



Policy Section: Corporate

Policy Name: Procurement Policy

122.PR

PROCUREMENT POLICY

A. OBJECTIVES

The Objectives of the Policy and of each of the methods of procurement authorized are:

1. To obtain best value when purchasing goods, construction and services for the municipality while treating all suppliers equitably.
2. To be using a competitive process that is open, transparent and fair to all suppliers.
3. To attempt to reduce the amount of solid waste requiring disposal through the purchase of environmentally responsible Goods and Services.

B. DEFINITION(S)

In this Policy:

“Blanket Purchase Order” – shall mean a Contract between the Township of Ear Falls and a supplier for the supply of regularly ordered Goods or Services with maximum dollar limits but no specified quantities which shall not exceed \$2,000.00 (including taxes).

“Clerk Treasurer Administrator” – shall mean the Clerk Treasurer Administrator of the Corporation of the Township of Ear Falls.

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

“Corporation” – shall mean the Corporation of the Township of Ear Falls.

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“Total Acquisition Cost” – shall mean an evaluation of quality and service in the assessment of a Bid and the sum of all costs including purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery, inventory carrying costs, operating and disposal costs for determining the Lowest Compliant Bid.

C. AUTHORITY

The Clerk Treasurer Administrator:

1. is hereby authorized to establish administrative procedures as may be required to carry out the intent of this Policy.
2. shall exercise Administrative control over the procurement of Goods, Services or Construction within the limits and Policies established by Council.
3. shall investigate areas or other procedures, which could have an advantageous result to the Corporation in purchasing procedures, such as cooperative buying with other organizations, whether public or private.
4. may designate to any other properly authorized Corporation employee any part or parts of the responsibilities indicated in this Policy.
5. is authorized and shall arrange for the payment of Goods, Services or Construction pursuant to the provisions of this Policy or Resolutions by the Council.

D: CONDITIONS FOR PROCUREMENT OF GOODS, SERVICES OR CONSTRUCTION

The following conditions shall apply to the procurement of Goods, Services or Construction for the Corporation:

1. All purchases shall be in accordance with approved budgets except where Council has by By-Law or Resolution directed otherwise.

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2. Goods, Services or Construction shall be obtained from suppliers on terms and conditions, as would normally be good business practices, subject to the following:
 - a) on purchases up to and including \$7,500.00 as deemed most economical, practical and competitive by the Clerk Treasurer Administrator.
 - b) on purchases in excess of \$7,500.00 but not exceeding \$25,000.00, two (2) written quotations shall be obtained from appropriate suppliers on a given good or service. The lowest quotation should be accepted. If two (2) written quotations are not received from the appropriate suppliers, then documentation from the appropriate Department Head which indicates that a letter was forwarded to the supplier(s) requesting a quotation for the Goods, Services or Construction but none has been received, must be presented to Council. A Resolution may then be approved by Council to suspend the rules of Clause D (2) (b).
 - c) on purchases in excess of \$25,000.00, three (3) sealed tenders, sealed proposals, or sealed written quotations shall be obtained on a given good or service. The lowest compliant bid should be accepted. The Clerk Treasurer Administrator or Designate will determine the process which shall be deemed the most economical to the Township; and if three (3) written quotations are not received from the appropriate suppliers, then documentation from the appropriate Department Head which indicates that a letter was forwarded to the supplier(s) requesting a quotation for the Goods and Services but none has been received, must be presented to Council. A Resolution may then be approved by Council to suspend the rules of Clause D (2) (c).
 3. Consultants may be used to prepare specifications for tenders, quotations, or funding applications for other Government Agencies. The services must be obtained as is defined in Section D (2) (a), (b) and (c) unless otherwise excluded.
 4. Sole sourcing may be used, at the discretion of the Clerk Treasurer Administrator or Designate, where a specific manufacturer or brand of product is required. Sole sourcing is not to be utilized to circumvent normal purchasing procedures. Written justification in the form of Schedule "B" is required to document the reason(s) why competition should be restricted and must be approved by the Clerk Treasurer

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9. At the opening of a Request for Proposal, no prices will be read out, but the receipt of the submissions and by whom they were submitted will be read aloud and recorded. People wishing to submit shall be advised of the time and location of the meeting.

 10. The Review Committee shall be established to review Proposals and make a recommendation to Council.

F: REQUEST FOR TENDER

1. The evaluation process for Tenders will be outlined in all Requests for Tenders.

2. A Request for Tender shall contain a Receipt Confirmation Form which will contain contact information for an applicant in order for the Corporation to contact applicants with any additional information or addendums.

3. Every Request for Tender shall contain an evaluation grid.

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

5. Request for Tenders shall be posted for a minimum of 15 days.

6. Addendums to Requests for Proposals shall be provided to all applicants who submit a Receipt Confirmation Form.

7. Sealed tenders shall be received by the Clerk Treasurer Administrator or designate and remain sealed until opened at a Public Meeting at a time and place indicated in the tender call. The Public Meeting shall be conducted by the Clerk Treasurer Administrator or designate who shall open the sealed tenders and read the tender amount which shall be recorded by a person designated by the Clerk Treasurer Administrator or designate.

8. Submissions from applicants engaged in Litigation with the Corporation shall be ineligible for participation.

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- 9. The Review Committee shall be established to review Tenders and make a recommendation to Council.
- 10. If the Lowest Compliant Bids from two or more bidders are identical in Total Acquisition Cost or unit price, the Clerk Treasurer Administrator or Designate 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. If negotiations are not successful in breaking the identical tenders, then the successful bidder shall be determined by a coin toss. The coin toss shall be performed in the presence of the Review Committee.
- 11. Where Bids are received in response to a Request for Tender but exceed project estimates, the Clerk Treasurer Administrator or Designate is authorized to enter into negotiations with the bidder with the Lowest Compliant Bid in an attempt to obtain a lesser price and shall maintain a record in respect of such negotiations.
- 12. The process for administering bid irregularities shall be as follows:

Irregularity	Response
Late Bid	Automatic Rejection and should not be opened.
Unsealed Envelopes	Automatic Rejection
Bids completed and/or signed in an erasable medium.	Automatic Rejection
All required sections of Bid documents not completed.	Automatic Rejection unless in the consensual opinion of the Review Committee that the incomplete nature is insignificant.
Qualified Bids (Bids qualified or restricted by an attached statement)	Automatic Rejection unless in the consensual opinion of the Review Committee that the incomplete nature is insignificant.
Bids received on documents other than those provided or specified by the Corporation	Automatic Rejection

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Irregularity	Response
Bids Containing Minor Obvious Clerical Errors	48 hours to correct and initial errors
Documentation – Corporate Seal or signature missing; signatory’s authority to bind the corporation or signature missing	48 hours to correct errors
Documentation – Corporate Seal and signature missing; signatory’s authority to bind the corporation and signature missing	Automatic Rejection
Erasures, Overwriting or Strikeouts which are not initialled.	48 hours to correct and initial errors
Mathematical errors which are not consistent with unit prices	48 hours to correct and initial errors
Documents, in which all necessary Addenda, which have financial implication have not been acknowledged	Automatic Rejection
Any other Irregularities	The Review Committee shall have the authority to waive other irregularities or grant 48 hours to initial such other irregularities which in the consensual opinion of the Committee are considered minor.

G: EXEMPTIONS TO THE POLICY

1. The following goods and services do not require adherence to Section D.2 of this Policy:
 - a. Employee / Council Training and Education
 - Registration and Tuition fees for Conferences, Conventions, Courses and Seminars.
 - Magazines, books and periodicals unless the purchase of such products are subject to value-added services

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b. Memberships, Refundable Employee / Councillor Expenses

- Advances
- Meal Allowances
- Travel
- Miscellaneous – Non-Travel

c. Employer's General Expenses

- Payroll Deductions Remittances
- Medical
- Licences (Vehicle, Firearms etc.)
- Debenture Payments
- Grants to Agencies
- Damage Claims
- Petty Cash Replenishment
- Tax Remittances

d. Professional and Special Services

- Committee Fees
- Legal fees and other Professional Services related to litigation or legal matters
- Funeral and Burial expenses
- Witness fees
- Veterinary Expenses
- Advertising services
- Bailiff or Collection Agencies

e. Utility Charges

f. Postal Charges

g. Payments under statutory authority

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9. Disposal of surplus assets shall be authorized by By-Law or Resolution passed at a Regular Meeting of Council.
 10. The Council shall observe all procedures contained in The Municipal Act, relative to those public streets and lanes stopped up and offered for sale by the Corporation.

K: DEVIATIONS FROM APPROVED MUNICIPAL BUDGET

1. No deviations from the approved Municipal Annual Budget shall be processed through these Policies and practices without a prior By-Law or Resolution of the Municipal Council, except in a special circumstance as provided for in this Policy.

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SCHEDULE "B" TO BY-LAW NO. _____

THE CORPORATION OF THE TOWNSHIP OF EAR FALLS

REQUEST FOR SOLE SOURCE

The following statements, in my professional judgment, are correct. I have researched / investigated my requirements to support these findings. I also certify that no personal advantage, gain or privilege has (or will) accrued to me through the purchase from this vendor. I have reviewed the vendor's proposed costs and find those costs fair and reasonable for the technical effort proposed.

Investigator's name / signature: _____

Title: _____

Date: _____

Briefly describe the product/service you are requesting and its function.

Please select the category (or categories) that best describe your sole source requirement. Answer the questions pertaining to that category (or categories).

A. Compatibility to existing equipment, research, methodology, or training:

1. With what other material must this requirement be compatible?

2. What are the unique properties that make this the only product compatible with existing material or research?

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3. Provide any other supporting information, if applicable.

B. Only known manufacturer of this product:

1. What other manufacturers did you solicit information from?

C. Only product that will met the requirements of the intended use although other like items exist:

1. What other manufacturers did you evaluate? Please identify the manufacturer and the product deficiencies that lead to their disqualification.
2. Provide other supporting research to document the need for this specific manufacturer, if applicable.

D. Regional Sales / Support / Service:

1. Is this the only known vendor to sell, support and/or service this type of product in this region?
2. If yes, give support of your need for immediate service as the primary requirement for vendor selection. Note: This alone will not qualify as a SSJ if there are other manufacturers that sell and service similar product within this region. Additional support would be required above.

E. Provide any additional information not furnished above that supports your specific requirements necessitating single / sole source purchase:

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