

THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR

BY-LAW #58-2019

Being a By-law to establish a Procurement Policy for The
Municipal Corporation of the Township of Armour

WHEREAS Section 270 of the *Municipal Act*, 2001, S.O. 2001, c. 25, as amended, requires that municipalities enact a procurement policy;

AND WHEREAS Section 20(1) of the *Municipal Act*, S.O. 2001, c. 25, as amended, provides the authority for adjoining municipalities to enter into agreements for joint undertakings;

AND WHEREAS it is deemed expedient to establish procurement policies for The Corporation of the Township of Armour;

NOW THEREFORE the Council of The Municipal Corporation of the Township of Armour hereby enacts as follows:

1. That this By-law shall be known and may be cited as the "Procurement Policy By-law".
2. That Schedule "A" attached hereto form part of this By-law.
3. That By-law #21-2015 is hereby repealed.
4. The Clerk of the Township of Armour is hereby authorized to make any minor modifications or corrections of an administrative, numeric, grammatic, semantic or descriptive nature or kind to the by-law and schedule(s) as may be deemed necessary after the passage of this by-law, where such modifications or corrections do not alter the intent of the by-law.
5. That this by-law shall come into effect upon its passing.

Read in its entirety, approved,
signed and the seal of the
Corporation affixed thereto and
finally passed in open Council
this 12th day of November, 2019.

Robert MacPhail, Reeve

John Theriault, Clerk

By-law 58-2019 - Schedule "A"
Procurement Policy

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By-law 58-2019 - Schedule "A"
Procurement Policy

1. DEFINITIONS AND INTERPRETATIONS

For the purpose of this By-law the following terms have the following meanings:

"Committee" means any Committee appointed by the Council of The Municipal Corporation of the Township of Armour.

"Council" means the Municipal Council of The Municipal Corporation of the Township of Armour.

"Emergency" means an event which occurs which 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.

"Professional or Consulting Services" includes architects, engineers, auditors, banking services, insurance/benefit providers, surveyors, management consultants, legal representation and any other consulting and professional services provided to The Municipal Corporation of the Township of Armour.

"Proposal" means an offer to provide goods or services for which the requirements have not been definitely specified.

"Quotation" means an offer to provide stipulated goods or services.

"Supply Chain Activities" means all activities, whether directly or indirectly related to the organization's plan, source, procure, move and pay process.

"Tender" means a sealed written offer submitted on a Township tender form by any company or individual in response to a publicly advertised invitation to supply stipulated goods or services at a particular price, which offer may be subject to acceptance or rejection.

"Township" means The Municipal Corporation of the Township of Armour.

In this by-law, unless the context requires otherwise, words in the singular shall include the plural and words in the masculine gender, shall include the feminine.

2. PROCUREMENT POLICIES

(a) General Policies

- (i) No employee, elected official or Committee member of the Township shall purchase goods, services or leasing, request quotes, proposals or tenders, or enter into contracts and agreements on behalf of the Township except in accordance with the provisions of this By-law.
- (ii) The goals of each procurement process are to procure the required quality and quantity of goods, services and/or leasing in an efficient, timely and cost-effective manner and to encourage open competitive bidding for the acquisition and disposal of goods and services.
- (iii) The inclusion of any item in a department's operating budget or capital budget shall confer to the Department Head the authority to incur such expenditures.
- (iv) Notwithstanding the inclusion of any item in a committee's operating budget or capital budget, authorization from the Treasurer is required prior to the incurrence of such expenditure.
- (v) No employee, elected official or Committee member of the Township is authorized to purchase any goods, services or leasing or award contracts for capital projects not included in the operating budget or capital budget without the prior approval of Council.

- (vi) Reasonable effort will be made by municipal employees and agents to provide an opportunity for local business to bid on municipal purchases.
- (vii) Purchases of less than \$5,000 may be made at the discretion of the Department Head.
- (viii) The Township uses three types of procurement processes which are used under the following conditions:
 - a. For purchases greater than \$5,000, but less than \$35,000, quotations shall be received from at least three sources, if the Department Head cannot obtain three quotes, he/she must get the approval of the Treasurer.
 - b. For purchases of \$35,001 and more, the public tender process shall be used, unless Council, by resolution, approves the use of the Request for Proposal process.
 - c. Request for proposals shall be used for professional and consulting services, following Section 2(d).
- (ix) Where a Department Head wishes to incur expenditure not originally included in the operating budget or capital budget, a report shall be submitted to Council in order to obtain approval for such expenditure. The report shall contain sufficient information including an estimate for the purchase to enable Council to judge the propriety of the proposed expenditure and identify the source of financing.
- (x) Prior to Council adopting the operating budget and capital budget, no employee, elected official or Committee member of the Township is authorized to purchase any goods, services or leasing other than those goods, services or leasing required on a recurring basis for the day to day operations of the Township, without prior approval of Council.
- (xi) Where it appears, additional funds will be required to complete a project approved in the operating budget or capital budget, and where such funds appear to be available within the budget appropriation for the department, the Department Head may request that the transfer of the appropriation be made under the following provisions:
 - to a limit of 20% of the budgeted cost of the project to the Treasurer, who if the approval is granted, shall report the transfer to Council.
 - in excess of 20% of the budgeted cost of the project, transfers must be approved by Council.

Notwithstanding the provisions of this By-law, where a Department Head or Council deems it necessary or in the best interests of the Township to acquire goods, services or leasing from a particular source, where a good, service or leasing is available from one source only or the extension of an existing contract would prove more cost-efficient or beneficial, Council may pass a resolution to approve the procurement of the goods, services or leasing from that particular source, without using any of the procurement processes.

No expenditure shall be authorized or permitted whereby a debt is incurred requiring authorization by By-law until Council passes the said By-law and all statutory authorization is received.

- (i) No contract or purchase shall be divided to avoid the provisions of this By-law.
- (ii) The Treasurer or designate shall monitor the procurement processes to ensure the rules of the procurement policy are followed and that the interest of the municipality, the public and the persons participating in a procurement process are protected.

- (iii) Every three years, staff shall review this policy, evaluate its effectiveness and a report to Council with recommendations as to any changes needed to improve its efficiency.

(b) Accessibility

When procuring goods, services and facilities, the Township of Armour will incorporate design criteria and features. Where applicable, procurement documents will specify the desired accessible criteria to be met and provide guidelines for the evaluation of proposals in respect of those criteria. Where it is impractical for the Township to incorporate accessibility criteria and features when procuring or acquiring specific goods, services or facilities, the Administrator or CAO will provide a written explanation, on request.

(c) Emergency Procedures

Notwithstanding the provisions of this By-law, the said provisions shall be disregarded for goods, services or leasing that may be required in the event of an emergency situation. If expenditures relating to the emergency are anticipated to exceed \$5,000, the Department Head must first obtain the approval of the Administrator or CAO or designate. If expenditures relating to the emergency are anticipated to exceed \$35,000, the approval of a majority of Council must first be obtained. Any purchase of goods, services or leasing incurred in the event of an emergency shall be reported to Council at its next meeting.

(d) Contracts, Professional & Consulting Services

For contracts, professional or consulting services being provided to the Township on a continuing basis, proposals shall be requested from time to time at the discretion of the Administrator or CAO or designate.

(e) Privilege Clause

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.

(f) Energy Conservation

The Township of Armour will endeavor to acquire goods and services that minimize impacts on the environment and perform efficiently and effectively. While evaluating goods and services for purchase (including all aspects related to the production, transportation, use of operation and replacement or disposal of goods) environmental factors will be considered in addition to the specific requirements of the good or service.

3. PROCEDURES FOR REQUESTING WRITTEN QUOTATIONS

(a) Written Quotations from \$5,001 to \$20,000

- (i) Written quotations shall be requested from a minimum of three suppliers, whenever possible.
- (ii) The supplier shall be provided with all the information required in order to submit a quotation.
- (iii) If as a result of queries from prospective bidders, the quotation needs to be revised, each prospective bidder shall be notified of the revisions by email or fax.
- (iv) All requests for written quotations shall include a specific day and time by which the quotations must be submitted to the Department Head all written quotations received shall be dated, time stamped, initialed and placed in a safe location.

- (v) The Department Head shall review the quotations and award the contract with the approval of the Administrator or CAO, if it falls within the budgeted amount of the project. If the quotation exceeds the amount budgeted for the project; the Department Head shall submit a report to Council for approval.
- (vi) The successful quoter shall be notified of acceptance of the quotation by telephone and subsequently in writing, if necessary.
- (vii) Information about the accepted quotation shall be available to unsuccessful quoters subsequent to the accepted quotation being approved.

(b) Written Quotations from \$20,001 to \$35,000

- (i) Written quotations shall be requested from a minimum of three suppliers, whenever possible.
- (ii) The supplier shall be provided with all the information required in order to submit a quotation.
- (iii) If, as a result of queries from prospective bidders, the quotation needs to be revised, each prospective bidder shall be notified of the revisions by email or fax.
- (iv) All requests for written quotations shall include a specific day and time by which the quotations must be submitted to the Department Head. All quotations shall be submitted in a sealed envelope. The envelope shall be initialed showing the date and time received all written quotations received shall be dated, time stamped, and placed in a safe location.
- (v) The quotations shall be kept in the custody of the Department Head or designate until the stated time of opening. Quotations shall be opened in the presence of the Department Head or designate and one staff member.
- (vi) The Department Head shall review the quotations and award the contract with the approval of the Administrator or CAO, if it falls within the budgeted amount of the project. If the quotation exceeds the amount budgeted for the project; the Department Head or designate shall submit a report to Council for approval.
- (vii) The successful quoter shall be notified of acceptance of the quotation by telephone and subsequently in writing, if necessary.

4. PROCEDURES FOR REQUESTING TENDERS

(a) In House Bidding

- (i) The Township does not accept in-house bids as part of the tendering process.

(b) Advertising

- (i) All tenders shall be publicly advertised in the local newspaper having general circulation in the municipality and on the Township's website.
- (ii) At the Department Head's discretion, tenders may also be advertised in trade or special newspapers.
- (iii) Advertisements should appear at least once in the local newspaper.
- (iv) Sufficient time not less than two (2) weeks between advertising and the tender closing time shall be allowed to permit a bidder to examine the specifications, obtain tender documents and complete and submit the tender.

- (v) The advertisement shall contain the following information:
- the name of the municipality
 - the type of service, equipment or project
 - the official designated to receive the tender
 - the date and local time tenders shall be received until
 - the location where plans and specifications and tender forms may be obtained
 - the charge, if any, for contract documents
 - the official to whom queries may be directed
 - a statement that the Township reserves the right to accept any tender or reject any or all tenders and that “the lowest or any tender is not necessarily accepted.”
 - the date, local time and place of the opening of the tenders
 - the type of security that must accompany the tender
 - the bonding requirements, if any

(c) Provision of Information to Tenderers

- (i) Upon the request of a prospective tenderer, the Department Head or designate shall supply the following materials for each contract:
- two copies of the official tender form
 - tender materials such as specifications, plans, etc.
 - a summary of the tender requirements
 - a statement that failure to satisfy all of the tender requirements will result in the tender being rejected.
- (ii) When a fee for tendering material is being charged, the fee shall be payable to The Corporation of the Township of Armour.

(d) Return of Tender Documents by Hand

When, pursuant to the provisions of this By-law, tender documents and/or deposit cheques are returned to the contractor/supplier by hand, a letter acknowledging receipt must be signed by the bidder.

(e) Tender Requirements

- (i) The correct tender form, as supplied by the Township, must be used.
- (ii) Tenders must be received on or before the closing time and date.
- (iii) All tenders shall either be mailed or delivered to The Corporation of the Township of Armour.
- (iv) Tenders shall be submitted in a sealed envelope.
- (v) Tenders shall be addressed to the Administrator or CAO or designate.
- (vi) The outside of the envelope must be marked “Tender For” and identify the project to which the tender relates.

- (vii) The tender must be legible, written in ink or be typewritten and all items must be bid unless the tender specifically permits otherwise, with the unit price for every item, applicable taxes and other entries clearly shown.
- (viii) An authorized signing officer of the bidder shall sign the tender form in the space provided. The Corporate Seal of a corporate bidder should be affixed to the tender documents, or the signing officer must state in writing on the tender documents "I have the authority to bind the Corporation".
- (ix) The authorized signing officer must initial erasures, overwriting or strikeouts.
- (x) The tender deposit, if required, may be a certified cheque, bank draft, money order, bid bond (10% of the total tendered amount) or any combination made payable to The Corporation of the Township of Armour, and must be submitted with the tender and enclosed in the same envelope as the tender.
- (xi) The tender shall be accompanied by an Agreement to Bond Form, when bonding is a requirement.
- (xii) Alternate proposals to the tender specifications will not be considered unless requested by the Township.
- (xiii) The tender must not be qualified by a statement added to the tender form, by a covering letter or by alterations to the tender form, unless requested by the Township.
- (xiv) A tender shall be refused if the tender requirements have not been met.

(f) Bidders Responsibilities

- (i) Bidders shall carefully examine all documentation that encompasses the tender, including, but not limited to specifications, addenda and drawings in order to satisfy themselves as to all conditions affecting the scope of work. No claim for additional costs will be entertained on the grounds of misrepresentation or on the grounds that any promise or guarantee was given or provided by the municipality.
- (ii) If a bidder finds discrepancies, omissions, irregularities or is in doubt as to a meaning, the bidder shall contact the municipality representative named in the document who may post an addendum on the municipal website. Any questions, comments or requests for information shall be addressed no later than 3:00 p.m. five (5) business days prior to the tender's deadline. The municipality cannot be held liable for any oral explanation or interpretation given.
- (iii) Bidders attempting to contact municipal staff or elected officials other than the contact indicated within the tender, for whatever reason during the bid process, are advised that such action may result in their disqualification from the tendering process.

(g) Bonding Requirements

- (i) The Department Head shall determine bonding requirements, if any, taking into consideration Ministry stipulations.
- (ii) When stipulated within the specifications of a tender, the specified amount issued by a Bonding Company satisfactory to the Township, must be furnished by the contractor before the contract is signed.

(h) Changes to Contract Under Call

- (i) Interpretation should be made in reply to queries from bidders only in the form of a written addendum. When it is necessary to revise, delete, substitute or add to the tendering material for a contract under call, the Administrator or CAO or designate shall approve the issuance of an addendum, an extension of the closing date, or cancellation of the competition.
- (ii) When an addendum is to be issued, a closing date extended or a competition cancelled, a copy of each addendum, extension or cancellation shall be posted on the Township of Armour's website (www.armourtownship.ca). It is the bidder's sole responsibility to review the aforementioned website for any amendments, extensions or modifications to the tender or cancellation of the tender. Addendums, extensions of the closing date or cancellation of the competition will not be sent to bidders, but a copy of any addendum or extension of the closing date shall be stapled to each tender form not yet distributed.
- (iii) It is the bidder's sole responsibility to download and include all addendums issued with the tender submission.
- (iv) If a bidder has already submitted a response to a tender before an addendum is issued, it will be returned upon written request.
- (v) When a competition is cancelled, all tenders received shall be returned unopened to the bidder by hand or courier with a covering letter.

(i) Receipt of Tenders

- (i) When a tender is received, the envelope will be initialed showing the date and time. The tender shall be kept in the custody of the Administrator or CAO or designate until the stated time of opening. The Administrator or CAO or designate will maintain a listing of tenders received.
- (ii) Adjustments by telephone, email or letter to a tender already submitted will not be considered. A bidder desiring to make adjustments to a tender must withdraw the tender and submit a revised tender. The bidder shall be advised of the withdrawal procedures.
- (iii) A tender delivered by hand after the closing time and date shall not be accepted.
- (iv) Late tenders, other than delivered by hand, shall be returned, unopened, to the bidder. A covering letter stating the late receipt shall accompany the return.
- (v) A late tender, other than delivered by hand, without a return address on the envelope shall be opened, the address obtained and then returned. The covering letter should state why the envelope could not be returned unopened.
- (vi) The number of bids received and the names of the bidders are confidential and must not be divulged prior to the tender opening.

(j) Withdrawal of Tenders

- (i) A prospective bidder who has submitted a tender may make a written request that his tender be withdrawn. The withdrawal shall be allowed if the request is made before the closing time for the competition to which it applies. Withdrawal requests must be directed to the Township by hand delivery, email or mail and signed by an authorized signing officer of the bidder. Telephone requests shall not be acted upon.

- (ii) The withdrawal of a tender does not disqualify a bidder from submitting, before the deadline, another tender on the same competition.
- (iii) Tenders, which have been withdrawn, will be dealt with at the opening by announcing that the tenders are withdrawn and are to be returned unopened by courier or by hand to the bidder. The tender shall subsequently be returned unopened by courier or by hand to the bidder.
- (iv) Withdrawal requests received after the competition closing time will not be accepted. The bidder concerned shall be informed that the withdrawal request arrived too late for consideration.
- (v) If more than one tender is read under the same name for the same competition and no withdrawal notice has been received, the tender contained in the envelope bearing the time closest to the competition closing time shall be considered the intended bid. The other tender(s) received for that bidder shall be considered withdrawn and returned in the usual manner.
- (vi) In some instances, several tenders are opened at the same tender opening. At such an opening, at the conclusion of the reading of the bids on a competition, the low bidder on that competition may withdraw any remaining tenders on other competitions. The contractor/supplier shall attest in writing to his identity and state the contract(s) being withdrawn. The Notice of Withdrawal of Tender must be signed by the contractor/supplier and handed to the Administrator or CAO or designate before the reading of the first tender on the contract(s) to which it applies.
- (vii) The Administrator or CAO or designate, presented with the withdrawal notice, shall read the bidder's name and announce that the tender has been withdrawn in accordance with established procedures. The bid amount of the withdrawn tender shall not be disclosed.
- (viii) Tenders withdrawn under this procedure cannot be reinstated.
- (ix) A contractor/supplier who withdraws a bid on the strength of being read as low bidder on a previous contract does not have the right to reinstate a withdrawn tender if subsequent checking proves that the tender on the previous contract was not in fact low or was not accepted.

(k) Opening of Tenders

- (i) Any persons desiring to be present at the opening may attend.
- (ii) Tenders shall be opened in the presence of the Administrator or CAO or designate or the Department Head or designate concerned.
- (iii) When tenders have been sorted, a check of the Listing of Tenders received shall be made to ensure that all tenders received are accounted for. If a discrepancy occurs, the tender opening proceedings shall be delayed until all tenders have been accounted for.
- (iv) When all tenders have been accounted for, and withdrawal forms have been dealt with, the remaining tenders shall be opened.
- (v) For each contract, the Department Head or designate shall announce the number of bids received and for each tender, the name of the bidder, the total bid amount, and the amount of the deposit.
- (vi) If two tenders for the same contract are received in the same tender envelope, the signed copy, or if both are properly executed and prices differ, the lower price shall be considered the intended bid, which shall be processed in the normal manner.

- (vii) After reading the bid amount, the Department Head or designate shall note on the Record of Tenders Opened the name of each bidder, the amount of the tender and the deposit amount. The bidder's name for each withdrawn bid shall be recorded immediately following the names of the bidders whose tenders will be considered, noting the method and date of withdrawal. When all the information has been recorded, the Record of Tenders Opened shall be closed by drawing a diagonal line in the unused space under the information listed.
- (viii) The signatures of all Township officials present must appear on the Record of Tenders Opened.

(l) Review of Tenders

- (i) Tenders shall be reviewed as soon as possible after their opening by the Department Head.
- (ii) Tenders may be rejected if the tendering requirements have not been met.
- (iii) When a tender is rejected, the reason must be noted on the Record of Tenders Opened.
- (iv) The bidder shall be advised in writing as to the reason for rejection of the tender.
- (v) The report to Council shall include the rejected bidder(s) and state the reason for the rejection of the tender.

(m) Acceptance of Tender

- (i) Following the review of tenders, the Department Head or designate shall submit a report and recommendation to Council for approval. The report shall outline the reasons in full explanation if the tender recommended for acceptance is not the lowest tender submitted. Reference should be made in the report to budget implications.
- (ii) The tender to be accepted will be at the discretion of Council.
- (iii) Council shall determine the acceptance of a tender. The Township reserves the right to accept any tender, or to reject any or all tenders.

(n) Notification of Acceptance of Tender

- (i) Upon Council approval, the Department Head or designate shall immediately advise the successful bidder that a tender has been accepted.
- (ii) Information about the accepted tender shall be available to unsuccessful tenderers subsequent to the accepted tender being approved by Council.

(o) Disposition of Withdrawn Tenders

- (i) Following the tender opening, withdrawn tenders shall be returned with the deposit cheques to the bidders by courier or by hand.

(p) Disposition of Deposit Cheques

- (i) For contracts where a performance bond is required, the deposit cheque for the successful bidder will be retained until such time as the performance bond has been supplied in a form satisfactory to the Township.

- (ii) For contracts that do not require a performance bond, the deposit cheque of the successful bidder shall be retained by the Township until such time as the goods or services have been received.
- (iii) The deposit cheques of the other bidders will be returned to the bidder as soon as practical after the acceptance of the tenders and the return of these cheques shall be by courier or by hand.

(q) Action When Successful Bidder Does Not Enter Into Contract

- (i) If the successful bidder fails to enter into a contract or indicates that he will not perform the contract, the Department Head or designate and the Administrator or CAO or designate may recommend one of the following to Council:
 - that the tender shall be awarded to another bidder
 - that the competition be cancelled.

In either case, the deposit of the successful bidder shall be forfeited.

- (ii) In the event the tender is awarded to another bidder, the bidder will be required to provide the required tender deposit or performance bond and all other provisions of this By-law will apply.

5. PROCEDURES FOR REQUESTING PROPOSALS

(a) Requesting Proposals

- (i) Requests for proposals should be called when the requirements or services cannot be definitely specified to the satisfaction of the Department Head or designate.
- (ii) Requests for proposals shall be by invitation and at the discretion of the Department Head or designate, by public advertising in a local newspaper and on the Township's website.
- (iii) At the Department Head's discretion, requests for proposals may also be advertised in trade or special newspapers.
- (iv) If as a result of queries from prospective bidders, the document requesting the proposal needs to be revised, if possible, each prospective bidder shall be notified of the revision by email. If a proposal has already been submitted, the bidder may in writing request that the proposal be withdrawn. The proposal will then be returned unopened to the bidder by hand or courier.

(b) Closing Time for Proposals

- (i) All requests for proposals shall include a day and time by which the proposals must be submitted to the Department Head or designate.
- (ii) All firms requested to submit a proposal shall be allowed at least seven working days before the deadline for submitting their proposal.

(c) Receipt of Proposals

- (i) Proposals received must be submitted in a sealed envelope.
- (ii) The following information shall appear on the outside of the envelope:
 - the name of the applicable Department Head
 - that the envelope contains a "Proposal For" and identifies the goods or services to which the proposal relates.

- (iii) When the proposal is received, the envelope shall be initialed showing the date and time. The proposal shall then be forwarded to the appropriate Department Head.
- (iv) Any proposal received after the deadline shall not be accepted or opened, and the time and date shall be noted and the proposal returned to the bidder with a covering letter stating the reason why the proposal could not be accepted.
- (v) The number of proposals received and the names of the bidders are confidential and must not be divulged prior to the opening of the proposals.
- (vi) Any proposal may be withdrawn prior to opening upon receipt of a written request from the bidder. The proposal shall then be returned unopened to the bidder.

(d) Opening of Proposals

- (i) At a time established as soon as possible after the deadline for submitting proposals, all proposals shall be opened in the presence of the Department Head or designate or the Administrator or CAO or designate.
- (ii) Proposals shall be reviewed and analyzed by the Department Head or designate who shall submit a report and recommendation to Council for approval. Reference should be made in the report to budget implications.

(e) Acceptance of Proposal

- (i) The proposal to be accepted will be at the discretion of Council.

(f) Notification of Acceptance of Proposal

- (i) Upon Council approval, the successful bidder shall be notified of acceptance of his proposal by telephone and subsequently in writing, if necessary.
- (ii) Information about the accepted proposal shall be available to unsuccessful bidders subsequent to the accepted proposal being approved by Council.

6. METHODS OF PROCUREMENT – SUMMARY TEMPLATE

The following are authorized procedures for the procurement of goods, services and construction.

SERVICES	METHOD OF PROCUREMENT	SOURCE OF BIDS/ADVERTISING	APPROVAL AUTHORITY	REPORTING REQUIREMENTS
Services that cannot be specifically defined in a tender	RFP	Proposals by invitation. May be advertised at the discretion of the Department Head	Council	Report to Council
PRICE RANGE	METHOD OF PROCUREMENT	SOURCE OF BIDS/ADVERTISING	APPROVAL AUTHORITY	REPORTING REQUIREMENTS
Under \$5,000.00	Quotations may be requested		Department Head within approved budget	Report to Council required if purchase is not within approved budget
\$5,001 to \$20,000	Written Quotations	Minimum three (3) suppliers, whenever possible	Administrator or CAO within approved budget	Report to Council required if purchase is not within approved budget
\$20,001 to \$35,000	Sealed Written Quotations	Minimum three (3) suppliers, whenever possible	Administrator or CAO within approved budget	Report to Council required if purchase is not within approved budget
Over \$35,001	Tendering process	Advertised on website and local paper	Council	Report to Council

7. LEGAL REQUIREMENTS

The Township must conduct procurement activities according to the law in Ontario, including contract law, law of competitive processes, privacy legislation, accessibility legislation and any other applicable legislation. The Township is subject to various trade agreements.

(a) Ontario Law

When conducting procurement, The Township should understand their individuals engaged in Supply Chain Activities on behalf of The Township must be aware of the applicable laws and the importance of professional conduct. Where necessary, the Township should seek legal advice on procurement.

(b) Privacy Legislation

The Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) makes public bodies accountable to the public and responsible to protect personal privacy. The privacy legislation stipulates a right of access to records held by public bodies and regulates how public bodies manage personal information collected. All correspondence, documentation, and information provided to the Township of Armour by any proponent in connection with the respective request for procurement will become the property of the Municipality. All documentation relating to a request for procurement not identified as confidential is subject to MFIPPA and may be released, pursuant to the Act. At a minimum, the Proponent's name and total bid amount will be made publicly available upon request.

Individuals engaged in Supply Chain Activities on behalf of The Township should be aware of the implications of the Freedom of Information (FOI) requirements of MFIPPA and the resulting importance of professional conduct. Freedom of Information requests can be made for information on tendering and administration of contracts. Proponents must identify in their submission material, any scientific, technical, commercial, proprietary or similar confidential information, the disclosure of which would cause them harm.

In some cases, successful bidders may be required access to work on the Township's premises, or acquire and be exposed to confidential information in the custody of the Municipality in order to fulfil the conditions of their procurement. In such a case, the bidder must sign a confidentiality agreement where the bidder agrees not to divulge any personal information without the explicit consent of the Township of Armour.

(c) Accessibility Legislation

Individuals engaged in procurement activities on behalf of The Township are aware of and ensure procurement processes comply with the requirements of the Accessibility for Ontarians with Disabilities Act, 2005 (AODA).

(d) Ontario Construction Lien Act

The Township understands their obligations and rights under the Ontario Construction Lien Act. Individuals engaged in Supply Chain Activities on behalf of The Township must be aware of the applicable laws and the importance of liens, holdbacks and trust fund administration.

(e) Trade Agreement

The Township must follow provisions of applicable trade agreements. Where these trade agreements do not require The Township to conduct procurement through a competitive process, The Township is strongly encouraged to utilize a competitive approach to procurement.

(f) Occupational Health and Safety Act

The Contractor is bound by regulations issued by the Ministry of Labour for the Province of Ontario under the Occupational Health and Safety Act. The Contractor acknowledges that they comply with these regulations and that they are the Contractor under said Act as it relates to the completion of this tender and shall indemnify and hold harmless the Township in respect of same, including any, legal costs, fines or other penalties incurred by the Township resulting from the Contractors performance or failure to perform under the Contract terms.

(g) Hazardous Materials

The contractor must provide a list of any designated substances and/or hazardous materials that will be brought onto the worksite, as well as material safety data sheets for same and comply with all applicable law.

(h) Provincial Safety Requirements

The contractor must ensure that all work done under the scope of the procurement shall comply with the applicable Provincial Safety Requirements.

(i) Holdbacks

Holdbacks serve two purposes:

- to provide an incentive for the contractor to complete the work according to the stipulated specifications; and
- to provide the Township with access to funds for commitments resulting from a contractor's non-performance.

Negotiated holdbacks should be large enough and held long enough to ensure that all contractual requirements can be met. This can be determined by assessing the firm's financial capability, performance record, payment record, markets or industry volatility and the degree of risk inherent in the work. Holdbacks will be in accordance with the Ontario Construction Lien Act.

(j) Security Deposits

The Department Manager determines the amount of the deposit, in consultation with the Treasurer.

When cash, certified cheques, other bills of exchange, letters of credit, or government- guaranteed bonds are submitted as contract security, the Delegated Purchasing Authority usually specifies a minimum of 10% of the value of the contract.

(k) Provision for Damages or Penalty Payments

A clause referring to provisions for damages or penalties, where applicable, should be included in contracts. Legal advice should be sought concerning the types of damages or penalties which could be included and wording of the clause.

8. BID DISPUTE RESOLUTION

To maintain the integrity of the process, bidders who believe they have been treated unfairly can make this known by contacting the Administrator or CAO prior to the award of the contract. Disputes shall be resolved as follows:

- (a) A meeting between the bidder and the Administrator or CAO;
- (b) If (a) does not lead to a resolution between the bidder and the Administrator or CAO, the bidder may appeal the decision to Council. The Township Council's decision is final.

9. CONFLICT OF INTEREST

The Township must monitor any conflict of interest that may arise as a result of the Members' involvement of the Organization, advisors, external consultants, or suppliers in the Supply Chain Activities. Individuals involved with the Supply Chain Activities must declare actual or potential conflicts of interest. Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken, by the Township.

Any contract with the Township, or with any person acting for the Township, and any contract for the supply of goods and/or services to a contractor for work for which the Township pays or is liable, directly or indirectly, to pay in which a member of Council has an undeclared pecuniary interest, directly or indirectly may be voided.

A conflict of interest may exist that involves the Members of the Township. Where a conflict of interest is declared, the Township must ensure that the Members of the Township involved in the procurement sign a conflict-of-interest declaration.

The Members of an Organization must:

- Disclose potential and actual conflicts of interest in writing; and
- Avoid situations that may present a conflict of interest while dealing with entities doing or seeking to do business with the Organization.

Situations that may result in a conflict of interest include:

- Being engaged in outside employment;
- Having relationships that may affect or may be perceived as affecting an individual's objectivity in carrying out an official role;
- Providing assistance or advice to a supplier participating in a competitive process;
- Having an ownership, investment interest or compensation arrangement with any entity participating in a competitive process;
- Having access to confidential information that may affect or may be perceived as affecting one's objectivity or judgment in carrying out an official role; and
- Accepting favours or gratuities from those doing business with the Organization.

10. RECORDS RETENTION

For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information must be retained in a recoverable form for as per the Township's current Record Retention By-law.

The Township must retain all procurement documents as well as any pertinent information for reporting, auditing, and bid dispute resolution purposes.

Confidential information will be stored in a secure area by the Administrator or CAO.