

**THE CORPORATION OF THE TOWN OF GRIMSBY
BY-LAW NO. 04-119**

A BY-LAW RESPECTING PURCHASING

WHEREAS, section 271 of the Municipal Act, 2001 prescribes that before January 1, 2005, a municipality shall adopt policies with respect to its procurement of goods and services, including policies with respect to,

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

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF GRIMSBY ENACTS AS FOLLOWS:

1. Definitions

In this by-law,

- (a) "Contract" includes the purchase of supplies and services by or on behalf of the Town and the sale or disposal of unusable, obsolete, disused, worn-out or scrapped supplies by or on behalf of the Town.
- (b) "Town" means The Town of Grimsby or Corporation.
- (c) "Council" means the Municipal Council of the Town.
- (d) "Department Head" means the Head of a specific Department of the Town or Designate.
- (e) "Designate" means the person or persons assigned the duties and responsibilities on behalf and in the absence or in the capacity of the person charged with the principal authority to take the relevant action or decision.
- (f) "Mayor" means the Mayor of the Town or designate.
- (g) "Town Manager" means the Manager of the Town or designate.
- (h) "Treasurer" means the Treasurer of the Town or designate.
- (i) "Clerk" means the Clerk of the Town or designate.
- (j) "Respondent" means a person who submits a response to the Town's solicitation for goods or services, and "bidder" or "offerer" or "tenderer" shall have the same meaning.

- (k) “Responsible” means a bidder or offerer who is deemed to be fully technically and financially capable of supplying the goods or services requested in the solicitation.
- (l) “Responsive” means a bidder or offerer who correctly and completely responds to all of the significant requirements outlined in the solicitation.
- (m) “Services” may include, but are not limited to, telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical services, insurance, and the rental, repair or maintenance of equipment, machinery or other corporate property.
- (n) “Supplies” include goods, wares, merchandise, materials, and equipment used or required by the Town.

2. Provisions for Purchasing

The following provisions shall apply to the purchase of supplies and/or services by Department Heads, except those provided in Schedule “A” to this by-law:

- (a) Every purchase shall require the transaction of an approved and authorized electronic Payment Card and/or purchase agreement/contract (ie. Purchase Order) by the Department Head.
- (b) A user Department Head must submit at minimum **monthly** the Payment Card Statement complete with each signed transaction slip, packing slip and/or vendor invoices as provided with the purchase for tender/proposal awards, informal bids and open market purchases.
- (c) Every purchase shall be authorized by Council annually through approved budgets, with the exception of purchases required for emergency situations.
- (d) Where, in the opinion of the Town Solicitor, the vendor requires a different form of commitment from the above, a contract in a form satisfactory to the Town’s Solicitor shall be the form of commitment.

3. Powers of Department Heads

Department Heads are hereby authorized to make any purchases required by the Town and to sell or dispose of any unusable, obsolete, worn-out, disused or scrapped supplies in accordance with this by-law.

4. Powers of the Treasurer

- (1) The Treasurer is hereby authorized to pay for any supplies and/or services purchased by the Department Heads in accordance with this by-law, upon receipt of:
 - (a) A request for payment endorsed by the Department Head or Designate acknowledging receipt of the supplies and/or services on behalf of the Town, together with an electronic Payment Card slip or purchasing agreement/contract (i.e. Purchase Order) as approved by the Department Head or Designate or contract documents as approved by the Town’s Solicitor.
- (2) The Treasurer is hereby authorized to pay for any supplies and/or services purchased in accordance with Schedules to this by-law upon receipt of an

invoice endorsed by the Department Head or Designate as set out in the Corporate Policies indicating the receipt of such, the price thereof and the appropriate account to be charged.

5. Inspection of Supplies and Services

- (1) Every Department shall inspect all deliveries of supplies and services to determine whether they meet the specifications set out in the purchasing agreement with the vendor or formal contract.
- (2) The Department Head or Departmental Designate shall be responsible for the return of all supplies and termination of all formal contracts in writing which do not meet specifications set out in the purchase agreement or formal contract documents.

6. Co-operative Purchasing

Department Heads are hereby authorized to participate in co-operative purchasing arrangements with other municipalities, regions, local boards and public agencies within the Province, where such participation has been approved by Council.

7. Council Authorization Required

- (1) Except as herein provided, no Committee established by Council, no Member of Council and no employee of the Corporation shall enter into any contract on behalf of the Town without express authority from Council.
- (2) No employee or Member of Council of the Town shall support, approve, condone or pay for any contract entered into contrary to subsection (1).

8. No Direct Purchasing of Services or Supplies

- (1) No service or supply shall be purchased by the Corporation from any employee of the Corporation or Member of Council without the express authority from Council.
- (2) Department Heads shall not make or authorize personal purchases for any Member of Council or for any employee of the Corporation.

9. Purchasing Procedures

Subject to the provisions of this by-law, the following procedures may be used in purchasing services and/or supplies for the Town:

- (a) Tendering
- (b) Formal Quotation
- (c) Informal Quotations
- (d) Request for Proposals
- (e) Negotiation and single source
- (f) Emergency procurement
- (g) Standardization procurement
- (h) Open Market

Process and Limits

Informal/Formal Quotations

”Open Market procedures” are required for purchases of \$0 to \$2,500,

”Informal Quotations” are required for purchases of \$2,501 to a total amount of \$20,000,

”Formal Quotations” are required for purchases of \$20,001 to a total of \$50,000 exclusive of taxes.

A Corporate Payment Card may be used in strict accordance with the Corporate Credit Card procedure, as determined by the Treasurer. Department Heads must solicit quotations as required. Copies of all quotations will be submitted with the Payment Card slips complete with any vendor invoices and packing slips duly authorized by the Department Head. Details outlining the above procedures are outlined in schedules ”C” and ”H” of this by-law which Schedules are made part hereof.

”The Formal ”Tendering” procedures outlined in Schedule ”B” of this by-law which Schedule is made part hereof, shall apply where the total estimated contract price per project or annually is expected to be fifty thousand and one dollars (\$50,001) or more.

”Requests For Proposals” for supplies and/or services may be called when the requirements of supplies or services cannot be definitely specified, or the requirements or services are non-standard in nature, and where such proposals would result in specific offers by the bidders to fulfil the requirements at a particular price. Requests for proposals of \$2,501 or more would follow a structured format. Requests for Proposals procedures, as outlined in Schedule ”D” to this by-law which Schedule is made part hereof, shall apply where the total estimated contract price is expected to be more than two thousand five hundred dollars (\$2,500).

”Negotiations” may be applied by Department Heads as detailed in Schedule ”F” to this by-law, which Schedule is made part hereof, when any of the conditions as described in Schedule ”F” apply, and where the total estimated contract price is expected to be more than two thousand five hundred dollars (\$2,500).

”Standardization” procurement procedures as outlined in Schedule ”E” to this by-law, which Schedule is made part hereof, shall apply where the total estimated contract price is expected to be more than two thousand five hundred dollars (\$2,500).

”Emergency” procurement procedure as outlined in Schedule ”G” to this by-law, which Schedule is made part hereof, shall apply where the total estimated contract price is expected to be more than five thousand dollars (\$5,000).

10. Specification Development

Vendors or potential vendors shall not be requested to expend time, money or effort on design or in developing specifications or otherwise to help define a requirement beyond the normal level of service expected from vendors. Where such services are required,

- (a) The Treasurer must be advised;

- (b) The contracted vendor will be considered a consultant and will not be allowed to make an offer for the supply of the goods and services.
- (c) A fee shall be paid, the amount of which shall be determined and agreed upon by the vendor before the service commences; and
- (d) The detailed specifications shall become the property of the Town and can be used in obtaining competitive bids.

Refusal of Responses

The Town of Grimsby reserves the right not to accept a response from any person or corporation which includes any non-arms length corporation who, or which, has a claim or has instituted a legal proceeding against the Town of Grimsby or the Region of Niagara, or against whom the Town or the Region of Niagara has a claim or instituted a legal proceeding with respect to any previous contracts, bid submissions or business transactions who is listed as either the proposed general contractor or sub-contractor or vendor within the submitted responses.

11. Division of Contracts Prohibited

No employees of the Corporation shall divide a contract in order to avoid the requirements of the Formal Quotation, Tender or Proposal procedures.

12. Authority to Execute Contracts

Subject to statutory requirements and where all the requirements of this by-law have been met, the Mayor and Town Clerk are authorized to execute contracts and any ancillary documents that have been prepared in a form satisfactory to the Town Solicitor, except where otherwise excepted in the by-law and the schedules thereto.

READ A FIRST TIME this 20th day of December 2004

READ A SECOND AND THIRD TIME AND FINALLY PASSED this 20th day of December 2004

MAYOR

TOWN CLERK

SCHEDULE "A" to By-Law No.

EXCEPTIONS FROM REQUIREMENT OF PURCHASING PROCESS

Purchasing processes are not required for the following items unless specifically requested by the Treasurer:

- 1) Petty Cash Items**
- 2) Training and Education**
 - a) Conferences
 - b) Courses
 - c) Conventions
 - d) Magazines
 - e) Memberships
 - f) Periodicals
 - g) Seminars
 - h) Staff development
 - i) Staff workshops
 - j) Subscriptions
- 3) Refundable Employee Expenses**
 - a) Advances
 - b) Meal allowances
 - c) Miscellaneous – non-travel
 - d) Travel expenses
 - e) Entertainment expenses
- 4) Employer's General Expenses**
 - a) Payroll deductions
 - b) Medicals
 - c) Licenses
 - d) Debenture payments
 - e) Insurance premium payments
 - f) Grants to agencies (council approval)
 - g) Damage claims (livestock etc.)
 - h) Petty cash replenishment
 - i) Tax remittances
 - j) Property tax refunds

- k) Workplace Safety and Insurance Board (WSIB) remittance
- l) Building permit refunds
- m) Employer compensation
- n) Charges to or from other government agencies
- o) Lease payments
- p) Annual Equipment Maintenance and janitorial Contracts
- q) Sinking fund payments

5) Professional and Special Services

- a) Committee fees
- b) Counselling & legal services
- c) Banking services
- d) Appraisal charges
- e) Physician fees
- f) Honorarium
- g) Arbitrators
- h) Temporary help.

6) Utilities

- a) Postage
- b) Water and Sewage
- c) Hydro
- d) Heating fuels
- e) Telephone (basic services)
- f) Cable Television Charges

SCHEDULE "B" to By-Law No.

FORMAL TENDERING PROCEDURES

1. The call for tenders shall be advertised at least once in an electronic tendering advertising system as available at least ten (10) calendar days preceding the closing date for tenders, unless otherwise directed by Council. The advertisement may, in addition, be placed in a local newspaper or a major construction trade publication. Note tenders exceeding one hundred thousand dollars (\$100,000.) must be advertised in an electronic tendering advertising system at least (15) calendar days preceding the closing date of tenders.

2. The advertisement shall contain the following:
 - a) The name of the Corporation,
 - b) The tender number,
 - c) A general description of the tender complete with securities required,
 - d) The official designated to receive responses,
 - e) The time and date of closing, and any mandatory bidder's meetings or site visits,
 - f) The location of the performance of the contract,
 - g) The location where plans and specifications may be obtained,
 - h) The administrative fee, if any, for tender documents,
 - i) A statement that the lowest or any tender will not necessarily be accepted,
 - j) Fax number for vendor inquiries,
 - k) Ontario Public Buyers Association (O.P.B.A.) website address.

3.
 - (a) The Department head shall prepare the tender documents. These documents shall provide clear instructions, specifications, terms and conditions of the contract.
 - (b) Every Department shall provide technical assistance in the preparation of the tender documents.
 - (c) The Corporation may charge an administrative fee to bidders for issuance of tender documents.

4. The tender documents shall include the following:
 - (a) The tender envelope or technological equivalent,
 - (b) The tender form,
 - (c) Terms and conditions of the specific tender as well as the town standard terms and conditions document,
 - (d) Special provisions where applicable,

- (e) Specifications,
- (f) Evaluation criteria,

Tender documents for construction contracts may, in addition to the above also include:

- (a) drawings and plans,
 - (b) agreement documents,
 - (c) contract securities,
 - (d) evidence of good standing with the Workplace Safety and Insurance Board,
 - (e) liability insurance and certificates,
 - (f) Occupational Health and Safety Policies.
5. A standardized tender envelope or technological equivalent shall be provided to all bidders and shall provide the following:
- (a) name and address of the Town,
 - (b) the official designated to receive the tenders,
 - (c) the closing date and time,
 - (d) the tender number, and
 - (e) the name or general description of the tender.
6. (1) A standardized tender form shall be provided to all bidders and shall require the following:
- (a) a statement by the bidder that the bidder reviewed and understands the tender documents and that the Bidder is capable of and willing to perform the requirements of the contract and enter into a legal agreement with the Corporation in regard thereto, and
 - (b) an execution by the bidder – where the tender is submitted by a corporation, it shall be signed by the duly authorized officer or officers of the corporation, or in the case of partnership, by all signing partners.
 - (c) irrevocable period of the tender response.
- (2) The time limit for signing the contract shall be clearly stated.
7. The following term shall be included on every tender form:
- (1) “The Corporation reserves the right, in its sole discretion, to reject any or all bids, and the lowest or highest bid, as the case may be, will not necessarily be accepted.”
 - (2) Notwithstanding and without restricting the generality of the statement immediately above, the Town of Grimsby shall not be required to award or accept a tender, or recall the tenders at a later date:
 - (a) when only one bid has been received as the result of a tender call;
 - (b) where the lowest responsive and responsible bidder substantially exceeds the estimated cost of the goods or service;

- (c) when all bids received fail to comply with the specifications of tender terms and conditions;
 - (d) where a change in the scope of work or specifications is required.
- 8.** Bidder inquiries should be faxed by the bidder to the user department head. These questions and their respective answers will be written and issued to all potential bidders prior to closing. Any questions and answers occurring during bidders' meetings, site visits or information sessions will be treated in the same fashion, where possible.
- 9.** The Department Head shall provide the tender documents or technological equivalent upon every bidders request accompanied by payment of any required fee thereto.
- 10.** Tenders shall comply with the following minimum conditions. A bidder's failure to comply with any of these conditions shall result in disqualification of the tender.
- a) The tender form or format supplied by the Corporation shall be used.
 - b) A tender must be received by the official designated to receive tenders at the appropriate location on or before the closing date and time.
 - c) All tenders must be legible and written in ink or typewritten.
 - d) Tenders and adjustments to tenders submitted by telephone, facsimile transmission or e-mail, shall not be considered. A bidder wishing to make adjustments to a submitted tender must supersede it with a subsequent tender or letter enclosed in a tender envelope or equivalent received on or before the closing date and time.
 - e) All tender forms must be duly executed as required.
 - f) All required documents, such as agreements to bond, bid bonds, security letters, or tender deposits, shall be enclosed in the same tender envelope or envelopes as the tender.
 - g) All tender envelopes or technological equivalent shall be sealed or secured.
 - h) The tender deposit shall be in the form specified in the tender documents. Where a deposit cheque is required, it must be a certified cheque, or a bank/trust company draft, or bid bond.
 - i) All mandatory requirements stipulated in the Town's Request for Tender document must be met.
- 11.** The Department Head may reject a tender if:
- (a) all items have not been bid, where stipulated, with the unit price for every item clearly shown;
 - (b) alternative tenders have been submitted where not requested in the tender documents;
 - (c) the tender has been qualified by additions or alterations to the tender form, where not requested in the tender documents;
 - (d) the tender envelope supplied by the Corporation has not been used;

- (e) erasures, strikeouts, or over-writing have not been initialled by the signing party;
- (f) insufficient bid/contract security has been submitted.

TENDER DEPOSITS

12. Where tender deposits are required, the Department Head shall determine the form of deposit.
- (a) Where a tender deposit is required in connection with a contract for road work or the construction of bridges, sidewalks or other pedestrian facilities, the amount of tender deposit shall be in accordance with Ministry of Transportation and Communications guidelines or past accepted practice.
 - (b) Where a tender deposit is required in connection with a contract for the construction or demolition of a building, the amount of the deposit shall be in accordance with past accepted practice.
 - (c) In cases where the amount of the contract is not likely to represent the importance or extent of the contract, the Department Head may increase or decrease the amount of tender deposit otherwise required or not request a deposit.
 - (d) The Treasurer shall retain, in safe-keeping, the deposits of the two lowest tenders until an award has been determined, accepted, and a contract executed. All other tender deposits will be returned forthwith.
 - (e) Should a tender not be awarded, the Treasurer shall forthwith arrange the return of tender deposits to the bidders.
 - (f) The tender deposit may be used to mitigate costs or damages to the Corporation where a successful bidder fails to execute the contract, or furnish any required documents within ten (10) calendar days or as specified within the tender documents after notice to them to do so, or where a bidder withdraws their tender after tenders have been opened.

ADDENDA, EXTENSION OF TIME AND CANCELLATION

13. Where it is deemed necessary by the Corporation to revise the tender documents an addendum shall be forwarded to every person who obtained tender documents for the contract. The addendum shall be attached to all tender forms not yet distributed. Where an addendum is prepared too late to allow notification by mail, every person who obtained tender documents for the contract shall be notified by telephone, facsimile, or technological equivalent.
14. Where it is deemed necessary by the Corporation to extend the closing date, an advertisement setting out the extension will be inserted in the electronic medium or publication in which the original advertisement appeared, and every person who obtained tender documents shall be notified of the extension by telephone, facsimile or technological equivalent. Where a closing date has been extended, all bidders shall be advised that any tenders submitted prior to the giving of the extension will be returned upon request.

15. Where it is deemed necessary by the Corporation to cancel a tender call, an advertisement will be placed in the electronic medium or publication in which the original advertisement appeared stating that the tender call has been cancelled and every person who obtained tender documents shall be notified by telephone, facsimile or technological equivalent of the cancellation.
- (a) Where a tender call is cancelled prior to closing, no tenders shall be accepted. All tenders received shall be returned unopened by registered mail with a covering letter.

RECEIVING TENDERS

16. The Town Clerk shall provide a locked secure container for the safekeeping of tenders.
- (a) Every tender envelope received shall be noted with the date and time received and initialled by the Clerk forthwith deposited unopened in the secured tender container by the Clerk.
- (b) Tenders received after the closing time shall be returned unopened to the bidder by the Clerk together with a covering letter. Where no return address is indicated on a late tender envelope, the envelope shall be opened by the Clerk only, the address obtained and the tender returned together with a covering letter setting out why the envelope was opened.
- (c) The Clerk shall maintain a list of all bidders. This list shall remain confidential until the time of tender opening. This list shall be used for recording the tender prices at the tender opening.
- (d) Should a technological process be available, which would satisfy procedures (a) through (c) above, it may be implemented.

WITHDRAWAL OF TENDERS

17. (a) A bidder may withdraw their tender prior to the closing time. Withdrawal requests shall be directed to the Clerk by letter, facsimile, or in person. A withdrawal request made by telephone or "E" mail shall not be considered. All withdrawal requests made in person shall require a written withdrawal request.
- (b) Tender withdrawal requests, on behalf of a vendor corporation, must be submitted by an officer of that corporation.
- (c) Tenders withdrawn prior to closing shall be returned unopened to the bidder.
- (d) The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same tender call prior to the closing time.
- (e) Withdrawal requests received after the closing time shall not be considered.

TENDER OPENING

18. (a) Tenders shall be opened at a public meeting at a time and location specified in the tender documents.
- (b) The following persons or representatives shall be present at every tender opening:
- (i) the Clerk or representative
 - (ii) the Department Head or a representative of the user department,

The above listed staff shall constitute the Tender Opening Committee.

- (c) The list of bidders prepared by the Clerk shall be available to the public on a request basis
- (d) The Clerk shall ensure that all tenders have been accounted for prior to reading out the tenders. Tender envelopes, which do not indicate the contract number or the tenderer's name, shall be opened and placed with other tenders for that contract.
- (e) The Department Head shall announce for each contract the contract number, the contract description, the name of the bidder, the total amount of the tender, and shall prepare a list thereof.

In the case of Requests for Proposals, these submissions will be opened and their receipt acknowledged. Prices for Proposals will not be disclosed. Any decision as to acceptance or rejection of proposals due to irregularities will not be made until a review has been conducted, and bidders will be instructed not to conclude any particular award results from the opening itself.

- (f) Where two or more tenders are submitted in the same tender envelope, the one bearing the lower price shall be considered as the tender.
- (g) Where two or more tenders are submitted by the same bidder, and no withdrawal request has been received, and where both tenders are identical, only the tender received at the latest time shall be considered.
- (h) Should a technological process be available which satisfies procedures (a) through (g) above, it may be implemented.
19. Immediately following the opening of tenders, every tender shall be checked to ensure compliance with the requirements of this schedule.

AWARD OF CONTRACT

20. A report for Council respecting the award of the contract will be required, the report shall remain confidential until it is distributed to Council.
21. In considering a contract award, the Department Head shall recommend that the award of the contract be made to the lowest responsive and responsible bidder. In determining "responsive and responsible bidder", the Department Head shall consider the following, assuming the bid contains no major irregularities:
- (a) The bidder's ability, capacity and skill to perform the contract.

- (b) Whether the bidder can perform the contract promptly or within the time specified without delay or interference;
 - (c) The quality of performance of previous contracts or services;
 - (d) The sufficiency of the financial resources and ability of the bidder to perform the contract;
 - (e) The quality, availability and adaptability of the supplies or services to the particular use required;
 - (f) The number and scope of conditions attached to the tender;
 - (g) Any other evaluation criteria as indicated in the Request for Tenders document.
- 22.** The Department Head shall note in the written analysis every not acceptable tender, and shall state the reason the tender is considered not acceptable
- 23.** If two or more low tenders are submitted in the same amount, the Department Head shall include in the written analysis the method by which the award of the contract is recommended.
- When evaluation criteria re proposals are being graded, a grid or spreadsheet complete with score values shall be prepared by the department head and signed by each member of the Evaluation Committee, summarizing the results. The Department Head will prepare the Award Report.
- 24.** The Department Head, following the approval of council as required of the award of the contract, shall notify the successful bidder.
- 25.** Where a formal contract is required, and approved by the Town Solicitor it shall be submitted to the successful bidder for execution.
- 26.** As soon as the executed contract, and any other required documents are returned to and found acceptable by the Department Head, the tender deposits of the successful bidder and the second low bidder shall be returned to them. Performance bonds from the successful bidder shall be retained.
- 27.** Where a contract has been awarded and the successful bidder fails to execute the contract or any other required documents within the specified time, the Department Head may:
- (a) grant the successful bidder additional time to fulfill the requirements; or,
 - (b) award the contract to the second lowest bidder.

SCHEDULE "C" to By-Law No.

FORMAL AND INFORMAL QUOTATION ACTIVITY

1. FORMAL QUOTATIONS:

Three (3) written quotations, using **structured formats** are to be obtained by the Department Head for goods and services between **\$20,001 and \$50,000 taxes excluded**. Pricing is to be recorded by the Department Head, and copies of all bids provided with the vendor invoice and payment card slip, purchase order, or other contract document used as approved prior to the expense.

2. INFORMAL QUOTATIONS:

Three (3) written quotations, using an informal fax or letter invitations are to be obtained by the Department Head for goods and services between **\$2,501. and \$20,000. taxes excluded**. Pricing is to be recorded by the department head, and copies of all bids provided with vendor invoice and payment card slip, purchase order, or other contract document used as approved prior to the expense.

3. GENERAL ACTIVITIES FOR ALL QUOTATIONS:

- (a) The Department Head is required to acquire bids using fair and ethical purchasing practices as established by the Town.
- (b) In soliciting prices, the Department Head shall indicate the specifications, terms and conditions **equally** to all bidders, all of which are to form the basis of the awarded contract.
- (c) Where a contract is awarded, it shall be to the lowest "responsive and responsible bidder".
- (d) In determining the "responsive and responsible bidder", the Department Head shall consider the factors set out in Section 21 of Schedule "B" of this by-law.
- (e) The Corporate Payment Card Program may be used by the Department Heads to acquire goods and services not exceeding **\$7,000** as set out in the Corporate card policy.
- (f) Should the Corporate Payment Card not be appropriate, the Department Head may use a purchase order to acquire goods and services.

4. APPROVALS:

- INFORMAL - \$2,501 - \$10,000** - Department Head
- \$10,001 - \$20,000** - Treasurer
- Town Manager or Treasurer

FORMAL	-\$20,001-\$50,000	- Department Head
		- Town Council

SCHEDULE "D" to By-Law No.

PROCEDURE FOR REQUEST FOR PROPOSALS

1. Request for Proposals documents would follow formal tender procedures and processes as found in Schedule "B" and will focus on the following unique components:
 - (a) Requests for Proposals having expected values of **\$2,500**.or more annually will follow the formal tender processes and procedures in schedule "B" as applicable.
 - (b) Requests for Proposals will clearly establish required project outcome or requirements and contain existing conditions if applicable.
 - (c) Requests for Proposals will specifically outline response requirements at time of proposal receipt.
 - (d) Requests for Proposals will clearly outline "the evaluation criteria" complete with score values for each criteria that will form the basis of contract award.
 - (e) A two-envelope system is to be used to isolate cost from material content. A selection committee is to be identified and will be responsible for weighing vendor responses using established scores identified in the proposal call.
 - (f) Proposal unit values or contents of vendor proposal responses will not be disclosed and will be held in confidence. Scoring activities of the selection committee will also be held in strict confidence until after the award. Only the final contract awarded price of the successful proponent will be available upon award.
 - (g) Specific contract documents may be required such as architectural, engineering or construction related standard documents.

2. **The following approval process will be required for general supplies and services. (NOTE: Professional services under \$10,000 would not require council approval.)**
 - (a) **Projects valued \$2,501 - \$10,000 per project or annually:**
-Department Head
 - (b) **Projects valued \$10,001 - \$20,000 per project or annually:**
-Department Head
-Town Manager or Treasurer
 - (c) **Projects valued \$20,001 - \$50,000 per project or annually:**
-Department Head
-Council
 - (d) **Projects valued \$50,000+ per project or annually:**
-Department Head
-Council

SCHEDULE "E" to By-Law No.

STANDARDIZATION PROCUREMENT PROCEDURES
OF A PARTICULAR PRODUCT, SERVICE OR SUPPORT ACTIVITY

1. A management report will be required to support the need to follow a "standardization" method of "single" sourcing a particular product, service or support activity, whereby a particular source of supply may be identified based on technical specifications. This process will allow for a reduction in the number of goods and services required, maximized volume buying opportunities via economies of scale, reduced handling, training and storage costs, and increased co-operative purchasing opportunities.
2. The following approval process will be required:

(a) Projects valued \$5,000 or more per project or annually:

Report Filed by: - Department Head

Approved by: - Treasurer
- Town Manager
- Council

SCHEDULE "F" to By-Law No.

NEGOTIATED PROCUREMENT PROCEDURES

1. The Department Head may in the case of values of **\$2,500** or **more** apply negotiation procedures as follows with prior written approval of the Treasurer, Town Manager and Council:
 - (a) When there is only one source of supply for the supplies or services; or when only one source of supply is uniquely qualified to perform the work;
 - (b) When due to market conditions, required goods or services are in short supply, or when urgent acquisition of required goods or services is necessary due to unexpected circumstances;
 - (c) When there is merit in purchasing at a public auction;
 - (d) When there is a strong business case to extend a contract beyond its initial term, such as when additional work is required that pertains to a current or recently completed project;
 - (e) When the project is a pilot with the understanding that, if successful, further work will be subject to a bid process;
 - (f) When required supplies **must** be compatible with equipment presently being used;
 - (g) During negotiation of annual renewals within a contract period;
 - (h) When the nature of the assignment is confidential and disclosure to several bidders is inappropriate;
 - (i) When all tenders or bids received fail to meet specifications or terms and conditions, and it is impractical to recall tenders or formal quotations.

2. **The Following approval process will be required:**
 - (a) **Projects valued \$2,500 or more per project or annually:**
 - Report filed by: -Department Head**
 - Approved By: -Treasurer**
 - Town Manager**
 - Council**

SCHEDULE "G" to By-Law No.**EMERGENCY PURCHASING PROCEDURES**

1. When an event occurs that is determined by the Department Head to be a threat to public health, the maintenance of essential Town services, the welfare of persons or of public property, the protection of the Town's physical assets, or the security of the Town's interests or financial liabilities arising from unexpected conditions, and the occurrence requires the immediate delivery of goods or services and time does not permit the Department Head to follow normal Purchasing activities to acquire such goods and services, the Department Head may make such purchases without the bidding or tendering process, and is authorized to do so in the most expedient and economical means possible.
2. Where a purchase has been made under Section (1) above, the Department Head shall notify the Treasurer and the Town Manager and Committee of Council in writing of the details thereof within ten working days of the event.
3. The Department Head shall provide a full written report of the particulars of the emergency situation in all cases, where the amount of the expenditure is as follows:

(a) **\$5,000 or more**

Subsequent Approvals:

- Department Head
- Treasurer
- Town Manager
- Council

SCHEDULE "H" to By-Law No.

OPEN MARKET PROCUREMENT

1.
 - (a) Goods and services may be obtained by the Department Head between **\$0** and **\$2,500** taxes excluded. Any correspondence or open market bidding is to be provided with the vendor invoice and payment card slip or other contract vehicle used as approved.
 - (b) The Department Head is required to acquire goods and services using fair and ethical purchasing practices as established by the Town.
 - (c) In soliciting prices, the Department Head shall indicate the terms **equally** to all suppliers contacted.
2.
 - (a) Purchases in the case of multiple sourcing will be awarded to the lowest responsive and responsible bidder.
 - (b) In determining the "responsive and responsible bidder", the Department Head shall consider the factors set out in Section 21 of Schedule "B" hereto.
3. The Corporate Payment Card Program may be used by the Department Heads to acquire goods and services as set out in the Corporate Payment Card Program Policy and meeting above requirements.
4. Should the Corporate Payment Card not be appropriate, the Department Heads may use a purchase order or acquire written approval of the Treasurer re an alternate activity.