

CORPORATION OF THE TOWN OF  
SMOOTH ROCK FALLS

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P0L 2B0

# **Procurement Policy**

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## **PART I – SHORT TITLE**

1. This Policy may be cited as the “Procurement Policy”.

## **PART II – PURPOSES, GOALS AND OBJECTIVES**

2. The purposes, goals and objectives of this Policy and of each of the methods of procurement authorized are:
  - (a) To encourage competition among suppliers;
  - (b) To maximize savings for taxpayers;
  - (c) To ensure service and product delivery, quality, efficiency and effectiveness;
  - (d) To ensure fairness among bidders;
  - (e) To ensure openness, accountability and transparency while protecting the financial best interests of the Town of Smooth Rock Falls;
  - (f) To have regard to the accessibility for persons with disabilities to the Goods, Services and Construction purchased by the Town of Smooth Rock Falls in compliance with the *Ontarians With Disabilities Act, 2001, S.O. 2001, c.32*; and the *Accessibility for Ontarians With Disabilities Act, 2005, S.O.*;
  - (g) To attempt to reduce the amount of solid waste requiring disposal through the purchase of environmentally responsible Goods and Services.

## **PART III – DEFINITIONS AND SCHEDULES**

3. (1) The words and phrases listed below when used in this Policy shall have the following meanings ascribed to them:

“**APPROVED INVOICE**” means an original supplier’s invoice issued at the time of purchase of low dollar Goods or Services not exceeding \$2,500 and which bears both the signature of an appropriately authorized employee and appropriate account number(s);

“**AWARD**”, “**AWARDED**” and “**AWARDING**” means authorization to proceed with the purchase of Goods, Services or Construction from a chosen supplier;

“**BEST VALUE FOR MONEY**” means that the selection of goods and services will be based upon the optimum combination of relevant factors beyond the purchase price. This includes such factors as: Total Acquisition Cost; quality and fit-for-purpose issues; product or service lead time and delivery schedule; supplier performance, including past performance, litigation, disputes, quality, sufficiency of supply, bond claims, liens, garnishees, arbitration, and administrative, consultant, legal and accounting costs resulting from a contract award and performance of the supplier, product or service support; environmental and sustainability issues; support and maintenance considerations; and end of life disposal. Such goods and services must be consistent with all specifications and scopes of work without major irregularities or qualifications.

“**BID**” means an offer or submission from a supplier in response to Bid Solicitation;

**“BID BOND”** means the form of security required by the terms and conditions of Bid Solicitation documentation to guarantee that the successful bidder enters into a Contract with the Corporation of the Town of Smooth Rock, as required by Section 24 of this Policy;

**“BID SOLICITATION”** means a formal request for Bids that may be in the form of Request for Tender or Request for Proposal;

**“BLANKET STANDING PURCHASE ORDER”** means a Contract between the Town of Smooth Rock Falls and a supplier for the supply of regularly ordered Goods or Services at specified unit prices with, where possible, maximum dollar limits, or discounts, but not specified quantities;

**“CAO”** means the Chief Administrative Officer of the Town of Smooth Rock Falls;

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

**“CONSULTANT”** means a person or entity under an agreement, other than an employment agreement, provides expert or strategic advice and related services.

**“CONTRACT”** means any agreement, regardless of form or title, for the lease purchase or disposal of Goods, Services or Construction authorized in accordance with this Policy;

**“COUNCIL”** means the Council of the Corporation of the Town of Smooth Rock Falls;

**“COUNCIL APPROVED BUDGETS”** means Council approved department budgets including authorized revisions, or where applicable, Council approved budgets of local boards or Committees to which this Policy applies;

**“DEPARTMENT”** means an organizational unit of the Town of Smooth Rock Falls;

**“ELECTRONIC ADVERTISING”** means the use of a computer based system directly accessible by suppliers irrespective of their location that provides suppliers with information related to Bid Solicitations;

**“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 Town of Smooth Rock Falls, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level;

**“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 compulsion to transact;

**“GOODS”** means moveable property including,

- (a) the cost of installing, operating, maintaining or manufacturing such moveable property;
- (b) raw materials, products, equipment and other physical objects of every kind and description;

**“MANAGEMENT TEAM”** means the Chief Administrative Officer, Economic Development Officer, Municipal Clerk, Municipal Treasurer, Public Works Superintendent and Protective Services Manager of the Town of Smooth Rock Falls; See Schedule “A” for the Town of Smooth Rock Falls Organizational Structure;

**“PROFESSIONAL SERVICES”** means persons having a specialized knowledge or skill for a defined Service requirement including,

- (a) architects, engineers, designers, management and financial consultants; and
- (b) firms or individuals having specialized competence in environmental, planning or other disciplines;

**“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 Contract between the Town of Smooth Rock Falls and a supplier to supply a specific quantity of Goods or specific set of Services or specific type of Construction defined by such things as time period, location(s) and price;

**“PURCHASING CARD”** means a card issued in accordance with the Purchasing Card Policy, to purchase Goods and Services;

**“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;

**“REQUEST FOR QUOTATION”** means a Bid Solicitation that is used to acquire Goods, Services or Construction where the Town of Smooth Rock Falls has pre-determined the required quantity and/or quality of goods or services and the evaluation criteria determining the best value is generally the lowest bid without any material contract negotiations;

**“ROUTINE PROFESSIONAL SERVICES”** means performance of multiple and similar tasks by licensed professionals which do not require specific skills or qualifications not otherwise held by staff of the Town of Smooth Rock Falls;

**“SERVICES”** includes all professional 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 Town of Smooth Rock Falls in accordance with terms of employment;

**“SINGLE SOURCE”** means selection of a specific Supplier even though there may be more than one supplier capable of delivery of Goods and Services;

**“SOLE SOURCE”** means there is only one Supplier capable of delivery of Goods or Services that meet the requirements of the Town of Smooth Rock Falls;

**“TENDER”** means publicly advertised Bid Solicitation or in the case of an Emergency or Urgency, a Bid Solicitation from an invited bidder or solicited bidder;

**“TOTAL ACQUISITION COST”** means the sum of all costs of a Bid including purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery; predicted possible costs to resolve quality, timeliness, and performance issues including litigation, disputes, quality, sufficiency of supply, bond claims, liens, garnishees, arbitration, and administrative, consultant, legal and accounting costs resulting from a contract award and performance of the supplier, inventory carrying costs, operating and disposal costs;

**“URGENCY”** means a situation which in the opinion of Council requires prompt action to alleviate a condition adversely affecting rate payers, and justifies Bids being solicited from qualified bidders as may be recommended by appropriate third-party professionals.

**“WRITTEN QUOTATION”** means a quotation in writing from an approved or qualified supplier that is used for purchases of goods and services. Service, delivery, quality and price are criteria included.

- (2) Schedules A, B, C D, and E attached hereto form part of this Policy.

#### **PART IV – GENERAL PROVISIONS**

4. (1) The procedures in this Policy shall be followed to Award a Contract or to recommend to Council that a Contract be Awarded.
- (2) Subject to Section 31 and Section 4(3), the CAO may purchase or contract for the Goods and Services listed in Schedule “B” to this Policy without following the procedures set out herein.
- (3) The purchase of Goods and Services listed in Schedule “B” to this Policy may be made provided that sufficient funds are available and identified in appropriate counts within Council Approved Budgets.
- (4) All municipally governed boards and corporations are bound by this Policy and this Policy shall apply with necessary modification to allow appropriate staff authority to execute the policies within the Policy.
- (5) The CAO may continue to use certain firms that are providing existing services to the Town of Smooth Rock Falls.
- (6) Where possible, we will encourage our local business through the purchasing of goods and services.

## RESTRICTIONS

5. (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 Policy.
- (2) No Contract for Services shall be Awarded where the services would result in the establishment of an employee-employer relationship.
- (3) No employee shall purchase, on behalf of the of the Town of Smooth Rock Falls, any Goods, Services or Construction, except in accordance with this Policy.
- (4) 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 the CAO involved in the Award of the Contract 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.
- (5) An employee has an indirect pecuniary interest in any Contract in which the Town of Smooth Rock Falls is concerned, if,
  - (a) the employee or his or her spouse or same-sex partner, parent or child
    - (i) 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,
    - (ii) 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
    - (iii) is a member of an incorporated association or partnership, that has a pecuniary interest in the matter; or
  - (b) the employee or his or her spouse or same-sex partner, parent or child is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the Contract.

An employee found to be in conflict as per this section may be subject to disciplinary action by the Corporation.

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

There will be no local preference for purchases in compliance with the Discriminatory Business Practices Act, Revised Statutes of Ontario, 1990 Chapter D.12 and the Ontario Free Trade Agreement that does not allow for geographical preference as well in accordance with the updated Municipal Act requiring that a competitive bid process be open, fair and transparent.

## **TOTAL ACQUISITION COST**

6. Where this Policy prescribes dollar limits, the Contract amount shall be the estimated Total Acquisition Cost less any rebates; not including sales taxes.

## **APPROVALS FOR FINANCIAL VALUES**

7. (1) Despite any other provisions of this Policy, the following approvals must be made based on the listed Financial Values. In addition to the below please refer to the Procurement Policy and Authorization Matrix set out in Schedule "C".
  - (a) any contract for a Good, Service or Construction for a Financial Value of \$2,499 or less may be approved by the Management Team; or their designate;
  - (b) any contract for a Good, Service or Construction for a Financial Value of \$9,999 or less may be approved by the Management Team; or their designate;
  - (c) any contract for a Good, Service or Construction for a Financial Value of \$49,999 or less may be approved by the CAO; or their designate;
  - (d) any contract for a Good, Service or Construction for a Financial Value of \$149,999 or less may be approved by the CAO; or their designate;
  - (e) any contract for a Good, Service or Construction for a Financial Value of \$150,000 or more requires Council approval, however, council may authorize purchases exceeding \$150,000 by means of request for quotation or proposal instead of by Tender;
- (2) In an Emergency Situation, the following approvals must be made based on the listed Financial Values. In addition to the below please refer to the Procurement Policy and Authorization Matrix set out in Schedule "C".
  - (a) any contract for a Good, Service or Construction for a Financial Value of \$49,999 or less requires the CAO's approval;

- (b) any contract for a Good, Service or Construction for a Financial Value of \$50,000 or more requires Council approval;
- (3) Despite any other provisions of this Policy, the following contracts are subject to Council approval:
  - (a) any Contract requiring approval from the Ontario Municipal Board;
  - (b) any Contract where the Total Acquisition Cost is greater than the Council Approved Budget;
  - (c) any Contract where an irregularity precludes the Award of a Contract to the supplier submitting the lowest bid;
  - (d) any Contract where a Good, Service or Construction is available from only one source of supply and the Total Acquisition Cost of such Good, Service or Construction exceeds \$2,500; or where a Bid Solicitation has been restricted to a single source of supply because of standardization or compatibility is the overriding consideration;
  - (e) any Contract where the Request for Proposal Method of purchase of Goods, Services or Construction is being used and the estimated value of the Goods, Services or Construction exceeds \$2,500.

#### **RESPONSIBILITIES AND AUTHORITIES**

- 8. The CAO shall be responsible for and shall have authority for all procurement activity and decisions and within the different departments and may delegate authority, where appropriate.

#### **NOTIFICATION OF PROCUREMENT OPPORTUNITIES**

- 9. (1) Notification of procurement opportunities for Goods, Services or Construction exceeding a Total Acquisition Cost of \$150,000 shall be made by Electronic Advertising and may be used for any other purchase.
- (2) Notification of procurement opportunities for Goods, Services or Construction may be supplemented by other means of notification where appropriate.

#### **ACCESSIBILITY**

- 10. All Bidders, Suppliers and Contractors who provide Goods, Services or Construction to the Town of Smooth Rock Falls shall comply with the *Accessibility for Ontarians Act, 2005*, and all Regulations emanating therefrom.

## **PART V – PROCUREMENT PROCEDURES**

### **PURCHASING PROCEDURES**

11. The CAO shall establish purchasing procedures consistent with the Purposes, Goals and Objectives set out in this Policy relating to:
  - (a) the form, content and use of forms, whether electronic or printed, including requisitions, purchase orders, bonds, letters of credit and other forms of guarantee or surety, tender, proposal and other contract documents;
  - (b) the identification of those Goods, Services or Construction which, are more effectively acquired through cooperative purchasing;
  - (c) the process to be followed in issuing, receipt and evaluation of Tenders and Requests for Proposals including the option of submitting documentation, payment or signature by electronic means pursuant to the *Electronic Commerce Act, S.O. 2000, c.17*, as amended;
  - (d) any other aspect of process or procedure not specifically provided for in this Policy.

### **PURCHASING CARDS**

12. The CAO is responsible for the Purchasing Card program outlined in the Town of Smooth Rock Falls Purchasing Card Policy. The Purchasing Card Policy shall adhere to this Purchasing Policy.

### **BLANKET STANDING PURCHASE ORDERS**

13. (1) A Blanket/Standing Purchase Order may be used where:
  - (a) one or more Departments repetitively order the same Goods, Services or Construction and the actual demand is not known in advance; or
  - (b) 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.
- (2) The CAO shall establish and maintain Blanket/Standing Purchase Orders.

- (3) To establish prices and selected sources, the CAO shall employ the provisions contained in this Policy for the acquisition of Goods, Services or Construction.
- (4) More than one supplier may be selected where it is in the best interests of the Town of Smooth Rock Falls and the Bid Solicitation allows for more than one.
- (5) The expected quantity of the specified Goods, Services or Construction to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the greatest extent possible, on previous usage adjusted for any known factors.
- (6) Where the CAO deems that a current service provider engaged with the Town of Smooth Rock Falls in providing specialized services demonstrates ongoing preferable economy of sale, then the CAO may exercise to continue hiring their services without going through the procurement process.

#### **REQUEST FOR EXPRESSIONS OF INTEREST**

14. The CAO may conduct a request for expression of interest for the purposes of determining the availability of suppliers of any Goods, Services or Construction and for the purposes of keeping a list of available suppliers.

#### **ENGAGEMENT OF CONSULTANTS**

15. Consultant procurement shall follow the regular procurement policies outlines within this Policy.

#### **ENGAGEMENT OF LICENSES PROFESSIONALS**

16. (1) The following process shall be employed for engagement of licensed professionals for the performance of Routine Professional Services:
  - (a) a request for Expressions of Interest shall be advertised annually in order to establish a Vendors of Record List;
  - (b) procurement for Routine Professional Services will be drawn from Suppliers on the Vendors of Record List;
  - (c) approvals are subject to the approval limits stated within the policy.
- (2) The regular procurement policies outlined within the Policy shall apply for engagement of Suppliers to perform Specialized Professional Services.

## **PURCHASING METHODS**

17. The purchasing methods for the purchase of Goods, Services or Construction are listed in Schedule "D".

## **PROCUREMENT METHODS**

18. The following procurement methods are to be used for the purchase of Goods, Services or Construction at the listed Financial Values:

### **LOW DOLLAR VALUE PURCHASES (Not exceeding \$2,499)**

19. Department requirements for Goods, Services or Construction having a low dollar value may be purchased with or without negotiation. This particular method of purchase will be used for low dollar value goods where administrative burden of other methods may be equal to or greater than the price or value of the goods purchased. The following procurement methods may be used:
  - (a) Purchase Order, subject to Section 32 of this Policy.

### **WRITTEN QUOTE (Acquisition costs between \$2,500 and \$9,999)**

20. A Written Quote shall be used for purchases more than \$2,500 and less than \$9,999.

### **REQUEST FOR QUOTATION/ PROPOSAL (Acquisition costs between \$10,000 and \$149,999)**

21. (1) Request for Quotation:

The competitive method of purchases used to purchase the Goods, Services or Construction in this Total Acquisition Cost range shall demonstrate that Fair Market Value was achieved. Specifications for the goods and services will be established with particularity to permit comparable quotations. A sufficient number of suppliers shall be requested to submit quotations on the specifications so that at least two responsive quotations are received.

The purchase of Goods or Services of an ongoing nature over a calendar year must be made using a Request for Quotation where the Management Team will provide approval. Such goods and services include equipment rental and certain materials.

Please refer to Schedule "C" for a list of goods or services included.

- (2) A Request for Proposal shall be used where:
  - (a) the requirement is best described in a general performance specification. In this competitive method of purchase, some or all of the specifications of the contract terms may not be finally determined with sufficient certainty to form the basis of a final contract before proposals are solicited and submitted;
  - (b) depending on the nature of the requirement, suppliers are incited to propose innovative solutions to a problem and the selection of the supplier is based on the effectiveness of the proposed solution rather than the price alone; and

It is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirements.

The CAO shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation grid, which criteria may include, but is not limited to, factors such as approach, equipment and facilities, experience and qualifications, methodology, past performance and scheduling, price and strategy.

### **REQUEST FOR TENDER (Acquisitions exceeding \$150,000)**

22. (1) A Request for Tender shall be used for purchases exceeding \$150,000 where all of the following criteria apply:
  - (a) two or more sources are considered capable of supplying the requirement;
  - (b) the requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria; and
  - (c) the successful tender will be that which is compliant with the Request for Tender and is evaluated as providing the Best Value for Money.
- (2) The CAO may Award Contracts emanating from a Request for Tender provided that:
  - (a) sufficient funds are available and identified in appropriate accounts within Council approved Budgets; and
  - (b) the provisions of this Policy are complied with.

- (3) The CAO shall follow the provisions of Section 32 regarding the form of contract required to complete the purchase.

**NON- COMPETITIVE METHOD**

- 23. (1) The Non-Competitive method refers to negotiation of an agreement of purchase of Goods, Services and Construction from a Supplier where there is no open competition. This may be defined as the use of a Sole Source or Single Source as appropriate.
- (2) Non-competitive purchasing must be authorized by:
  - (a) the CAO for Purchases between \$2,500 and \$150,000;
  - (b) Council for Purchases of more than \$150,000.
- (3) Authorization of the use of the Non-Competitive Method may be considered upon receipt of written details and reasons by the requesting party and where one or more of the following factors are present:
  - (a) the standardization or compatibility of a Purchase with existing equipment, product standards, facilities or service is a paramount consideration;
  - (b) a Good or Service is purchased for testing or trial use;
  - (c) there is an absence of competition for technical reasons and the Goods, Services and/or Construction can only be supplied by a particular supplier; or
  - (d) No bids were received in response to a Bid Solicitation or Quotation Procedure.

**GUARANTEE OF CONTRACT EXECUTION AND PERFORMANCE**

- 24. (1) The CAO may require that a Bid be accompanied by a Bid Bond or other similar security to guarantee entry into a Contract. Unless otherwise specified, in circumstances where a Bid Bond or other security is required, the refundable deposit requirements for Requests for Tenders and Requests for Proposals shall be as follows:

<b>ESTIMATED ACQUISITION COST</b>	<b>MINIMUM DEPOSIT REQUIRED</b>
Less than \$25,000	5%

Greater than \$25,000	10%
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- (2) Prior to commencement of the work, the successful bidder may be required to provide the following security in addition to the security preferred to in Subsection 24(1):
  - (a) a Performance Bond to guarantee the performance of a contract; and
  - (b) a payment bond to guarantee the payment for labour and materials to be supplied in connection with the Contract;
- (3) The CAO shall select the appropriate means to guarantee execution and performance of the Contract. Means may include one or more of, but are not limited to, certified cheque, bank draft, irrevocable letter of credit, money order and, where appropriate, a bid bond issued by an approved guarantee company Properly licensed in the province of Ontario, on bond forms acceptable to the Town of Smooth Rock Falls.
- (4) Prior to the commencement of work, evidence of insurance coverage satisfactory to the must be obtained, by the CAO ensuring indemnification of the Town of Smooth Rock Falls from any and all claims, demands, losses, costs or damages resulting from the performance of a Bidder's obligations under the Contract and from any other risk determined by the Risk Management/Insurance Officer as requiring coverage.
- (5) Prior to payment to a supplier, a Certificate of Clearance from the Workplace Safety and Insurance Board shall be obtained ensuring all premiums or levies have been paid to the Workplace Safety and Insurance Board to the date of payment.

**CONTRACT WITHOUT BUDGETARY APPROPRIATION**

- 25. Where a requirement exists to initiate a project for which Goods, Services or Construction are required and funds are not contained within the Council Approved Budget to meet the proposed expenditure, the CAO shall, prior to commencement of the purchasing process, submit a report to Council containing:
  - (a) information surrounding the requirement to contract;
  - (b) the terms of reference to be provided in the Contract;
  - (c) information on the availability of the funds with existing estimates, which were originally approved by Council for other purposes or on the requirement of additional funds.

**BID IN EXCESS OF PROJECT ESTIMATES**

26. (1) Where Bids are received in response to a Bid Solicitation exceed project estimates, the CAO may enter negotiations with the successful bidder to achieve an acceptable Bid within the project estimate.
- (2) Negotiations shall be conducted in accordance with the guidelines established by the Canadian Construction Documents Committee.

### **EMERGENCY PURCHASES**

27. (1) Where an emergency exists requiring the immediate procurement of Goods, Services or Construction, the CAO shall ask the Mayor to call a special meeting of Council for approval to purchase the required Goods, Services or Construction by the most expedient and economical means, notwithstanding any other provision of this Policy. As soon as practicable thereafter, the CAO shall comply with Section 31 of this Policy.
- (2) For any and all Emergency Purchases made, the CAO shall provide a written report to Council detailing the circumstances of the Emergency.

### **URGENT PURCHASES**

28. (1) An urgent purchase exists when, in the opinion of the Council, goods and/or services must be acquired promptly to alleviate a present or future condition which is or will adversely affect rate payers, including a loss of opportunity, and as a result justifies Bids being solicited from qualified bidders as may be recommended by appropriate third party professionals.
- (2) Where a Urgent Purchase exists, the Town of Smooth Rock Falls may invite a minimum of 2 Bids from qualified bidders recommended by professionals having knowledge and experience in the type and nature of goods and services required and award a contract for supply to the successful qualifying bidder.

### **COOPERATIVE PURCHASING**

29. (1) The Town of Smooth Rock Falls may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of the Town of Smooth Rock Falls to do so and where the purposes, goals and objectives of this Policy are complied with by such government agencies and public authorities.
- (2) The policies of the government agencies or public authorities calling the cooperative Bid Solicitation are to be the accepted policy for that particular purchase.

## **IDENTICAL TENDERS**

30. (1) If two or more Bids are evaluated to equally provide the Best Value for Money, , the CAO is authorized to enter into negotiations with those bidders rices in an attempt to obtain a lesser purchase price and shall maintain a record in respect of such negotiations.
- (2) The CAO shall not reveal information pertaining to such negotiations or the manner in which the final price was determined to any of the bidders concerned. The CAO shall include as part of the record, a report concerning the results of such negotiations.
- (3) When negotiations are not successful in breaking the identical tenders, then the successful bidder shall be determined by coin toss. The coin toss shall be performed in the presence of the CAO in charge or designate(s).

## **BID IRREGULARITIES**

31. The process for administering irregularities contained in Bids pertaining to all Contracts shall be as set out in Schedule "E". For an irregularity listed in the second column of Schedule "E", the applicable response is set out opposite to the irregularity in the third column of Schedule "E".

## **CONTRACTUAL AGREEMENT**

32. (1) The Award of Contract over \$2,500 shall be made by way of an agreement, or as a Purchase Order.
- (2) A Purchase Order is to be used when the resulting Contract requires only the Town of Smooth Rock Falls standard contractual terms and conditions.
- (3) A formal agreement is to be used when the resulting Contract is complex and will contain terms and conditions other than the Town of Smooth Rock Falls standard contractual terms and conditions.
- (4) It shall be the responsibility of the CAO, to determine if it is in the best interests of Town of Smooth Rock Falls to establish a formal agreement with the supplier.
- (5) Where a formal agreement is required, the CAO, shall execute the agreement in the name of Town of Smooth Rock Falls
- (6) Where a formal agreement is issued, the CAO may issue a Purchase Order incorporating the formal agreement.
- (7) Where a formal agreement is not required, the CAO shall issue and execute a Purchase Order incorporating the relevant terms and conditions.

## **SURPLUS AND OBSOLETE GOODS**

33. (1) The CAO must dispose of all Goods for which a Department no longer has use and may use any method for disposal in the Town of Smooth Rock Fall's best interests, including without limitation, public auction, public tender, trade, negotiated sale or transfer to another Department.
- (2) An employee who has the responsibility of declaring Goods surplus or obsolete, or for sending items to a public auction shall not bid on or personally obtain any Goods that the employee has declared as surplus.
- (3) No Council Member or employee shall be permitted to receive surplus or obsolete Goods except by purchase at public auction, public tender, trade or negotiated sale.

#### **LOCAL CONTENT**

34. All Tenders and Request for Proposals and Quotations will incorporate Local Content. Bids must outline the minimum local content requirements and all bidders are encouraged to use local labour, materials and equipment to the fullest extent.

### **PART VI – OTHER**

#### **ACCESS TO INFORMATION**

35. 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*, R.S.O. 1990, as amended.

#### **POLICY REVIEW**

36. (1) This Policy 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 Policy has been in achieving the objectives set out in Section 2 of the Policy 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 compromised of a report to Council, by the CAO.

#### **SCHEDULES “A”, “B”, “C”, “D” and “E”**

37. Schedules “A”, “B”, “C”, “D”, and “E” hereto form part of this Policy.

**SCHEDULE "A" TOWN OF SMOOTH ROCK FALLS**  
**ORGANIZATIONAL STRUCTURE**

**SCHEDULE “B” GOODS AND SERVICES WHERE PURCHASING  
METHODS REFERRED TO IN THIS POLICY DO NOT APPLY**

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The purchasing methods described in this Policy do not apply to the following Goods and Services:

1. Training and Education
  - (a) Registration and Tuition fees for conferences, conventions, courses and seminars.
  - (b) Magazines, books and periodicals unless the purchase of such magazines, books and periodicals are subject to value-added services.
  - (c) Memberships.
2. Refundable Employee/Councillor Expenses
  - (a) Advances
  - (b) Meal Allowances
  - (c) Travel and Entertainment
  - (d) Miscellaneous – Non – Travel
3. Employer’s General Expenses
  - (a) Payroll deduction remittances
  - (b) Medical
  - (c) Licenses (Vehicle, Firearms, etc)
  - (d) Debenture Payments
  - (e) Grants to Agencies
  - (f) Damage Claims
  - (g) Petty Cash Replenishment
  - (h) Tax Remittances

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4. Professional and Special Services
  - (a) Committee fees
  - (b) Legal fees and other Professional Services related to litigation or legal matters
  - (c) Witness fees
  - (d) Contracts related to the provisions of “controlled acts” by persons “governed by a health profession Act”, as those expressions are used in the *Regulation Health Professions Act*, S.O. 1991, c. 18, as amended
  - (e) Veterinary expenses
5. Utilities
6. Advertising services required by the Town of Smooth Rock Falls on or in but not limited to radio, television, newspaper and magazines
7. Bailiff or collection agencies
8. General Administration and office supplies under \$1,000

**SCHEDULE "C" TOWN OF SMOOTH ROCK FALLS**  
**PROCUREMENT & AUTHORIZATION MATRIX**

**SCHEDULE "D" PURCHASING METHODS**

**Page 1 of 1**

**Procedure Cost of Goods or Services**

Approved Invoice or Petty Cash or Purchase Order (including Blanket Standing Purchase Order)  
or Purchasing Card \$999 or less

**SCHEDULE “E” IRREGULARITY RESPONSE**

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	<b><u>IRREGULARITY</u></b>	<b><u>RESPONSE</u></b>
1	Late Bids	Automatic rejection and not opened or read publicly
2	Unsealed envelopes	Automatic rejection
3	Insufficient financial security	No Bid Security or agreement to bond or insufficient Bid Bond or agreement to bond is automatic rejection
4	Bids not completed in ink or type	Automatic rejection
5	Incomplete bids (part bids – all items not bid)	Automatic rejection unless in the consensual opinion of the CAO, the incomplete nature is trivial or insignificant
6	Qualified bids (bids qualified or restricted by an attached statement)	Automatic rejection unless in the consensual opinion of the CAO, the qualification or restriction is trivial or insignificant.
7	Bids received on documents other than those provided by the Town of Smooth Rock Falls	Automatic rejection
8	Bids containing minor obvious clerical errors	48 hours to correct and initial errors
9	Failure to execute Agreement to Bond or Bonding Company corporate seal or signature missing from Agreement to Bond	Automatic rejection
10	Failure to execute Bid Bond by Bidder and Bonding Company	Automatic rejection
11	Corporate Seal of Bidder and Bonding Company missing	48 hours to correct
12	Corporate seal or signature missing;	48 hours to correct

	signatory's authority to bind the corporation or signature missing	
13	Erasures, overwriting or strike-outs no initialed	Automatic rejection
14	Initialed changes to the Tender documents, other than unit prices, which are trivial or not significant	48 hours to correct and initial. What is considered trivial shall be made in the consensual opinion of the CAO
15	Unit prices in the Schedule of prices have been changed but not initialed and the contract totals are inconsistent with the price as changed	Automatic rejection
16	Mathematical errors which are not consistent with unit prices	48 hours to correct and initial corrections
17	Documents, in which all necessary Addenda, which have financial implication, have not been acknowledged	Automatic rejection
18	Any other irregularities	The CAO has authority to waive other irregularities or grant 48 hours to initial such other irregularities, which are considered to be minor in nature.

**TOWN OF SMOOTH ROCK FALLS  
PROCUREMENT POLICY & AUTHORIZATION MATRIX**

	Approval	Control Procedure	Budget	Comments
<b>EMERGENCY SITUATION</b>				
CAO will determine if situation constitutes an imminent danger to life or property	(>\$50,000)	Council	A report to council is to be submitted by the CAO at the next council meeting	<p>If an immediate procurement of goods is required, the CAO shall ask the Mayor to call a Special Council Meeting or an Emergency Council Meeting if necessary for approval.</p> <p>If a Special Council Meeting or an Emergency Council meeting is impossible, then the Mayor can contact each council member individually for approval.</p> <p>In the event that any of the above cannot be executed in a timely manner then only at such time can the CAO make a judgment call to resolved imminent danger.</p>
Purchase of services, work or goods.	(<\$49,999)	CAO	A report to council is to be submitted by the CAO at the next council meeting	
<b>PURCHASE OF GOODS OR SERVICES</b>				
	(>\$150,000)	Council	Request for Tender	Council may authorize purchases exceeding \$150,000 by means of request for quotation or request for proposal instead of by tender.
<b>PURCHASE OF GOODS OR SERVICES</b>				
	(<\$149,999 and >\$10,000)	CAO	Request for Quotation or Request for Proposal	Budgeted* Must have at least two responses (bids, quotes). Unless it is a specialized service or product that can only be provided by one supplier. To be opened at appointed time in the presence of the CAO and opened to the public.
<b>PURCHASE OF GOODS OR SERVICES</b>				
	(<\$9,999 and >\$2,500)	Management Team**	Written Quote	Budgeted* Must have at least two responses (bid, quotes). Unless it is a specialized service or product that can only be provided by one supplier.

**PURCHASE OF GOODS OR SERVICES**

(<\$2,499 and >\$1) Management Team\*\* Purchase Order Budgeted\* Purchase of goods or services of ongoing nature over a calendar year applies

**PURCHASE OF GOODS OR SERVICES OF ONGOING NATURE OVER A CALENDAR YEAR**

Management Team\*\* Request for Quotation Budgeted\* Equipment rental or equipment hire and materials such as gravel, winter sand, cold mix, topsoil, etc. Must have at least two responses (bid, quotes). Unless it is a specialized service or product that can only be provided by one supplier. The list of selected providers to be provided to CAO and Treasurer for approval

**Notes**

\*Budgeted items must be verified by Treasurer in most cases

\*\*Management team as defined in the organizational chart attached as Schedule "A" to this By-Law.