

**THE CORPORATION OF THE
TOWNSHIP OF EDWARDSBURGH/CARDINAL
BY-LAW NO. 2015-57
"TO ESTABLISH PROCUREMENT POLICIES"**

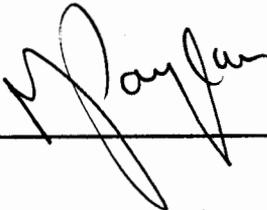
WHEREAS Section 270 of the *Municipal Act, 2001*, as amended provides that a municipality shall adopt and maintain policies with respect to its procurement of goods and services;

NOW THEREFORE the Council of the Corporation of the Township of Edwardsburgh/Cardinal enacts as follows:

1. That the Procurement Policy attached hereto as Schedule "A" shall form part of this by-law.
2. That by-laws 2011-43 and 2014-49 are hereby repealed.
3. That this by-law will come into effect on passing.

Read a first and second time in open Council this 29th day of September, 2015.

Read a third time and finally passed, signed and sealed in open Council this 29th day of September, 2015.



Mayor



Clerk

TOWNSHIP OF EDWARDSBURGH/CARDINAL



PROCUREMENT POLICY

Reviewed September, 2015
By-law 2015-57

PROCUREMENT POLICY

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PROCUREMENT PRINCIPLES AND GOALS

The purchasing principles of the Township of Edwardsburgh/Cardinal are as follows:

1. To procure by purchase, rental or lease the required quality and quantity of goods and/or services in an efficient, timely and cost effective manner;
2. To encourage open competitive bidding for the acquisition and disposal of goods and services where practicable;
3. 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;
4. To give consideration to the annual aggregate value or to consider the total project cost of specific goods and services that will be required by each department and by the Municipality as a whole prior to determining the appropriate acquisition method and to co-ordinate purchases on a municipal-wide basis when appropriate in order to obtain available volume discounts and best possible price
5. To monitor the economic climate and legislative changes which may have an impact on the Township of Edwardsburgh/Cardinal and to determine the appropriate actions to be taken through purchasing policies and procedures;
6. 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.
7. When procuring goods, services and facilities, the Township will incorporate accessibility criteria and features where applicable and practicable;
8. This policy will be reviewed every 5 years or earlier, to evaluate its effectiveness.

GENERAL PURCHASING PROCEDURES

1. The purchasing procedures laid out in this policy shall be adhered to by all municipal departments, the Boards, and Committees over which Council has direct control and by their staff.
2. Department Heads may delegate their purchasing authority as assigned to a subordinate, however all responsibility remains with the Department Head.
3. Joint departmental purchasing shall be done whenever possible. Bulk purchasing is encouraged when practical.
4. Department Heads shall provide proof of the receipt of all goods and services purchased to the Treasurer before payment is made to the vendor.
5. Department heads shall ensure that local suppliers are given the opportunity to provide quotes on goods and services. Should any quotations be equal in price and meet the desired specifications of Council, preference shall be given to the supplier within the Township's limits.
6. Where requests for quotations are being sought it shall be done in writing, specifying the deadline for quotation and including a specification sheet on documents provided by the Township. All quotes shall be in writing. Each supplier shall have one opportunity to provide their quotation.
7. In the absence of the Treasurer, the CAO shall assume the responsibilities of the Treasurer under this by-law.
8. Notwithstanding any other provisions of this Policy, the acquisition of the items listed in Schedule "A" do not fall under the guidelines of the Purchasing Policy and shall be subject to applicable Policies and Procedures established from time to time.

BUDGETARY CONTROL AND SPENDING LIMITS

1. All expenditures shall be within the current approved budget or within approved estimates; otherwise prior approval of Council shall be required. The department head or Treasurer shall not approve any expenditure that is not within the approved budget or estimates. In the event that the annual budget has not yet been approved, expenditures can be made provided that the expenditures are within the previous year's budget authority.
2. All expenditures shall be supported by original invoices, voucher, or requisition forms with satisfactory detail to support the purchase.
3. All invoices shall be initialled and assigned the proper account number/name by the respective department head and shall be submitted to the Treasurer for review and approval. Upon review, the Treasurer shall summarize the purchases on an accounts listing and forward it to Council. If a member of Council has a question or concern, he/she shall first contact the Treasurer directly to seek clarification. If there is still a concern, the member may raise the specific issue under Council inquiries at the following meeting.
4. Expenditures are to be paid in accordance with the Delegation of Authority Policy approved by Council.
5. All payments for goods and services shall be made by cheque issued by the Treasurer. Where efficiencies can be achieved for payment of recurring expenses such as utilities, electronic payments may be processed. An accounts listing of electronic payments shall be forwarded to Council as per item 3 above.
6. Expenditures required during a declared emergency may be approved by the CAO or the Treasurer and the Mayor or Deputy Mayor in accordance with the approved Delegation of Authority Policy.

With the exception of a declared emergency, any other emergency expenditures not in the approved budget shall be authorized by the following:

- i) the affected department head, and
- ii) the Treasurer, and
- iii) the CAO, and
- iv) the Mayor

Expenditures during an operational emergency at the Port of Prescott may be made by the Port General Manager in accordance with the approved Delegation of Authority Policy.

7. Department heads may approve budgeted expenditures with a value of \$20,000.00 or less.

8. All expenditures with a value over \$5,000.00 and below \$20,000.00 shall require a written quotation, whenever possible, which shall be recorded by the department head.
9. The CAO or Treasurer may approve expenditures with a value of \$50,000 or less.
10. All expenditures with a value over \$20,000.00 and below \$50,000.00 shall require three written quotations, whenever possible, which shall be recorded by the CAO or Treasurer.
11. All expenditures exceeding \$50,000 shall require the prior approval of Council.
12. All expenditures in excess of \$50,000 shall be contracted where appropriate.
13. Procurement methods are summarized in Schedule "B" to this policy.
14. Purchases may be made from a single source without quotations or tenders where,
 - i) the compatibility of a purchase with existing equipment and/or facilities is of paramount consideration and that purchase must be made from a single source.
 - ii) an item is purchased for testing or trial use.
 - iii) a product is leased or rented by the Township with a credit purchase option, and such purchase would be beneficial to the Township.
 - iv) the consideration for a purchase is to be paid by a third party and that third party agrees to or designates the contractor.
 - v) engagement of experts on an ad hoc basis sought to provide specific advice to Council
15. Procurement by means of a lease agreement is addressed separately in Schedule "D" of this policy.
16. Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
 - i) the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates, and
 - ii) the requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the Treasurer, the required funding can reasonably be expected to be made available.

QUOTATION PROCEDURES (Values of over \$50,000)

1. All quotations called and specifications pertaining thereto, shall be prepared under the supervision of the Treasurer.
2. Except in cases of emergency a minimum of ten days shall elapse from the date of the first insertion of an advertisement or other action initiated to the closing date of all quotations called.
3. All written quotations shall be received in sealed envelopes, clearly marked, and directed to the Clerk or designate for safekeeping until the opening of the quotations.
4. All quotations shall be opened publicly at a predetermined time in the presence of the Clerk or designate and the department head or designate.
5. All quotations shall include the qualification that the "lowest or any quotation may not necessarily be accepted".
6. Awards shall be made to the lowest responsible bidder. In determining the lowest responsible bidder consideration may be given, in addition to the price, the bidder's:
 - i) Ability and experience to perform in accordance with the terms of the request
 - ii) Record of past performance
 - iii) Financial and technical resources
 - iv) Quality of bid
7. Bid irregularities will be dealt with as outlined in Schedule "C".

DISPOSAL OF SURPLUS GOODS

1. Where any goods or equipment are considered to be surplus to the needs of the municipality, the Department Head shall issue a report to Council to recommend/advise the item(s) to be surplus, except where the replacement of goods has already been approved as a trade in as part of the procurement process;
2. Surplus items may be disposed of through public auction, sealed – side or trade in, whichever is in the best interest of the municipality at the discretion of the Department Head as approved by the CAO/Clerk and Council;
3. All identifying markings on Township assets must be removed prior to disposal;
4. All assets shall be sold on an as is, where is basis and without warranty or guarantee. The new owner shall assume all risk and expense associated with these assets. At least one year of CVOR records shall be included with the surplus vehicles.
5. The Department Head who has the responsibility of declaring goods surplus, or for sending items for a public action shall not bid on or personally obtain any goods that have been declared as surplus;
6. No Council member, employee or volunteer shall be permitted to receive surplus or obsolete goods except by purchase at public auction or sealed bid;
7. An information report shall be submitted to Council annually listing all surplus items disposed of, the method of which they were disposed of and the value obtained for each.

Schedule "A"

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

1. Petty Cash Items

2. Training and Education

- a) Conferences
- b) Courses
- c) Conventions
- d) Memberships
- e) Seminars
- f) Periodicals
- g) Magazines
- h) Staff training
- i) Staff development
- j) Staff workshops
- k) Subscriptions

3. Employee/Council Expenses

- a) Advances
- b) Meal allowances
- c) Travel & Hotel accommodation
- d) Miscellaneous – Non-Travel

4. Employer's General Expenses

- a) Payroll deduction remittances
- b) Licences (vehicles, elevators, radios, etc.)
- c) Debenture payments
- d) Tax remittances
- e) Charges to/from other Government or Crown Corporations
- f) Employee income

5. Professional and Special Services

- a) Committee fees
- b) Witness fees
- c) Court reporters' fees
- d) Honoraria
- e) Arbitrators
- f) Legal settlements

6. Utilities

- a) Postage
- b) Water and sewer charges
- c) Heat/Hydro
- d) Cable television charges
- e) Telephone
- f) Internet Services

SCHEDULE "B"

METHODS OF PROCUREMENT – SUMMARY TEMPLATE

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

	TYPE OF QUOTATION	SOURCE OF BIDS	TYPE OF CONTRACT	APPROVAL AUTHORITY
Under \$5,000				Department Head
\$5,000 to 20,000	Written quotation	Purchases made from the competitive marketplace where possible and practicable		Department Head
\$20,000 to 50,000	Written quotation including response sheet	Minimum of three solicited quotations where possible		CAO, Treasurer, Port General Manager
Over \$50,000	Tender or written quotation including response sheet	Advertise on website and local newspaper minimum	Executed contract where deemed necessary	Council

Quotations are to be requested where products and services are as standardized and as commoditised as possible. Quotations are solicited from potential suppliers and should contain in detail a list or description of all relevant parameters of the intended purchase.

A tender is an open invitation for suppliers to respond to a defined need.

SCHEDULE "C"

BID IRREGULARITIES

BID IRREGULARITY

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

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

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

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

MATHEMATICAL ERRORS – RECTIFIED BY STAFF

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

ACTION TAKEN:

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

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

In the event that the vendor withdraws his/her bid due to the identification of a major irregularity, the municipality may disqualify such vendor from participating in a municipal quotations/tender/request for proposal for a period of up to one year.

SCHEDULE "C", continued

BID IRREGULARITIES

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 bond: 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 bid 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 (i.e.: no deposit or bid bond or insufficient deposit)	X, or	X	Where security is required and 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 acceptable unless specified otherwise in the request
13.	Execution of Bid Documents - proof of authority to bind is missing	X		Automatic rejection

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
14.	Part bids (all items not bid)	X, or	X	Acceptable unless completed bid has been specified in the request
15.	Bids containing minor clerical errors		X	2 working days to correct initial errors. Municipality reserves the right to waive initialling and accept bid.
16.	Uninitialled changes to the request documents which are minor (i.e.; the bidder's address is amended by overwriting but not initialled)		X	2 working days to correct initial errors. Municipality reserves the right to waive initialling 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 the schedule of prices have been changed but not initialled		X	2 working days to correct initial errors. Municipality reserves the right to waive initialling and accept bid.
19.	Other mathematical errors which are not consistent with the unit prices		X	2 working days to correct 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	X, or	X	Consultation with a solicitor on a case-by-case basis.

SCHEDULE "D"

PROCUREMENT BY LEASE

Leases for goods or services are to be negotiated by the Treasurer or CAO and the Department Head. Leases extending beyond the current budget year shall require budget approval. As a general principle, lease shall be considered when the following conditions are applicable:

- When the expenditure of the goods or services is less than the purchase of the goods and services
- The residual payment on the lease is negligible or justification can be made to accept a residual payment that is higher.

Leases will be treated in the same manner as purchase, based upon the retail value of the lease payment (e.g. a \$25,000 vehicle will be purchased through the bid process, even though the annual payment is less than the amount required to go quotation.)

At the expiration of a lease, replacement goods or product must be re-quoted or re-bid. Automatic "roll-over" of a lease payment into a new product must be authorized in accordance with Schedule "B".

Subject to Schedule "B", where Council approval is required, the report to Council recommending the entering into a lease agreement will require the Department Head to include the following information:

- Value of product or service if being purchased
- Length of the lease
- Monthly and annual lease payments
- Residual amount
- Interest

Once a lease has been negotiated and approved, a copy of the lease and documents must be forwarded to the Treasurer.