.

16. Administration

- 16.1. No contract or purchase shall be divided to avoid any requirements of this policy.
- 16.2. In all purchases, price, quality and reliability shall be the prime selection criteria prior to any special provisions or add/delete calculated into the bid price, providing that all specification requirements are met. Such specifications are to be generic or *as equivalent*. All factors influencing the purchasing decision are to be included in the specifications.
- 16.3. The municipality may participate with other units of government, their agencies or public authorities in co-operative purchase ventures when the best interest of the municipality will be served. Where such participation is at variance with the municipality’s purchasing policy, council shall first authorize any participation.
- 16.4. Performance evaluations may be undertaken on suppliers and providers of service.

16.5. All invoices and accounts from vendors shall be authorized prior to payment. Authorization in the form of signatures of the general manager and staff denoting clerical accuracy, budgetary or specific resolution approval and indication that goods and services were received in good order must be in place. These required signatures will be deemed to authorize payment.

16.6. Between the last regular meeting of council in any year and the adoption of estimates for the next year, the cheque signing authorities are authorized to pay the account for ordinary business transaction of the municipality. This shall include the payment of accounts or previously approved capital items and projects.

16.7. Notwithstanding the provisions of this procedure, the municipality shall have the right to reject the lowest or any bid at its absolute discretion. The municipality also reserves the right to reissue the tender document in its original format or modified as best suits the requirements of the municipality.

17. Retention of Documentation

17.1. All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for goods and services shall be retained in the department/division for the entire budget year and seven (7) years in records retention.

18. Purchasing Process Review

18.1. The council may randomly review departmental purchasing.

19. Purchase Policy Review

19.1. The purchasing policy may be reviewed regularly every four years and also on a needs be bases.