

BY-LAW 2004-013

**THE CORPORATION OF THE TOWNSHIP OF OPASATIKA
PROCUREMENT POLICIES AND PROCEDURES**

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INTERPRETATION

In this Policy, the following definitions will prevail:

1. **Award** means authorization to proceed with the purchase of goods and/or services from a chosen vendor;
2. **Bid** means an offer or submission from a supplier in response to a bid solicitation;
3. **Contract** means a binding agreement by way of a Purchase Order or a formal agreement between two or more parties that creates an obligation;
4. **Council** means the Council of the Corporation of the Township of Opasatika;
5. **Department Head** means the person responsible for operational control of a Municipal Department, or authorized designate.
6. **Disposal** means the removal of materials owned by the Township by sale, trade-in, auction, gift, or destruction;
7. **Goods and/or Services** includes supplies, equipment, insurance, maintenance, professional and consulting services and service contracts not otherwise provided for;
8. **Lowest responsive bid** or lowest responsive tender means the bid or tender that would provide the Township with the desired goods and/or services at the lowest cost, meets all the specifications and contains no major irregularity;
9. **Procure/Procurement/Purchase** means the acquisition by purchase, rental or lease of goods and/services;
10. **Purchase Order** means a written offer to a vendor stating all terms and conditions for the purchase of good and services;
11. **Responsive and Responsible Vendor** means one who complies with the provisions of the bid solicitation, including specifications, contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed contract based on reputation or references or performance on previous contracts, and adequate financial and other resources;
12. **Surety** means a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit or any other form as deemed necessary and stated in any quotation, tender or proposal documents issued by the Township;
13. **Tender** means an offer received from a supplier of goods and/or services in response to a public advertisement requesting tenders.

14. **Township** means the Corporation of the Township of Opasatika
15. **Verbal Quotation** means the user Department will receive pricing via telephone or in person, and will document the information on the Purchase Order, Written quotation could also be requested by telephone.
16. **Local Paper** means paper distributed in the community

PROCUREMENT PRINCIPLES AND GOALS

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

1. To procure by purchase, rental or lease the required quality and quantity of goods and/or services, including professional and consulting services in an efficient, timely and cost effective manner;
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 evaluation bid submissions from qualified, responsive and responsible vendors;
4. To give full 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 the Township as a whole prior to determining the appropriate acquisition method;
5. To control all purchasing, rental or lease through the Municipal Administration;
6. To monitor and report on the economic climate and legislative changes which may have an impact on the Township and to determine the appropriate actions to be taken through purchasing policies and procedures;

This Policy will be reviewed every 5 years or earlier, to evaluate its effectiveness.

GENERAL CONDITIONS

1. The Council has ultimate authority for all expenditures and procurement commitments. Council delegates this authority by the adoption of budgets or by specific resolutions.
2. Further to the adoption of the budget or specific resolutions, the Treasurer shall be responsible for the Township's purchasing function. In his absence, the designated person shall act in his stead.
3. Where a Department Head is authorized to undertake any action pursuant to this Policy, such action may be undertaken by the Department Head's authorized designate.
4. Where it is recommended that a contract or an agreement for the provision of goods and/or services be executed by the Mayor and the Clerk, approval must first be obtained from Council and the appropriate by-law should be pass.
5. No expenditure or commitment shall be incurred or made, and no account shall be paid by the Township for goods and services, except as approved by Council or as otherwise authorized in accordance with this policy.
6. When needed, the Treasurer will assist in developing evaluation criteria and submission analysis.
7. Prior to awarding any procurement of goods and/or services, the user department will forward recommendations to the Treasurer for final review and comments.
8. No employee or elected official shall purchase or offer to purchase, on behalf of the Township, any goods and services, except in accordance with this Policy.
9. Elected Officials shall not approve nor acquire any goods and services.
10. Any employees who intentionally and knowingly acquires or disposes of any goods and services for the Township in contravention of any section of this Policy, as amended from time to time, shall be subject to disciplinary actions.
11. All petty cash purchase may not exceed two-hundred dollars (\$200.00) unless approved by the Treasurer.
12. Petty cash purchase should only be used when it is not feasible to use the procurement process.
13. No requirement for goods and services may be divided into two or more parts to avoid the provisions of this Policy.

14. A Department Head shall not award a purchasing commitment where the Treasurer has determined that the provisions of this Policy have not been adhered to.
15. The Treasurer shall, in conjunction with the Department Head, reject all purchase requisitions for services where the services could result in the establishment of an employee-employer relationship.
16. Schedules A to D (attached hereto) may be amended by the Treasurer, provided such amendments have been approved by Council.

REQUIREMENTS FOR APPROVED FUNDS

1. Departmental expenditures are authorized by Council each year as part of either Operating or Capital Budget process. Pending Council's approval of proposed budgetary estimates, Department Heads are authorized to spend up to 50% of the previous year's approved Operating Budget.
2. Department Heads are not authorized to overrun departmental operating budgets, except in accordance with this Policy.
3. The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Council approved Operating Budget and Capital Budget.
4. Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a purchasing commitment is subject to:
 - a) the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved Operating and Capital Budget, and
 - b) 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.
5. The Treasurer may reject all purchase requests for which sufficient funds are not available and identified. If the Department Head advises the Treasurer that the deficiency is minimal and alternative funding has been identified, the purchase request may proceed provided appropriate authorizations are met in accordance with this Policy.
6. The Treasurer will co-ordinate, with the Department Head, all leasing requirements including term capitalization rate, lease vs. buy, or other analysis. The Treasurer will ensure that all lease commitments comply with Municipal Act, 2001, as amended and regulations made thereunder.

7. Where this Policy prescribes financial limits on procurement commitments that may be awarded under the authority of the Treasurer, or provide for financial limits on procurement commitments required to be reported to Council, for the purpose of determining whether the procurement commitment falls within these prescribed limits, the procurement commitment amount shall be the sum of:
 - a) all costs to be paid to the supplier under the purchase order, contract or agreement, including all taxes.

SPECIFICATIONS

1. The Department whose budget provides for the procurement of goods and services shall be responsible, in consultation with the Treasurer for the preparation and approval of all specifications and/or Terms of Reference to be used for the procurement of such goods and services which shall be presented to the Council.
2. Where practical, specifications or Terms of Reference should be considered that are detailed but not brand specific to leave room for potential vendors to provide alternatives in the event an equal or better-proven product or method is available.
3. Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.

When such services are required:

- a. the Treasurer shall be advised;
- b. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of the goods and services;
- c. a fee shall be paid;
- d. the detailed specification shall become the property of the Township for use in obtaining competitive bids

PROCUREMENT DOCUMENTATION

1. In order to maintain consistency, the Treasurer shall provide instructions to Department Heads on procurement policies and procedures and on the structure, format and general content of procurement documentation.
2. The Treasurer shall review procurement documents to ensure clarity, reasonableness, and quality, and shall advise the Department Head of suggested improvements.

3. Procurement documents shall avoid the use of specific products or brand names. However, a Department Head may specify a specific product or brand name for essential functionality purposes. In such instances, the Department Head shall manage the procurement to achieve a competitive situation if possible.
4. Department Heads shall:
 - a) give consideration to the need for value analysis comparisons of options or choices,
 - b) ensure that adequate value analyses comparisons are conducted to provide assurance that the specification will provide best value, and
 - c) attach the value analysis to the procurement documentation.

RESPONSIBILITIES AND AUTHORITIES

1. The Department Heads have responsibility for procurement activities within their departments and are accountable for determining and achieving specific objectives as outlined for each procurement project.
2. The Treasurer is responsible for:
 - a) providing procurement advice and services to Department Heads;
 - b) monitoring compliance with this Policy.
3. Department Heads, in consultation with the Treasurer shall inform Council that non-compliance with this policy has occurred.
4. The Clerk-Treasurer has the authority to instruct the Department Head not to award a procurement commitment and may direct staff to submit recommendations to Council for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interests of the Township.

METHODS OF PROCUREMENT

Notwithstanding any other provisions of this Policy, the acquisition of the items listed in Schedule «A» do not fall under the guidelines of the Procurement Policy and shall be subject to applicable Policies and Procedures established from time to time.

1. Procurement of Goods and/or Services

Where the required product or service can be specified, (and such goods are not stocked in the central stores), it shall be acquired by Purchase Order.

Where it is estimated that the value of the goods and services, inclusive of all delivery charges, will cost:

a) \$0 to \$1,000

A report to Council is not necessary provide that the goods or services have been included in the annual budget.

A Purchase Order is necessary unless the purchase is done through petty cash

b) \$1,000 to \$3,000

The user Department shall obtain three (3) quotations, where possible and practicable. **The quotations may be verbal.**

A report to Council is not necessary provide that the goods or services have been included in the annual budget.

A Purchase Order is necessary.

c) \$3,000 to \$10,000

The user Department shall **obtain three (3) written quotations**

A report to Council with 7 days of making the expenditures, indicating results of the purchase.

A Purchase Order is necessary.

d) \$10,000 to \$50,000

The user Department **shall issue a Request for Quotation.** Minimum of three (3) quotations where possible.

If only one quotation is received, the Township may exercise its right to cancel the call for quotations. Quotations are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission.

Council shall make the final decision, by resolution based on the quotations provided.

A Purchase Order is necessary.

e) \$50,000 and over

The Clerk-Treasurer shall issue a Call for Tender for all approved projects based on defined requirements.

Tenders require a reply by a designated date and time, signed by a Corporate Officer, authorized to bind the Corporation. Any requested bid deposits, security or bonds must be included with the submission. Replies are delivered directly to the Clerk's Department and are opened at a public council meeting. If only one tender is received, the Township has the option of not opening the bid and closing the call for tender.

Each sealed bid received in response to a formal bid request is reviewed to determine whether a bid irregularity exists and action is taken according to the nature of the irregularity (see Schedule «B»).

A report initiated by the issuing Clerk-Treasurer shall be prepared for Council consideration and approval.

Upon council's approval, a legally binding agreement is executed by the Mayor and Clerk, or a Purchase Order is issued and appropriate By-Law shall be pass.

2. Emergency Procurement

Notwithstanding the provisions of this policy, the following shall only apply in case of an emergency, when an event occurs that is determined by the Clerk or a Department Head to be:

- a threat to public health,
- the maintenance of essential Town services,
- the welfare of persons or of public property or
- the security of the Town's interest and the occurrence requires the immediate delivery or re-establishment of goods or services and time does not permit for competitive bids

The above criteria are to be applied on the basis of:

i. Procurement under \$1,000

Wherever feasible, the Treasurer shall secure by the most open market procedure at the lowest obtainable price, any goods and services required.

An information report shall be submitted to the Clerk explaining the actions taken and the reason (s) therefore.

A Purchase Order is necessary.

ii. Procurement of \$1,000 to \$5,000

The Department Head shall obtain the prior approval of the Clerk. An information report explaining the actions taken and the reason(s) therefore shall be prepared and kept on file.

A Purchase Order is necessary.

iii. Procurement over \$5,000

The Department Head shall obtain the prior approval of the Clerk. An information report shall be submitted to Council explaining the actions taken and the reason(s) therefore.

A Purchase Order is necessary.

BID ANALYSIS

Analyzing of bid responses shall be as follows:

1. Tenders shall be tabulated and analyzed by the initiating Department Head and a recommendation forwarded to the Clerk for review.
2. Bid responses dealing with the lease, rental or purchase of physical assets shall be tabulated and analyzed by the initiating Department Head and a recommendation forwarded to the Clerk for review.
3. All other bid responses shall be tabulated and analyzed by the initiating Department Head and the Treasurer.

CONFLICT OF INTEREST

All consultants (e.g.: architects, engineers, etc.) retained by the Township of Opasatika shall disclose to the Township prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Township as directed by the Department Head or the Clerk may, as its discretion, withhold the assignment from the consultant until the matter is resolved. Furthermore, if during the conduct of a Township assignment, a consultant is retained by another client giving rise to a potential conflict of interest, the consultant shall so inform the Township.

SCHEDULE «A»

GOODS AND SERVICES EXEMPT FROM THE PROVISIONS OF THE PROCUREMENT POLICY

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 Expenses

- a) Advances
- b) Meal Allowances
- c) Travel & Hotel Accommodation
- d) Entertainment
- e) Car Allowance & Personal Vehicle Usage
- f) Miscellaneous – Non-Travel

4. Employer's General Expenses

- i. Payroll Deduction Remittances
- ii. Licenses (vehicles, elevators, radios, etc)
- iii. Debenture Payments
- iv. Grants to agencies
- v. Tax Remittances
- vi. Charges to/from Government or Crown Corporations
- vii. Employee Income
- viii. Advertisement

5. Council Expenses

- a) Public Relations
- b) Meeting Expenses

6. Professional and Special Services

- a) Committee Fees
- b) Witness Fees
- c) Court Reporters' Fees
- d) Honoraria
- e) Arbitrators
- f) Legal Settlements

7. Utilities

- a) Postage
- b) Water and Sewer Charges
- c) Hydro
- d) Gas
- e) Telephone
- f) Internet Connection

8. Contracts

- a) Photocopier Maintenance
- b) Answering Service
- c) Janitorial Services
- d) Computer Programming
- e) Cemetery Burials
- f) Engineering Services

SCHEDULE «B» 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» and «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. Any bid which contains a major irregularity must be rejected.

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. A bidder may be permitted to correct a minor irregularity.

Mathematical Errors – Rectified by Staff

The Treasurer or requisitioning Department Head will correct errors in mathematical extensions and/or taxes, and the unit prices will govern.

Action Taken

The Treasurer and Department Head will be responsible for all actions taken in dealing with bid irregularities and will act in accordance with the nature of the irregularity.

- ✓ Major irregularity – automatic rejection
- ✓ Minor irregularity – bidder may rectify
- ✓ Mathematical error (additions or extensions) – corrected by Town

SCHEDULE «C» TENDER PROCESS

Tenders will be called for all work, equipment and materials with a value exceeding \$50,000 by way of public advertising or invitational bid, as outlined in the Township's Procurement Policy.

The Department Head will provide a draft advertisement, tender documents and the following information to the Clerk for review:

- ✓ Dollar value
- ✓ Account number
- ✓ Council authority (Resolution and/or By-law number)
- ✓ Description of work
- ✓ Closing date

Further to the approval of the advertisement, the Clerk-Treasurer will advertise:

- ✓ All public tenders are advertised in the local papers. At the discretion of the Council, tenders may be advertised in out-of-town papers.
- ✓ In some instances, the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes the screening of potential vendors in which such factors as financial capability, reputation, qualified staff and equipment management and product quality are considered. After evaluation of responses, only those contractors who are «pre-qualified» are allowed to submit tenders.

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

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

Advertised tender packages are available from the Clerk's Department, Town Hall, 50 Government Road. The tender fee (if applicable) is paid to Treasury and information is recorded from bidders as documents are picked up. A copy is available for viewing prior to purchase.

All tender submissions must be addressed to the Clerk at Township address. The Clerk-Treasurer or Acting-Clerk will receive all sealed tender submissions and record the date and time received on the envelope.

Tender submissions will not be accepted if they are:

- ✓ Not sealed
- ✓ Received after the closing deadline
- ✓ Submitted after a tender has been cancelled.

The Clerk-Treasurer is responsible for the safe keeping of the document.

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

Each tender is reviewed to determine whether a bid irregularity exists, and action is taken according to the nature of the irregularity (see Appendix «B»)

Tenders are tabulated and evaluated by the using Department.

A report initiated by the issuing Department Head and reviewed by the Clerk shall be prepared for Council consideration and approval.

Following Council's approval, a Purchase Order will be issued or a contract which legally binds the Corporation is executed by the Mayor and the Clerk.

Tender results, if requested, shall be made public, subject to the municipal Freedom of Information and Right to Privacy Act.

SCHEDULE «D»
REQUEST FOR PORPOSAL PROCESS

Request for Proposals (RFPs) may be called instead of tenders, by way of public advertising or invitational bid, as outlined in the Township's Procurement Policy;

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

Before issuing a RFP, the user Department must provide the following information to the Clerk:

- ✓ approximate dollar value
- ✓ account number and budget authority
- ✓ description of work
- ✓ closing date

The user Department will initiate the RFP process by preparing documents, with input and assistance from the Clerk if required.

Prior to printing, documents must be submitted to the Clerk for review to ensure that all provisions other than specifications have been included in the proper format.

The Clerk-Treasure will advertise and distribute RFP packages.

All public RFPs are advertised in the local papers. At the discretion of the Clerk, RFPs may be advertised in out-of-town papers.

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

Public Request for Proposal document packages are available from the Clerk's Department, Town Hall 50 Government Road. The tender fee (if applicable) is paid to the Clerk-Treasurer and information is recorded from bidders as documents are picked up. A copy is available for viewing prior to purchase.

All tender submissions must be addressed to the Clerk, Township of Opasatika unless otherwise stated in the advertisement. The Clerk-Treasurer or the designated will receive all sealed tender submissions and record the date and time received on the envelope.

Submissions will not be accepted if they are:

- ✓ not sealed
- ✓ received after the closing deadline
- ✓ submitted after a RFP has been cancelled.

Request for withdrawal of RFP shall be allowed if the request is made before the closing time for the contract to which it applies. Request must be directed to the Clerk by letter

or in person, by a Senior Official of the company, with a signed withdrawal request confirming the details. Telephone requests will not be considered. The withdrawal of a RFP does not disqualify a bidder from submitting another tender on the same contract.

A report initiated by the issuing Department Head and reviewed by the Clerk shall be prepared for Council consideration and approval.

Following Council's approval, a Purchase Order will be issued or a contract which legally binds the Corporation is executed by the Mayor and the Clerk.

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

RFP results, if requested, shall be made public, subject to the municipal Freedom of Information and Right to Privacy Act.

SCHEDULE «E»

BY-LAW

**TABLE 1. Goals of Procurement Processes
Requirements of 271 (b) (c)**

Item	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation	Informal, Low Value Procurement	
Key Goals	<p>To implement an effective, objective, fair, open, transparent, accountable, and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.</p> <p>To select the proposal that earns the highest score and meets the requirements specified in the competition, based on qualitative technical and pricing considerations.</p>	<p>To implement an effective, objective, fair, open, transparent, accountable, and efficient process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.</p> <p>To accept the lowest bid meeting the requirements specified in the competition.</p>	<p>Same as for Request for Tender, except that bid solicitation is done primarily on an invitational basis from a pre-determined bidders list but may be supplemented with public advertising of the procurement opportunity.</p>	<p>To obtain competitive pricing for a one-time procurement in an expeditious and cost-effective manner through phone, fax, e-mail, other similar communication method, vendor advertisements or vendor catalogues.</p>	<p>To allow for procurement in an efficient and timely manner without seeking competitive pricing.</p> <p>To provide for exceptions to the procurement requirements of interprovincial trade agreements.</p> <p>To also provide for any additional exceptions stipulated in the municipality's or local board's purchasing by-law/resolution or policies, providing that they are not in contravention of the interprovincial trade agreements.</p>

REQUIREMENTS OF SECTION 271 (1d)

Typically, non-competitive procurement is used in the following circumstances:

- when there is a statutory or market-based monopoly on the item
- when no bids were received in a competitive process
- when the required item is covered by an exclusive right such as a patent copyright or exclusive licence
- when the purchase is already covered by a lease-purchase agreement where payments are partially or totally credited to the purchase
- when it is necessary to ensure compatibility with existing products or to avoid violating warranty/guarantee requirements when service is required
- when the required item is in short supply due to market conditions
- when competitive sourcing for low value procurement would be uneconomical or would not attract bids
- when competitive procurement may be found to be impractical for such items as meal expenses, incidental travel expenses (e.g. taxi service, phone calls), and training and education expenses
- when an urgent procurement is necessary for fulfilling a statutory order issued by a federal or provincial authority, such as an environmental, public health, or workplace safety compliance order

REQUIREMENTS OF SECTION 271 (1e)

The municipality shall not consider in-House bids as an acceptable procurement process.

REQUIREMENTS OF SECTION 271 (11,g)

Potential Risk/Problem	How to maintain integrity and project interest.	Policy
<p>... if any elected or appointed officials participating in a procurement process have private interests that are in conflict with their interests as public officials, then there is a risk that they may not act in the best interests of the municipality/local board.</p>	<p>The procurement policy should reference a broader ethics and values policy that sets out expected behaviour of elected and appointed public officials and the consequences where they do not comply, (e.g. conflict of interest policy). Note also the provisions of the <u>Municipal Conflict of Interest Act, R.S.O. 1990, C.M. 50</u> for elected officials.</p>	<p>a) 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:</p> <ul style="list-style-type: none"> i. shall immediately disclose the interest and the general nature thereof to Council; ii. shall not take part in the award of the contract; and iii. shall not attempt in any way to influence the award of the contract; <p>b) An employee has an indirect pecuniary interest in any contract in which the municipality is concerned, if the employee or his or her spouse or same-sex partner</p> <ul style="list-style-type: none"> 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 iv. is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the contract. <p>The above can be repeated in the policy for Members or Council that would to beyond what the <u>Municipal Conflict of Interest Act</u> allows (can't give greater flexibility)</p>

<p>...if there are no definitions of key and frequently used terms by the municipality/local board in its policies and procedures, then misunderstandings about the policies and procedures can arise.</p>	<p>The by-law/resolution should define key and frequently used terms.</p>	<p>Reference shall be made to the National Institute of Governmental Purchasing Inc.'s <i>Dictionary of Purchasing Terms</i>.</p>
<p>...if the municipality/local board is unclear about the process for evaluating bids, then there are serious risks to every goal of the process</p>	<p>A policy of documenting the process for evaluating bids can address these risks.</p>	<p>a) The Clerk, Treasurer and Department Head requesting the goods/services, shall review all bids against the established criteria and reach consensus on the final rating results and the Treasurer shall ensure that the final rating results with supporting documents are kept on the procurement file.</p> <p>b) The Treasurer shall submit a summary of the procurement file.</p> <p>c) The Treasurer shall submit a summary of the procurement and provide a recommendation to Council respecting award of contract to the bidder whose bid meets all mandatory requirements as specified in the bid solicitation and provides best value to the municipality based on the evaluation criteria specified in the bid solicitation,</p> <p>d) In the event that more than one bidder has submitted a tender in the same amount, Council shall make its decision based on the merit of the bid (i.e.: including such factors as time for completion and previous performance of the bidder). If the merit for each bid is equal, then the bid to be accepted shall be decided by means of a draw. The names of the tied bidders shall be placed in a container and the bid to be awarded shall be drawn by a member of Council. The Treasurer shall set the time and location of the draw and notify all bidders in order that they may be present.</p>

<p>...if municipal/local board elected or appointed officials are in contact with supplies during the bid evaluation process, then integrity can suffer as several of the goals of the procurement process can be put at risk.</p>	<p>A policy of «no informal contact» between municipal/local board staff or elected officials involved in the procurement with potential suppliers during the evaluation period can minimize this risk.</p>	<p>Only those individuals authorized to purchase on behalf of the municipality in behalf of the municipality in accordance with this policy shall be permitted to contract bidders in writing as soon as practicable during the procurement process in instances where clarification about the procurement is necessary. No one involved in the procurement process is permitted to contact bidders during the evaluation process.</p>
<p>...if systems are not in place to monitor supplier performance, then poorly performing contractors may be awarded new contracts, increasing the risk to the effectiveness of the procurement processes.</p> <p>...if there is no policy to address repeated poor performance, then the municipality/local board is at risk of not realizing its procurement goals</p> <p>...if there are no policies in place on how disputes over performance are to be resolved, then there is risk that whatever mechanism is used will be perceived as arbitrary.</p>	<p>Policies can be put in place to address these issues, including:</p> <ul style="list-style-type: none"> • randomly sampling contracts to ensure compliance with the set performance evaluation standards (and contracts variance requirements) • monitoring the performance of the contract against performance criteria and milestone achievement • intervening early if contractor performance is unsatisfactory • ensuring that employees who are required to manage contracts have sufficient experience, training and support. 	<p>All staff participating in a procurement process shall document evidence where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions of for Health and Safety violations. The Treasurer shall maintain such documentation on file for the respective vendors.</p> <p>Requirement for performance evaluations to be completed by staff, including how they report this information to council and the bidders.</p> <p>Establish an «appeal policy» whereby the bidders are given an opportunity to defend the performance evaluation submitted by the Department Head. May have a committee or all of Council. Would want to indicate who (ie. Council) has final say and decision.</p>
<p>...if persons involved in procurement accept gifts from suppliers or potential suppliers, then there is a risk that procurement decisions will not be objective</p>	<p>A policy of not accepting gifts can help address this risk.</p>	<p>No one associated with the municipality, including members of Council and employees, shall accept any gifts, regardless of value, from any suppliers participating in or who have participated in procurement processes with the municipality</p>

<p>... if there are no clear policies in place about what to do if bids received exceed budget, are not responsive to the business needs or do not represent fair market value, then proceeding in the absence of such policies could be viewed as unfair.</p>	<p>Policies that address how the municipality/local board will respond to these scenarios can help ensure fairness (e.g. by undertaking a revised solicitation).</p>	<p>a) Where bids are received in response to a bid solicitation but exceed the project estimates, the Treasurer, with the authority of Council, may enter into negotiations with the Responsive Bidders to attempt to achieve an acceptable bid within the project estimate.</p> <p>b) Council may cancel a competition or call a new competition when an original bid cannot be negotiated that falls within budget limits.</p>
<p>...if there are no clear policies in place about what to do in the event that two equals bids are received, then there is a risk that proceeding in the absence of such policies could be viewed as unfair.</p>	<p>Policies that guide the municipality/local board in «breaking a tie» can avoid perceptions of unfairness. Considerations here could include selecting the bidder that offers prompt payment discounts, the best delivery date (if timeliness is a factor), best record for after sales service and best overall performance record.</p>	<p>In the event that more than one bidder has submitted a tender in the same amount, Council shall make its decision based on the merit of the bid (i.e.: Including such factors as time for completion and previous performance of the bidder). If the merit for each bid is equal, the bid to be accepted shall be decided by means of a draw. The names of the tied bidders shall be placed in a container and the bid to be awarded shall be drawn by a member of Council. The Treasurer shall set the time and location of the draw and notify all bidders in order that they may be present.</p>
<p>...if there are no clear policies in place about how irregularities in bids will be dealt with, then there is a risk that action taken will be viewed as unfair</p>	<p>Policies on irregularities can help address these issues. Fairness can be promoted by being clear about what types of irregularities will:</p> <ul style="list-style-type: none"> - automatically disqualify a bid (e.g. late bids, unsealed bids) - disqualify a bid unless the irregularity is trivial or insignificant (e.g. bids that are incomplete, qualified or provide insufficient financial security) - result in the bidder being offered a short time period to rectify the bid to enable it to be considered (e.g. bids missing the signature of the bidder, or containing minor clerical or mathematical errors) 	<p>There are some good examples that have a chart listing the various types of irregularities, both minor and major, that may be useful. Clear policies around what constitutes each type of irregularity, as well as who will check for irregularities is advised.</p> <p>Reference: Schedule (B)</p>

<p>...if it is unclear what the spending/signing authority is for each level of management or type of position, then accountability is a risk.</p>	<p>Specify the dollar threshold for spending authority to each level of management or type of position within the organization.</p>	<p>This could be as simple as outlining who has authority for signing purchase orders, when purchase orders are to be used, when official contracts are used (i.e. Dollar threshold), as well as who has authority to execute and approve such contracts.</p>
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REQUIREMENTS 271 (H)

This policy will be reviewed every 5 years or earlier, to evaluate its effectiveness.