

The Corporation of
The Township of Billings

By-Law 2016-40

Being a By-Law to adopt a new Procurement Policy

WHEREAS, the Municipal Act states that a municipality shall adopt and maintain policies in respect to its procurement of Goods and Services,
AND WHEREAS, Council of the Corporation of the Township of Billings felt that the previous by-law was in need of being updated;

NOW THEREFORE BE IT RESOLVED THAT Council of the Corporation of the Township of Billings enacts as follows:

1. This by-law shall come into force and take effect on the date of its final reading.
2. That Municipal Procurement Policy No. 2016-40 form part of this by-law
2. That By-Law 2002-10 be rescinded.

Read a first and second time this 6 day of December, 2016

Read a third time and enacted this 6 day of December, 2016



Austin Hunt, Mayor



Kathy McDonald, Clerk Treasurer/CAO

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|---------------|------------------------------|
| TOPIC: | MUNICIPAL PROCUREMENT POLICY |
| POLICY NO. | 2016-40 |
| DATE APPROVED | December 6, 2016 |
| DATE REVISED | |

Schedule A to By-law 2016 - 40

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PART 1 – PURPOSES, GOALS AND OBJECTIVES

The purpose of this policy is to provide guidelines for the procurement of goods and services and to ensure that the Township of Billings will:

Encourage open, transparent and fair competition during the procurement process;

Promote and maintain the integrity of the purchasing process;

Procure in a cost effective manner thus maintaining budgetary control;

Staff and Council use ethical purchasing practices; and

Obtain the highest quality goods and services at the lowest cost if possible.

To consider all costs, including, but not limited to acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in evaluating bid submissions from qualified, responsive and responsible vendors

PART II - DEFINITIONS

AGREEMENT means a legal document that binds the Township and all other parties, subject to the provisions of the contract.

APPROVAL means authorization to proceed with the purchase or disposal of goods and/or services.

BID means an offer or submission received in response to a request for proposal or tender which is subject to acceptance or rejection.

BID IRREGULARITY means a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in the bid response.

BUDGETED ACQUISITION means net departmental expenditures that have been authorized by Council by way of budget approval or otherwise.

BY-LAW means the by-law to adopt a procurement policy.

CAO means Chief Administrative Officer.

CLERK means the Municipal Clerk.

COUNCIL means the Council of the Corporation of the Township of Billings.

DIRECT PURCHASE is where goods and/or services are acquired directly from a services supplier, retailer, wholesaler or by ordering through a catalogue or product guide.

EMERGENCY means an event that occurs, which in the opinion of the Department head requires immediate repair or replacement of equipment, services or facilities in order to maintain a required public service or to prevent danger to life, limb or property within the Corporation of the Township of Billings.

GOODS AND/OR SERVICES includes services, supplies, materials, equipment and infrastructure of every kind that may be required to carry out the operations of the Township.

IRREGULARITY is when any of the following has occurred, or is likely to occur:

All potential suppliers in a procurement procedure have submitted non-compliant tenders or proposals;

The lowest compliant tender or proposal exceeds the estimated cost or budget allocation;

For any reason the award of the contract to or the purchase from the lowest compliant supplier is procedurally inappropriate or not in the best interests of the Township; or

The specifications of a request for tender or request for proposal cannot be met by potential suppliers;

INVITATION TO TENDER means an invitation made either generally or to selected potential suppliers to submit a tender for the goods and/or services specified in the tender document.

MUNICIPALITY means the Corporation of the Township of Billings.

NON-BUDGETED ACQUISITION means the purchase of goods and services that are deemed to be necessary but are not in the budget.

PETTY CASH is a small discretionary fund in the form of cash used for small expenditures where it is not sensible to make the disbursement by cheque or purchasing card.

PURCHASING CARD means the corporate credit card used by select authorized purchasers for procuring both goods and services for the Township.

REQUEST FOR PROPOSAL means a request made either generally or to selected potential suppliers for undefined goods or services including a request to propose solutions or methods to arrive at the desired result.

REQUEST FOR TENDER means a competitive procurement process for obtaining bids based on precisely defined requirements for which a clear or single solution exists.

RESPONSE includes a tender submitted in response to an invitation or tender; and a proposal issued in response to a request for proposal.

STANDING SUPPLIER ARRANGEMENT means a contract under which the Township may purchase goods and/or services which will be required on an ongoing basis but where the exact types and quantities of goods and services required may not be precisely known or the time period during which the goods and services are to be delivered may not be precisely determined.

SUPPLIER means any individual or organization providing goods and/or services to the Township including but not limited to contractors, consultants, vendors and service suppliers.

TOWNSHIP means the Corporation of the Township of Billings

TREASURER means the municipal Treasurer

Part III – GENERAL PROCUREMENT POLICY

This policy shall apply to the purchase of goods, services or construction for the purposes of all municipal departments.

This policy shall not apply to the acquisition or disposal of any real property or fixtures or to any lease, right or permission related to the use or occupation of real property.

General Conditions

- a) The Treasurer, or designate, shall act as the authorized designate.
- b) Any commitments being made where it is recommended that a contract be executed by the Mayor and Clerk must first be approved by Council.
- c) No expenditure or commitment shall be incurred or made and no account shall be paid by the township of goods and services, except as authorized in this by-law, or approved by Council.
- d) Council may remove a vendor's name from the list of bidders for a period of up to three years on the basis of documented poor performance, non-performance or conflict of interest.
- e) All Township employees shall follow the guidelines as approved by Council, in adhering to the Policy as set out.
- f) When using the privilege clause which reads in part "the lowest or any tender may not necessarily be accepted", the specific reasons must be stated why the bids may not be accepted.
- g) 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.
- h) Elected officials shall not independently approve nor acquire any goods and services.
- i) No requirement for goods and services may be divided into two or more parts to avoid the provisions of this policy.
- j) Council reserves the right not to accept the lowest tender in any situation.

Conflict of Interest

- a) No elected official or employee, nor any corporation of which the elected official or employee has an interest, shall offer any Bid, or otherwise sell any goods or services to the Municipality, unless such interest is disclosed and they do not participate in the purchasing process in any way.
- b) No elected official or employee, nor any corporation of which an elected official or employee has an interest, shall discuss a Bid Solicitation with a person, or any officer, employee or agent of the person who has submitted a Bid to the Municipality. Clarification on any bid solicitation must be discussed with the CAO.
- c) No employee or elected official shall bid on the sale of goods except those disposed of at arm's length by public auction, internet auction, tender or quotation.
- d) All consultations retained by the Municipality shall disclose to the Municipality, prior to accepting an assignment, any potential conflict of interest. If such a conflict does exist, the Municipality, as directed by the Department Head may, at its discretion, withhold the assignment from the consultant until the matter is resolved. And furthermore, if during the conduct of an assignment with the Municipality, a consultant is retained by another client giving rise to a potential conflict of interest then the consultant shall so inform the Municipality.

Influence

No person, company, corporation or organization shall attempt in any way, either in private or in public, to influence the outcome of any Township purchasing or disposal process. The bid, quotation or proposal of any person, company, corporation or organization that does attempt to influence the outcome of any Township purchasing or disposal process will be disqualified, and the person, company or organization may be subject to exclusion or suspension for a period of three years. No member of Council or employee of the Township shall accept gifts from suppliers or potential suppliers, in order to avoid the risk that procurement decisions will not be objective.

Responsibilities

- a) Council has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets and establishing policy, or by specific resolution.
- b) Township staff are accountable for the decisions and actions which they take pursuant to this Policy and in the administration of contracts which have been awarded pursuant to this policy.
- c) The Department Head has responsibility for procurement activities within their department and is accountable for determining and achieving specific objectives as outlined for each procurement project.
- d) The CAO is responsible for providing procurement advise and services to the Department Heads and monitoring compliance with this policy.
- e) Department Heads shall inform the CAO of any non-compliance with this policy.

Part IV – METHODS OF PROCUREMENT

Subject to the provisions of the by-law and the provisions of this policy, goods and/or services may be acquired by one of the following methods:

Petty Cash

Administration and Marina departments have been approved with a Petty Cash fund in such an amount that meets the requirements of the Department for the acquisition of Goods having a minimal total acquisition cost of \$200 or less. All petty cash fund disbursements shall be evidenced by vouchers and shall be available for auditing purposes through the treasurer.

Direct Purchase

Direct Purchase for non-competitive purchases by staff, using the Township's Purchase Order procedure, within their assigned expenditure limits may be used in the following circumstances;

- i) The goods or services are readily available at retail outlets or from services providers;
- ii) Are required on an item by item basis
- iii) The total price is less than \$5,000

Verbal Quote

Where the requirement for Goods and Services can be specified and it is estimated that the total value is \$5,000 or more, but less than \$10,000, including applicable taxes and freight, the initiating Department Head shall solicit and review a minimum of three verbal, fax or email quotes from different sources, if practical, and to provide the information and submit a Purchase Order to the CAO for approval. The Department Head will document and retain for reference the verbal quotes.

Written Quote

Where the requirement for Goods and Services can be specified and it is estimated that the total value is \$10,000 or more, but less than \$25,000, including applicable taxes and freight, the initiating Department Head shall solicit and review a minimum of three written quotes, received by delivery, fax or email from different sources, if practical, and to provide the information and submit a Purchase Order to the CAO for approval. A copy of the three written quotes is to be retained by the Department Head.

Formal Quotations

Where the requirement for Goods and Services can be specified and is estimated to cost \$25,000 or more, but less than \$75,000, including applicable taxes and freight, the initiating Department Head shall issue a Request for Quotations, including required specifications. All bidders must receive the same bid criteria and instructions. A Request for Quotation may be called for lesser amounts if deemed beneficial by the CAO or Council.

This will be done from a pre-determined list of bidders but may be supplemented with public advertising. All reasonable attempts will be made to solicit three bids. If only one Bid is received the Township may exercise the right to cancel.

When estimated cost for Goods and Services exceeds \$25,000 three written quotes should be obtained, if practical.

Requests for Quotation shall be called in accordance with this by-law and require a reply by a designated day and time. An officer of the bidding company must sign and reply.

Sealed Bids are opened in the presence of the CAO, one member of Council and the Department Head, or designate if applicable. Each sealed bid received in response to a formal Request for Quotation is reviewed for completeness and accuracy by the initiating Department Head. If only one bid is received, the Township may exercise the right to cancel.

Request for Tender

Where the requirement for Goods and Services can be specified and is estimated to cost \$75,000 or more, including applicable taxes and freight, the initiating Department Head shall issue a Request for Tender, including required specifications. A Request for Tender may be called for lesser amounts if deemed beneficial by the Department Head or Council.

All bidders must receive the same bid criteria and instructions. Advertising will be in accordance with this policy and required legislation.

Requests for Tender shall be called in accordance with this by-law and require a reply by a designated day and time. An officer of the bidding company must sign the reply. Sealed Tenders will be opened in public in the presence of the Department Head, or Designate, the CAO and one member of Council, if practical. Each sealed tender received in response to a formal Request for Tender, is reviewed by the initiating Department head for completeness and accuracy. If only one bid is received, the Township may exercise the right to Cancel.

Requests for Proposals

Requests for Proposals may be sought when the requirement for goods and/or services cannot be definitely specified, the requirements of the Township are best described in a general performance specification, and innovative solutions are sought. Depending on its terms, the process may involve negotiations and subsequent to the submission of proposals on any or all of the specifications, contract terms and prices. If only one bid is received, the Township may exercise the right to Cancel.

Part V – EXCEPTIONS TO METHODS OF PROCUREMENT

Non- Competitive Purchases

- a) Where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material;
- b) Where due to abnormal market conditions, the goods and/or services required are in short supply.
- c) Where only one source of supply would be acceptable and cost effective;
- d) Where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists;
- e) Where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidentiality matters;
- f) Where in the event of an “Emergency” as defined by this Policy, a requirement exists;
- g) Where the requirement is for a utility for which there exists a monopoly.

Standing Supplier Arrangements

- a) The same goods and/or services will be required on a repetitive basis over a period of time and the actual demand is not known in advance.
- b) A need is anticipated for a range of goods and services for specific purpose such as office supplies or property maintenance services, but the actual demand is not known at the outset, and the delivery is to be made when a requirement arises.
- c) The sources of supply are restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to the following;
 - i) components or replacement parts for which there is no substitute;
 - ii) Compatibility with an existing product, facility or services is required;
 - iii) Specific standards are adopted by council
 - iv) work is required on a project where a contractor has already been secured through the tender process
 - v) When the expertise or product of an individual organization or individual is deemed to be specifically required by the Corporation
 - vi) Where there is an absence of competition
 - vii) Where the required item is covered by an exclusive right such as a brand name, patent, copyright or exclusive licence or to maintain specialized products that must be maintained by manufacture or its representative.

More than one standing supplier may be selected where it is in the best interests of the Township and the procurement documentation allows for more than one.

Purchase of Used Fleet Equipment

The Township may purchase used fleet equipment that is sold by private sale, public auction, or by other municipalities sold by sealed bid or by negotiation, or through a vender licenced to sell used equipment provided that

- a) The equipment meets or exceeds the departmental equipment requirements, and the purchase is part of the approved annual budget; and the purchase method ratified.
- b) It is documented that it is fiscally responsible to purchase a used piece of equipment rather than purchase new;
- c) If the total expenditure per piece of equipment exceeds \$25,000, a report will be forwarded to Council detailing purchase information and expenses for approval prior to issuing a purchase order.

Exclusion of Suppliers in Litigation

- a) The Township may, in its absolute discretion, reject a tender or proposal if the potential supplier, or any officer or director of the potential supplier is or has been engaged, either directly or indirectly through another corporation, in a legal action against the Township, its elected or appointed officers and employees in relation to:
 - i) Any other contract or services; or
 - ii) any matter arising from the Township's exercise of its powers, duties or functions.
- b) In determining whether or not to reject a tender or proposal under this clause, the Township will consider whether litigation is likely to affect the potential supplier's ability to work with the Township, its consultants and representatives and whether the Township's experience with the potential supplier indicates that the Township is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the potential supplier.

Exclusion of Supplier Due to Poor Performance

- a) All Department Managers shall document evidence and keep record where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for health and Safety violations.

- b) Council may prohibit by resolution an unsatisfactory supplier from participating in further contracts for a period of up to three years.

Procurement in Emergencies

Where, in the opinion of the CAO, an emergency has occurred,

- a) The CAO may undertake procurement in excess of the preauthorized expenditure limits herein to a maximum of \$250,000;
- b) Any expenditures made under such conditions together with a source of financing shall be reported at the next meeting of Council following the date of expenditure.

Cooperative Purchasing

- a) The Township may participate with other governments or public authorities in co-operative purchasing where it is in the best interests of the Township to do so. An example would be purchases through the North Shore Manitoulin Road Superintendents Association.
- b) The Township shall adhere to the policies of the government or public authorities calling the co-operative bid.

Gravel/Sand Purchases

The Public Works Superintendent when a supply of aggregate, including all grades of gravel and winter sand, is required, shall be obligated to contact as many suppliers as possible but with a minimum of at least two to obtain competitive prices which shall be confirmed by email or facsimile to the Public Works Superintendent. The Superintendent shall keep all such documents in an annual file for review by the Treasurer as required.

Goods and Services Exempt from Provisions of the Procurement Policy

See Appendix "A" attached.

VI – PROCUREMENT PROCESS

Procedure for Direct Purchase, Verbal Quote and Written Quote

- a) The Department Head, or designate, in the absence of the Department Head, will issue a numbered purchase order at the time the purchase is desired. Once the purchase order has been approved by the Treasurer, Part two shall be kept at the municipal office, to be matched to the invoice or invoices and Parts one and three will be returned to the Department Head and if required the Department Head will send Part one to the supplier.

- b) When the current annual budget has not yet been approved, the previous year's operating budget shall be followed, unless otherwise determined by Resolution of Council.
- c) All Capital expenditures, as determined by the Treasurer must be pre-authorized by Resolution of Council, regardless of it's possible inclusion in the budget.
- d) The exceptions to the Purchase Order requirement are Petty Cash Items, memberships, periodicals, magazines, staff training, staff development, staff workshops, subscriptions Employer's General Expenses such as payroll deduction remittance, RRSP contributions, telephones, cell phones, internet, photo copy charges, leases and rentals, debenture payments, grants/payments to agencies (District Services Board, Policing etc.), annual levy of local boards and commissions, damage claims, tax remittance, insurance premiums, charges to/from other Government or Crown Corporations, employee income, Professional and Special Services such as Legal fees and other Professional services related to litigation or legal matters, annual auditing fees, Utilities such as hydro, propane, postage, equipment maintenance such as fuel, gasoline, lubricants and oil, routine maintenance, repairs as a result of certification, licences, computer and office equipment maintenance, emergency equipment repairs and items purchased by Resolution of Council.
- e) Formal Quotes, Request for Tenders and Requests for Proposals will be approved by Council resolution before commencing the process of preparing the quote, tender or proposal. All purchases requiring a sealed bid shall be subject to the terms of this by-law.

Request for Tender

Where the requirement for Goods and Services can be specified and is estimated to cost \$75,000 or more, including applicable taxes and freight, the initiating Department Head shall issue a Request for Tender, including required specifications. A Request for Tender may be called for lesser amounts if deemed beneficial by the Department Head or Council.

All bidders must receive the same bid criteria and instructions. Advertising will be in accordance with this policy and required legislation.

Requests for Tender shall be called in accordance with this by-law and require a reply by a designated day and time. An officer of the bidding company must sign the reply. Sealed Tenders will be opened in the presence of the Department Head, or Designate, the CAO and one member of Council, if practical. Each sealed tender received in response to a formal Request for Tender, is reviewed by the initiating Department head for completeness and accuracy. If only one bid is received, the Township may exercise the right to Cancel.

Identical Tenders

If the lowest compliant bids from two or more bidders are identical in total acquisition cost or unit price, the CAO is authorized to enter into negotiations with the bidders who have submitted the identical prices in an attempt to obtain a lesser price and shall maintain a record in respect of such negotiations. Information pertaining to such negotiations or the manner in which the final price was determined shall not be revealed to any of the bidders concerned. When negotiations are not successful in breaking identical tenders, then the successful bidder shall be determined by a coin toss.

Bid Analysis

Analyzing of bid responses shall be as follows:

- a) Bid responses dealing with the lease, rental or purchase of physical assets shall be tabulated and analyzed by the initiating Department head and the Treasurer, and a recommendation forwarded to Council for Consideration.
- b) All other bid responses shall be tabulated and analyzed by the initiating Department Head and Treasurer, and a recommendation forwarded to Council for consideration.

Bid Irregularities

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

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

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

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

Mathematical Errors – Rectified by Staff

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

Action Taken

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

- Major irregularity (automatic rejections)
- Minor irregularity (bidder may rectify)
- Mathematical error (additions or extensions) as above

In the event that a vender withdraws his bid due to the identification of a major irregularity, the Township may disqualify such vender from participating in the Township quotations/tenders/request for proposals for a period of up to one year.

Bids Exceeding Budget

In the event that the lowest compliant bid exceeds the budget allocation for the goods, services or construction project, Council reserves the right to either negotiate with the selected compliant bidder or canceling the project in its entirety.

Requests for Proposal

(including engagement of professional and consulting services)

Similar to the Request for Tender but usually by invitation. This method of acquisition can be used for any dollar amount and involves the solicitation of proposals and requirements for goods and/or services cannot be definitely specified, the requirements of the township are best described in a general performance specification, and innovative solutions are sought. Depending on its' terms, the process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices.

If required, a list of suggested evaluation criteria for assistance in formulating an evaluation scoring scheme using a standard Request for Proposal that includes factors such as qualifications and experience, strategy, approach, methodology, scheduling, and past performance, facilities, and equipment shall be prepared. Department Head shall identify appropriate criteria from the list but are not limited to the standard criteria from the list. Request for Proposals are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission. If one Request for Proposal is received, Council has the option of not opening the bid and closing the call for the proposal.

VII – OTHER

Disposal of Surplus Goods

The Department Head shall notify the Clerk once any item has been deemed as surplus capital assets for sale or disposal. Surplus assets not required by any other department shall be sold or disposed of via formal auction, bid, tender, quotation or trade-in, at Council's discretion.

Lands and buildings deemed to be surplus shall be disposed of in accordance with provision of the Municipal Act, 2001 and the Township policies for the sale and disposition of land.

Provisions

In the event that any particular provision or provisions or part of a provision is found to be invalid or unenforceable for any reason whatsoever, then that particular provision or provisions or the part of the provision shall be deemed to be severed from the remainder of this by-law and all other provisions shall remain in full force and shall be valid and enforceable to the fullest extent permitted by law.

Repeal

That By-Law 2014-34 be repealed in its entirety on the date of final passing of this by-law.

Read a first time this ____ day of _____, 2016

Read a second, third time and enacted this _____ day of 20__.

Austin Hunt, Mayor

Kathy McDonald, Clerk Treasurer/CAO

Appendix "A" to By-law 2016-40

Goods and Services Exempt from Provisions of the Procurement By-Law

1. Petty Cash items up to \$200
2. Training and Education Expenses
 - Books
 - Conferences
 - Courses
 - Conventions
 - Memberships
 - Seminars
 - Periodicals
 - Magazines
 - Staff training
 - Staff development
 - Staff workshops
 - Subscriptions
3. Refundable Employee/Councillor Expenses
 - Advances
 - Meal allowances
 - Travel and hotel accommodation
 - Mileage
 - Miscellaneous – non travel
 - Safety allowance expenditures
4. Employer's General Expenses
 - Employee wages
 - Payroll deduction remittances
 - Licences (vehicles, radios, etc)
 - Loan payments
 - Grants to agencies/donations
 - Payments of damages
 - Tax remittances
 - Charges to/from other Government or Crown Corporations
 - Freight charges
 - Photo copy charges
 - Insurance premiums
5. Professional and Special Services
 - Committee fees
 - Witness fees
 - Honoraria
 - Arbitrators

- Legal settlements
- Temporary help
- Courier charges
- Legal fees
- Audit fees
- Professional services (Consultants, Engineering, Project Management)

6. Utilities/Other

- Postage
- Water charges
- Hydro
- Telephone and mobile phone charges
- Internet charges
- Propane, fuel
- Refunds and rebates to ratepayers
- Leases, rentals
- Equipment maintenance such as fuel, gasoline, repairs as a result of certification
- Computer and office maintenance
- Retail Supplies (marina)
- Mandatory Services (DSB, Planning, Policing etc.)

7. Advertising

- Classified Advertising
- Display advertising such as event notices
- Public Tender advertising

Appendix B to By-law 2016 –40 Tender Process

Tenders will be called for all work, equipment, and materials with a value determined by Council by way of public advertising or individual bid, as outlined in the Townships Procurement Policy.

The Department Head and the Clerk will prepare an advertisement and tender document. Tender documents may be reviewed by a consulting engineer or the municipal solicitor, at Council's discretion. For large projects tenders may be prepared by Consulting Engineering Company or Project Management Company.

All public documents will be advertised as deemed appropriate by the Clerk and or Council. In some instances the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes screening of potential vendors for such factors as financial capability, reputation, qualified staff, 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 (if applicable), 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 shall be available as deemed appropriate based on the nature of the work, equipment and materials required.

All tender submissions must be addressed to the Clerk, Township of Billings, and returned in the envelope provided with the tender package. The Clerk will receive all sealed tender submissions and date and time stamp the package. The Clerk will refuse to accept any tender submission that is

- Not sealed;
- Received after the time specified closing deadline; or
- Submitted after a tender has been cancelled.

Requests for withdrawal of a tender shall be allowed if the request is made before the closing date of the contract to which it applies. Requests for withdrawal must be directed to the Clerk by a letter submitted from a Senior Official of the company. Telephone requests will not be considered. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract.

Tenders will close and be opened at a time specified in the tender document. Tender results shall be made public.

Each tender shall be reviewed, tabulated and evaluated by the Department Head or Consulting Engineer or Project Manager to determine whether a bid irregularity exists, and action taken according to the nature of the irregularity.

A report initiated by the issuing Department Head shall be prepared for Council's consideration and approval. Following Council's approval, the Clerk shall prepare a by-law to legally bind the Corporation.

Appendix C to By-Law 2016-40 Request for Proposal Process

REQUEST FOR PROPOSALS (RFP'S) 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 non standard or specialized in nature, or
- The cost is only a minor component of making up the award

Following Council's approval all public RFP's shall be advertised as deemed appropriate by the Department Head and Council . Advertisement must include the following information (if applicable); site meeting time/date/locations, contact names for technical and purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.

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

The RFP document shall be available as deemed appropriate based on the nature of the work, equipment and materials required.

RFP submissions must be addressed to the Clerk, Township of Billings, and the Clerk will receive all sealed submissions and date and time stamp the envelope.

The Clerk will refuse to accept any tender submission that is

- Not sealed;
- Received after the time specified closing deadline; or
- Submitted after a tender has been cancelled

Requests for withdrawal of a RFP shall be allowed if the request is made before the closing time for the contract to which it applies. Request for withdrawal must be directed to the Clerk by letter submitted by a Senior Official of the company. Telephone requests will not be considered. The withdrawal of a RFP does not disqualify a bidder from submitting another RFP on the same contract.

Proposals shall be opened publicly on the specified day for registration of bids, or at such time as may be set out in the FRP. Only names of bidders will be made public.

The Department Head and CAO will evaluate all proposals received on the basis of quantitative and qualitative measures. RFP documents may be reviewed by either a consulting engineer, project manager or municipal solicitor.

RFP results shall be made public by resolution of Council.

Appendix D to By-Law 2016-40
Bid Irregularities Summary

| ITEM | DESCRIPTION | MAJOR | MINOR | ACTION |
|------|--|-------|-------|--|
| 1 | Late bids (by any amount of time) | X | | Automatic rejection |
| 2 | Bids completed in pencil | X | | Automatic rejection |
| 3 | Bid surety not submitted with the bid When the bid request (or any addenda) indicated that such surety is required | X | | Automatic rejection |
| 4 | Execution of Agreement to Bond: a) Bond company corporate seal or equivalent proof of authority to bind company or signature missing b) Surety company not licenced to do business in Ontario | X | | Automatic rejection |
| 5 | Execution of Bid Bonds a) corporate seal or equivalent proof of authority to bind company or signature of Bidder or both missing b) corporate seal or equivalent proof to bind company or signature of Bonding Company missing | X | | Automatic rejection |
| 6 | Other Bid Security Cheque which has not been certified | X | | Automatic rejection |
| 7 | Bidders not attending mandatory site meeting | X | | Automatic rejection |
| 8 | Unsealed tender envelopes | X | | Automatic rejection |
| 9 | Proper response envelope or label not used | | X | Acceptable if officially received on time |
| 10 | Pricing or signature pages missing | X | | Automatic rejection |
| 11 | Insufficient financial security (i.e.: not deposit or bid bond or sufficient deposit) | X or | X | Where security is required & amount is not specified in request, automatic rejection unless insufficiency is trivial or insignificant where security is required and amount of security is specified in request – automatic rejection |
| 12 | Bid received on documents other than those provided in request | X | | Not accepted unless specified otherwise in the request |
| 13 | Execution of Bid Document Proof of authority to bind is missing | X | | Automatic rejection |

| | | | | |
|----|--|------|---|--|
| 14 | Part bids (all items not bid) | X or | X | Acceptable unless complete bid has been specified in the request |
| 15 | Bid containing minor clerical errors | | X | Two working days to correct initial errors. Township reserves the right to waive initialing and accept bid |
| 16 | Un-initialed changes to the request documents which are minor (i.e.: the bidders address is amended by overwriting but not initialing) | | X | 2 working days to correct initial errors. Township reserves the right to waive initialing and accept bid |
| 17 | Alternate items bid in whole or in part | | X | Available for further consideration unless specified otherwise in request |
| 18 | Unit prices in schedule of prices have been changed but not initialed | | X | Two working days to correct initial errors. Township reserves the right to wave initialing and accept bid |
| 19 | Other mathematical errors which are not consistent with the unit prices | | X | Two working days to initial corrections. Unit prices will govern |
| 20 | Pages requiring completion of information by vendor are missing | x | | Automatic rejection |
| 21 | Bid documents which suggest that the bidder has made a major mistake in calculations or bid | | | Consultation with a Solicitor on a case-by-case |

NOTE: the above noted list of irregularities should not be considered all-inclusive. The Department Head and the Clerk will review minor irregularities not listed. Council may then accept the bid, or request that he bidder rectify the deviation.

Appendix E to By-Law 2016-40
Summary of Thresholds for Purchasing

| PURCHASE THRESHOLD | PURCHASE TYPE | METHOD | APPROVAL |
|--|---|---|--|
| Up to \$5,000 | Direct Purchase – standard inventory item in normal quantities or any replacement of equipment, services for facilities in order to maintain a required level of public service | | Department Head will submit Purchase Order for approval Report to Council not required |
| Over \$5000 up to \$10,000 | Verbal Quote | Verbal quotes are accepted but documentation to be kept by Department Head | Department Head will submit Purchase Order for approval Report to Council not required |
| Over \$10,000 up to \$25,000 | Written Quote | Quotes can be submitted by email, fax, mail Department Head to keep documents | Department Head will submit Purchase Order for approval with copies of supporting documentation. Report to Council not required |
| Over \$25,000 up to \$75,000 | Request for Quotations with specifications – sealed bid required | | Council approval required prior to purchase |
| Over \$75,000 | Require Request for Proposal or Tender | Formal competitive bid process administered by Department Head and based on specifications or terms of reference as provided by the Department Head | The requesting department must obtain Council approval before the process begins |
| Single Source or Sole Source over \$10,000 | Single or Sole Source | | Any purchase over \$25,000 must have Council approval before the process begins |
| Emergency Purchase | Purchases as per emergency procedures | Purchase process at the discretion of the CAO | Department Head to first obtain approval by the CAO. Report to Council at the first meeting following emergency. |

Note: Some exceptions apply as per Procurement Policy.

