

# **THE CORPORATION OF THE VILLAGE OF SUNDRIDGE**

## **BY-LAW NO. 2016-026**

Being a By-Law to Govern Procurement Policies and  
Procedures

**WHEREAS** section 270 of the *Municipal Act, R.S.O. 2001*, as amended, requires all municipalities and local boards to establish and maintain a policy with respect to its procurement of Goods and Services;

**AND WHEREAS** this By-law establishes the authority and sets out the methods by which Goods and Services will be purchased and disposed of for the Village;

**AND WHEREAS** the Village will acquire Goods and Services in a manner that complies with this By-law and appropriate purchasing principles for the public sector, reflects a high standard of business ethics, does not favour or discriminate, is cost effective and results in Best Value for the Village;

**NOW THEREFORE, THE COUNCIL OF THE CORPORATION OF THE VILLAGE OF SUNDRIDGE HEREBY ENACTS AS FOLLOWS:**

### **1. GENERAL PROVISIONS**

1.1 The purpose of this By-law is to:

- a) ensure the Village conducts fair, objective, transparent and consistent purchasing practices;
- b) maintain the integrity of the procurement process by ensuring that, whenever possible, competitive methods of procurement will be utilized to obtain Best Value for the Village;
- c) clearly define the circumstances which allow for non-competitive procurement;
- d) ensure that the procurement process is conducted in a manner that enables departments of the Village to operate efficiently and effectively;
- e) protect the interests of the Village, public and persons participating in the procurement process by providing a clear statement of how Goods and Services will be acquired;
- f) clearly define the roles and responsibilities of those involved in the procurement process; and
- g) outline the process for disposing of Surplus Goods.

## 2. DEFINITIONS OF THIS BY-LAW

### 2.1 In this By-law:

- a) **"Acquisition"** means the process used for obtaining goods and/or services;
- b) **"Agreement"** means a formal, written legal document that binds the Corporation of the Village of Sundridge and all other parties, subject to the provisions of the Contract;
- c) **"Agreement to Bond"** means an insurance agreement by which a third party (a surety) guarantees that if a Contract is awarded to the Bidder, the Bidder is capable of furnishing Bonds as required;
- d) **"Approval"** means the acceptance to proceed with the purchase or disposal of specific goods and/or services;
- e) **"Award"** means the acceptance of a bid or proposal in accordance with this by-law;
- f) **"Best Value"** means the optimal value balance of cost and performance of Goods or Services having consideration for quality, timing, efficiency and lifecycle costs;
- g) **"Bid"** means an offer or written submission from a Bidder or Proponent in response to a Bid Request issued by the municipality which is subject to acceptance or rejection;
- h) **"Bid Bond"** means an insurance agreement, accompanied by a monetary commitment, by which a third party (a surety) accepts liability and guarantees the Bidder will not withdraw the Bid. The Bidder will furnish Bonds as required, and if the Contract is awarded to the Bidder, the Bidder will accept the Contract as Bid, or else the surety will pay a specific amount;
- i) **"Bid Deposit"** means a financial guarantee to ensure the successful bidder will enter an agreement;
- j) **"Bid Irregularity"** means a deviation from the requirements of a Bid Request, as set out in Schedule "B" of this By-law;
- k) **"Bid Request"** means a solicitation by the Village in a form as specified in section 6 of this By-law;
- l) **"Bidder"** means a person or entity that submits a Bid in response to a Bid Request;
- m) **"Bond"** means a form of financial protection against damages; a binding agreement executed by a Contractor and a third party (a surety) to guarantee the performance of certain obligations or duties to the City;
- n) **"Clerk"** means the Chief Administrative Officer of the Village or his or her Designate;

- o) **"Committee"** means a committee as designated by the Council of the Corporation of the Village of Sundridge;
- p) **"Construction"** means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes labour, 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;
- q) **"Contract"** means any agreement, regardless of form or title, for the purchase of Goods or Services in return for money or other consideration;
- r) **"Contractor"** means the selected Bidder or Proponent to whom the Contract for the purchase of Goods or Services is awarded and executed under the terms and conditions of the Contract;
- s) **"Council"** means the elected Mayor and Council for the Village, or the board of the local agencies, boards, or commissions;
- t) **"Council Approved Budgets"** means council approved department budgets, including authorized revisions, or where applicable, council approved budgets of municipal boards or committees to which this by-law applies;
- u) **"Department"** means an organizational unit of the Village of Sundridge;
- v) **"Department Head"** means the person appointed by council, who is responsible for the direction and operational control of a department;
- w) **"Designate"** means a person authorized by the Clerk or respective Department Head to act on his or her behalf, for the purpose of this By-law;
- x) **"Extraordinary Circumstance (Emergency)"** means an event or circumstance where the immediate purchase for Goods or Services is essential or necessary in preventing a risk as specified in section 8.1 of this By-law;
- y) **"Goods"** means goods of all kinds, including both tangible and intangible goods, and shall include supplies, materials, equipment, structures and fixtures to be delivered, installed and/or constructed, and licences;
- z) **"Irrevocable Bid"** means a Bid or Proposal, whereby the Bidder and the Council are bound by a contractual obligation under both expressed terms of the Bid Request and implied terms based on the

laws of competitive procurement. The inclusion of Bid deposit or Bid Bond in a Bid Request is the means or normal method by which the Village obtains an Irrevocable Bid.

- aa) **"Low Value Purchase"** means a purchase of Goods or Services not covered under an existing Contract and having a purchase value up to the limit as stated in Schedule "C" of this By-law;
- bb) **"Management Staff"** means the Treasurer, Department Head, or Designate authorized by the Clerk, who has responsibility for a specific department of the Village;
- cc) **"Proponent"** means a person or entity who submits a response to an RFP;
- dd) **"Proposal"** means the submission received or response to an RFP;
- ee) **"Purchasing Card"** means a payment method whereby authorized Village staff are empowered to purchase directly from a Supplier or Contractor using a credit card provided by the Village, as issued by a bank or major credit card provider, in accordance the Village's Purchasing Card Policy;
- ff) **"Purchase Order"** means the Village's written document to a Supplier or Contractor formalizing all the terms and conditions of a Contract;
- gg) **"Real Property"** means land and its permanently affixed buildings or structures;
- hh) **"Request for Expression of Interest" ("RFEOI")** means a request which will be used to determine the interest of the market place to provide Goods or Services;
- ii) **"Request for Information" ("RFI")** means a request which will be used to determine what Goods or Services are available that may meet business or operational requirements along with identifying acquisition strategies;
- jj) **"Request for Prequalification" ("RFPQ")** means a request which will be used to determine qualified Bidders or Proponents that may Bid on a subsequent procurement process for Goods or Services;
- kk) **"Request for Proposal" ("RFP")** means a request for Proposals from Proponents where the requirement cannot be expressly stated or defined and/or where a solution is requested and selection of a successful Proponent is based on criteria other than price alone;
- ll) **"Request for Quotation" ("RFQ")** means a request for quotations from Bidders for Goods or Services, where the Village has defined the requirements and a clear solution exists;
- mm) **"Request for Tender" ("RFT")** means a request for tenders from Bidders to obtain irrevocable Bids for Goods or Services where the Village has defined the requirements and a clear solution exists.

- nn) **"Sealed Bids"** are bids submitted in a sealed envelope to a specified location by a specific date;
- oo) **"Services"** means services of all kinds, including, but not limited to, labour, construction, maintenance and professional and consulting services;
- pp) **"Selection Committee"** means a committee established as part of the RFP process and made up of Village staff and such others as selected by the Village, with a purpose to establish RFP evaluation criteria and review and evaluate Proposals;
- qq) **"Single Source"** means a procurement decision whereby purchases for Goods or Services are directed to one source, but where other sources may be available;
- rr) **"Sole Source"** means a procurement decision whereby purchases for Goods or Services are directed to the only source, as this is the only source available that meets the requirements of the Village;
- ss) **"Supplier"** means the selected Bidder or Proponent to whom the Contract for the purchase of Goods or Services is awarded and executed under the terms and conditions of the Contract;
- tt) **"Surplus Goods"** means any items no longer having any use to the City or in excess of the needs of the Village that have become available for transfer, sale, or disposal including, but not limited to, obsolete supplies, scrap materials, and vehicles but excluding real property; and
- uu) **"Treasurer"** means the Treasurer of the Village or his or her designate;
- vv) **"Unsolicited Bid or Proposal"** means Bid or Proposal submitted by a Supplier or Contractor in the absence of a Bid Request from the Village, which may be submitted in response to a perceived need but not in response to a Bid Request.
- ww) **"Vendor"** means any person or enterprise supplying goods or services to the Corporation of the Village of Sundridge.
- ww) **"Village"** means the Corporation of the Village of Sundridge.

### 3. APPLICATION

- 3.1 This By-law shall apply to staff in all departments of the Village and may be adopted in principle, at their discretion, by affiliate agencies, boards and commissions of the Village.
- 3.2 The acquisition of Goods or Services or disposal of Surplus Goods shall be authorized only when in compliance with this By-law.

## **4. RESPONSIBILITIES**

**4.1 The Treasurer** shall have the authority and be responsible for:

- a) overseeing all procurement activities of the Village;
- b) providing advice, guidance and related services that may be required by departments for the purposes of fulfilling their procurement needs;
- c) developing, maintaining and continuously improving detailed processes, systems, templates, and practices to be used in the procurement process;
- d) providing training for department staff responsible for acquiring Goods and Services;
- e) determining the appropriate method for acquiring Goods or Services;
- f) managing formal Bid Requests including notification, receipt, opening, and compliance with stated terms and conditions;
- g) establishing project specific terms and conditions for Bid Requests and Contracts in consultation with department staff and Village Solicitor;
- h) standardizing Goods and Services in collaboration with departments, when and where appropriate;
- i) disposal of Surplus Goods;
- j) reporting to Council, as required;
- k) ensuring Village staff complies with this By-law and any non-compliance is reported, in writing, to the Clerk; and
- l) ensuring no procurement activity or decision is contrary to this By-law.

**4.2 HEADS OF DEPARTMENTS** shall be responsible for:

- a) all department procurement activity and authorization within the limits as stated in Schedule "C" of this By-law;
- b) ensuring staff involved in procurement activity receive appropriate training;
- c) ensuring through the Treasurer sufficient funding has been authorized by Council;
- d) assisting the Treasurer in preparing specifications, quantity requirements and scope of work to be used in the procurement of Goods and Services;
- e) monitoring Contract expenditures;
- f) receipt, acceptance and authorizing payment of Goods or Services;
- g) managing Contracts and documenting performance evaluation;
- h) ensuring departmental staff comply with this By-law and any non-compliance is reported, in writing, to the Clerk; and
- i) ensuring no procurement activity or decision is contrary to this By-law.
- j) In case of equipment repairs and equipment rentals, the

Department Head is authorized to select vendors not solely on the basis of cost, but also on ability, quality or workmanship, service, availability, overall performance and experience;

4.3 **CLERK** shall be responsible for:

- a) all procurement activity and authorization within the limits as stated in Schedule "C" of this By-law;
- b) ensuring Treasurer and Department Heads comply with this By-law and any non-compliance is reported, in writing, to the Council; and
- c) providing additional restrictions concerning procurement activities where such actions are considered necessary and in the best interest of the Village.

**5. RESTRICTIONS AND EXCEPTIONS**

- 5.1 The open and competitive procurement procedures set out in this By-law shall not apply to the purchase of those items listed in Schedule "A", or as otherwise listed in this By-law.
- 5.2 No Contract for Goods or Services may be divided into two or more parts to avoid the application of the provisions of this By-law.
- 5.3 No Contract shall be awarded to any person, company or corporation who or which has a claim, demand, action or other a legal proceeding against the Village or against who the Village has a claim, demand, action or other legal proceeding with respect to any previous or existing Contract, except in such circumstances as deemed necessary by the Clerk.

**6. STANDARD PROCUREMENT METHODS**

- 6.1 The method of purchasing Goods and Services shall be in accordance with the standard procurement methods described in this section as recommended by the Treasurer and shall be advertised, reported, approved and the Contract executed in accordance with Schedule "C" of this By-law.

a) **REQUEST FOR EXPRESSION OF INTEREST ("RFEOI")**

- i) A RFEOI may be used to determine the interest of the market place to provide Goods or Services which the Village is contemplating purchasing. The submission of an Expression of Interest may be made a specific pre-condition of any other procurement procedure utilized by the Village. A submission in response to a RFEOI does not create any contractual obligation between the Village and the interested respondent.

**b) REQUEST FOR INFORMATION ("RFI")**

- i) A RFI may be used as a general market research tool to determine what Goods and Services are available that may meet business or operational requirements along with identifying acquisition strategies. The RFI may request publicly available pricing details for the purpose of budget planning or developing a future Bid Request. A submission in response to an RFI does not create any contractual obligation between the Village and the respondent.

**c) REQUEST FOR PREQUALIFICATION ("RFPQ")**

- i) A RFPQ may be used to determine qualified Bidders or Proponents that may Bid on a subsequent Bid Request for Goods or Services undertaken by the Village under any of the following circumstances:
  - a. the work is considered high risk with respect to regulations governed under the Occupational Health and Safety Act;
  - b. the value and complexity of the work is such that substantial additional costs and/or potential loss to the Village are significant if the work is not performed as specified;
  - c. the Goods or Services to be provided shall meet fundamental mandatory standards or regulation of the federal, or provincial governments, or recognized Village standards;
  - d. the work requires a stipulated performance and experience level;
  - e. the work requires elements of confidentiality and/or security; or
  - f. the Clerk deems prequalification to be appropriate.
- ii) A submission in response to a RFPQ does not create any contractual obligation between the Village and the respondent.
- iii) The RFPQ process will be administered by the Treasurer.

**d) LOW VALUE PURCHASE ("LVP")**

- i) A LVP may be used for the procurement of Goods or Services not covered under an existing Contract and having a purchase value up to the limit as stated in Schedule "C" of this By-law.
- ii) The respective Department Heads shall authorize specific individuals to make LVP as stated in Schedule "C" of this By-Law.



- iii) These purchases may be made utilizing a Purchase Order, petty cash, Supplier account or Village Purchasing Card.
- iv) These purchases are within the discretion of the respective Department Head or Treasurer who shall also determine the need for competitive quotes and/or that purchases demonstrate good value for the Village.
- v) LVP may be facilitated by the Treasurer at the request of the department.

**e) REQUEST FOR QUOTATION ("RFQ")**

- i) A RFQ is used for the procurement of Goods or Services where the Village has defined the requirements, a clear solution exists, and the estimated purchase value is within the limits as stated in Schedule "C" of this By-law.
- ii) The intention is to award to the lowest compliant Bidder, although the lowest or any Bid may not necessarily be accepted.
- iii) Public advertising is discretionary up to the limit as stated in Schedule "C" of this By-law.

**f) REQUEST FOR TENDER ("RFT")**

- i) A RFT is used to obtain Irrevocable Bids for the procurement of Goods or Services and where the Village has defined the requirements, a clear solution exists, and estimated value is within the limits as stated in Schedule "C" of this By-law.
- ii) The intention is to award to the lowest compliant Bidder without negotiation (subject to section 7 of this By-law), although the lowest or any Bid may not necessarily be accepted.
- iii) A RFT shall be undertaken and administered by the Treasurer.
- iv) Notice of a RFT shall be by public advertising including the local newspaper and a municipal website.
- v) Bids in response to a RFT shall be received by the Treasurer. At a time specified within the Bid Request on the closing date, the Bid envelope shall be opened publicly by the Treasurer, and prior to internal review, each Bidder's name and unofficial Bid total amount shall be publicly read.

**g) REQUEST FOR PROPOSAL ("RFP")**

- i) A RFP is used for obtaining competitive Proposals in situations where the requirement cannot be expressly stated or defined and/or where a solution is requested and dependent on:
  - a. the effectiveness of the proposed solution based on several stated criteria as opposed to the price alone;
  - b. a possibility existing where negotiation with one or more Proponents may be required with respect to any aspect of the Contract; or
  - c. the precise scope of Goods or Services not known, or not definable, and it is expected that the Proponent will further define them.
- ii) A Proposal Selection Committee shall determine the most qualified Proponent offering Best Value for the Village using the evaluation criteria stated in the RFP.

## **7. CO-OPERATING PUCHASING**

Collaborative procurement is a coordinated event that facilities purchasing on behalf of multiple organizations. Collaborative procurement may be facilitated through (but not limited to) Cooperative Purchasing with other Municipalities, Buying Groups, Group Purchasing Organizations (GPOs) and Shared Service Organizations (SSOs). The goals of these organizations are to 1) leverage the increased buying power of aggregating total spend with other organizations; 2) standardize processes by streamlining through one centralized buying organization; 3) minimize risks and improve process controls; and 4) generate savings/efficiencies that benefit the collective participants.

Cooperative Purchasing with other municipalities, buying groups and GPOs include two or more members that combine the purchasing requirements and activities of the members into one joint procurement process. These organizations may represent cooperative arrangements in which individual members administer the procurement function for specific contracts for the group or more formal corporate arrangements in which the organization administer procurement for group members. Both groups may involve a variety of entities, including public-sector, private sector and not-for-profit organizations. Typically, group purchasing organization have an established governance and membership framework, while buying groups may adopt a less formal governance and membership structure.

The Village may participate with other Municipal Governments in cooperative acquisition for goods and or services when it is in the best interest of the Village to do so. Such Cooperative Purchasing shall require the prior written approval of the Treasurer.

If the Village participates in group purchasing activities through Cooperative

Purchasing with other Municipalities, buying groups, CPOs or SSOs they must ensure that the activities of these entities are carried out in a manner consistent with this Policy. Where such participation is at variance with the Village's Procurement Policy, Council shall first authorize any participation.

If a local Municipality has recently (within three (3) months) gone through a competitive procurement process for an item/service that the Village requires, the Treasurer may utilize the successful supplier providing the procurement process meets or exceeds the Village of Sundridge Procurement Policy.

## **8. NEGOTIATION**

8.1 Negotiation may be used for the procurement of Goods or Services:

- a) where no Bids were received in a proper, publicly issued Bid Request;
- b) where only one Bid is received; it exceeds the amount budgeted for the purchase; and the Bidder is willing and prepared to enter into negotiations with the Village;
- c) where instructions within a Bid Request expressly allow for negotiations to occur with the low Bidder;
- d) with the highest evaluated Proponent upon completion of the evaluation, and as a condition of award. If a negotiated settlement cannot be reached, the Village may proceed to negotiate with the next highest evaluated Proponent;
- e) where an Extraordinary Circumstance (Emergency) exists;
- f) where a Sole Source or Single Source purchase is conducted; or
- g) where authorized by Council to do so.

## **9. EXTRAORDINARY CIRCUMSTANCE (EMERGENCY) PURCHASES**

9.1 Notwithstanding the provisions of this By-law, an Extraordinary Circumstance (Emergency) purchase may be conducted when an event or circumstance occurs that is determined by the respective Department Heads, the Treasurer or the Clerk to be a risk to:

- a) public health;
- b) essential services of the Village;
- c) the welfare of persons or of public property; or
- d) the security of the Village's interests and the occurrence requires the immediate delivery of Goods or Services and time does not permit for a competitive Bid Request.

9.2 An Extraordinary Circumstance (Emergency) purchase shall be authorized within the limits as stated in Schedule "C" of this By-law.

- 9.3 With the exception of a Low Value Purchase, the Clerk shall approve and facilitate all Extraordinary Circumstance (Emergency) purchases. Where impractical, a follow-up purchase requisition shall be submitted to the Purchasing Department.
- 9.4 Where an Extraordinary Circumstance (Emergency) purchase exceeds the limits of the Clerk and requires authorization of Council, the Clerk shall have authority to approve such purchase and a follow-up information report to council shall be completed.

## **10. SOLE SOURCE PURCHASES**

- 10.1 A Sole Source purchase may be conducted for Goods or Services without a competitive Bid Request:
- a) where the required Goods or Services are covered by an exclusive right such as a patent, copyright, exclusive licence or distributorship; or
  - b) where a statutory or market based monopoly exists.
- 10.2 A Sole Source purchase shall be authorized within the limits as stated in Schedule "C" of this By-law.
- 10.3 With the exception of a Low Value Purchase, the Clerk shall approve and facilitate all Sole Source purchases.

## **11. SINGLE SOURCE PURCHASES**

- 11.1 A Single Source purchase may be conducted for Goods or Services without a competitive Bid Request where:
- a) the Goods or Services required are in short supply due to market conditions;
  - b) it is necessary to ensure compatibility with previously acquired Goods and Services; and there are no reasonable alternatives, substitutes or accommodations;
  - c) it is important to avoid violating warranties and guarantees of existing Goods and Services;
  - d) standardization of Goods or Services is beneficial to the Village with respect to operation, functionality, and service capacity; and such purchases have previously been acquired through a competitive Bid Request; and a defined timeline has been established to review such standardization;
  - e) the amendment to an existing Contract would be more cost effective and beneficial to the Village;
  - f) where, for reasons of security or confidentiality, it is in the best interest of the Village to do so;
  - g) no Bidders have responded to a proper, publicly issued Bid Request;

- h) Goods are purchased for testing or trial use and there is a clearly established deadline for the testing or trial period that does not exceed 12 months;
- i) the Village has a rental Contract with a purchase or rental extension option and such purchase or rental extension is beneficial to the Village; or
- j) an Extraordinary Circumstance (Emergency) purchase.

11.2 A Single Source purchase shall be authorized within the limits as stated in Schedule "C" of this By-law.

11.3 With the exception of a Low Value Purchase, the Clerk shall approve and facilitate all Single Source purchases.

## **12. UNSOLICITED BIDS**

12.1 An Unsolicited Bid or Proposal received by the Village shall be reviewed by the Clerk. Any procurement activity resulting from the receipt of an unsolicited Bid or Proposal shall comply with the provisions of the Single Source or Sole Source requirements of this By-law.

## **13. PETTY CASH**

13.1 The Treasurer shall have authority to establish a petty cash fund having a value of one hundred and fifty (\$150.00) dollars for the acquisition of goods, services or construction.

13.2 Expenditures not exceeding one hundred and fifty (\$150.00) dollars, including purchases of goods, services and construction may be made from petty cash in any one (1) instance. Petty cash should only be used when it is not feasible to issue a cheque.

13.3 All petty cash disbursements shall be evidenced by vouchers and shall be processed through the municipal Treasurer.

## **14. PURCHASING CARDS**

14.1 Purchasing Cards are issued to the Mayor, Clerk, Treasurer, Fire Chief and Village Superintendent at the discretion of the Clerk, to allow for an efficient method of acquiring Low Value Purchases to a maximum amount of Two thousand (\$2,000.00) dollars per card.

14.2 The Purchasing Card is not to be used for expenditures of a personal nature.

- 14.3 Purchases made by Purchasing Card are subject to the requirements of this By-law and the Purchasing Card Policy and Procedures By-Law, as amended from time to time.

## **15. BID IRREGULARITIES**

- 15.1 Any Bid Irregularities shall be addressed in accordance with Schedule "B" of this By-law.
- 15.2 If a formal competitive Bid contains a Bid Irregularity, the Treasurer may, at his or her discretion, refer the issue to the Council to determine acceptance or rejection of the Bid.

## **16. IDENTICAL BIDS**

- 16.1 If the lowest Bid from two or more Bidders is identical in total cost or unit price, the Treasurer, in the presence of the Clerk and another staff member as selected by the Treasurer, shall determine the recommended Bidder by way of a coin toss or by way of draw of a name where two or more identical Bids exist.

## **17. CONTRACT EXECUTION**

- 17.1 A Contract shall be required for the purchase of Goods or Services and executed by a written agreement or Purchase Order in accordance with limits as stated in Schedule "C" of this By-law or in situations where circumstances warrant such.

## **18. CONTINGENCY MANAGEMENT**

- 18.1 Where the expenditure limit of a Contract that required Council approval is expected to exceed the awarded amount:
- a) the Treasurer may approve the overage so long as the amount of the cumulative overages for the Contract is less than ten percent (10%) of the value of the Contract, and the project remains within the approved project budget;
  - b) the Clerk may approve the overage so long as the amount of the cumulative overages for the Contract is less than fifteen percent (15%) of the value of the Contract, and the project remains within the approved project budget.
- 18.2 Where the expenditure limit of a Contract that required Council approval is expected to exceed the awarded amount by fifteen percent (15%) or greater, the matter will be referred to Council for consideration.

## **19. SUPPLIER/CONTRACTOR PERFORMANCE AND ABILITY**

- 19.1 The respective Department Head shall be responsible for monitoring Supplier and Contractor performance and documenting evidence of such performance.
- 19.2 The Council may authorize the Treasurer to reject a Bid if it is determined that:
- a) the Bidder has not complied with and/or satisfactorily performed the requirements of a previous Contract; or
  - b) the Bidder does not have sufficient ability, experience, capital or plant to execute the Contract and to do so within the time stated.

## **20. COUNCIL APPROVAL**

- 20.1 Notwithstanding any other provisions of this By-law, the award of a Contract requires approval of Council:
- a) in accordance with the limits as stated in Schedule "C" of this By-law; or
  - b) where this By-law is being waived.

## **21. ACCESS TO INFORMATION**

- 21.1 The disclosure of information received relevant to the issuance of a Bid Request or the award of Contracts shall be made available in accordance with the provisions under the *Municipal Freedom of Information and Protection of Privacy Act, (R.S.O. 1990, Chapter M.56)*, as amended from time to time.

## **22. DISPOSAL OF SURPLUS GOODS**

- 22.1 A Department Head may advise the Treasurer that items including, but not limited to, furnishings, equipment, vehicles, supplies, and other goods and materials, and excluding Real Property, have become obsolete, worn out unusable or are surplus to the needs of their department.
- 22.2 The Treasurer will first offer the surplus items to other departments. Items not required by other departments and surplus to the Village's needs, will be declared as Surplus Goods by the Council.
- 22.3 The Treasurer, in conjunction with the respective Department Head, will determine a reasonable sale value, which may include a third party appraisal. Surplus Goods having a residual value will be disposed of, as determined by the Manager of Purchasing, by way of:

- a) public auction;
- b) request for bids;
- c) trade-in at fair market value as part of the acquisition of similar items required by the Village; or
- d) charitable donation to a recognized, registered organization;

22.4 Where Surplus Goods have little or no value, the Treasurer may dispose of the items directly through a recycling process or applicable waste stream.

22.5 No staff member, Councillor or local board member of the Village shall personally obtain any Surplus Goods unless it is obtained through a public process.

## **23. INFLUENCE AND INTEGRITY**

23.1 No person, company, corporation, organization or representative of the Village shall attempt in any way, either in private or public, to influence the outcome of Bid Request.

23.2 The Bid or Proposal of any person, company, corporation or organization that attempts to influence the outcome of a Bid Request may be disqualified and the person, company, corporation, or organization may be subjected to suspension or exclusion from future procurement processes.

## **24. LEGISLATIVE TRADE AGREEMENTS AND LOCAL PREFERENCE**

24.1 All procurement activities shall be in compliance with all legislated national and international trade agreements (e.g. *Agreement on Internal Trade* and the *Ontario-Quebec Trade and Cooperation Agreement*).

24.2 The *Discriminatory Business Practices Act* (R.S.O 1990, Chapter D.12), as amended and the *Agreement on Internal Trade* prohibit local preference in acquiring Goods and Services.

## **25. SHORT TITLE**

25.1 The short title of this By-law shall be the "Procurement By-law".

## **26. SCHEDULES**

26.1 That Schedules "A", "B", and "C" to this By-law form an integral part of this By-law.



## **27. REVIEW**

27.1 This By-law shall be reviewed by Council every five years or at such time as major revisions are required.

27.2 This By-law comes into effect upon being passed.

27.3 By-law No. 2015-045 is hereby repealed.

INTRODUCED AND READ A FIRST, SECOND AND THIRD TIME THIS 11<sup>th</sup> DAY OF MAY 2015.

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MAYOR LYLE HALL

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DEPUTY CLERK Bettyann Muir

**THIS IS SCHEDULE "A"**  
**TO THE CORPORATION OF THE VILLAGE OF SUNDRIDGE**  
**BY-LAW NO. 2016-026**

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**EXEMPT PURCHASES**

The methods of procurement described in this By-law do not apply to the following items:

1. Training and Education
  - a. Conferences
  - b. Magazines, books and periodicals
  - c. Memberships and Professional Insurance
2. Refundable Employees Expenses
  - a. Advances
  - b. Meal allowances
  - c. Travel & Accommodations
3. Employer's General Expenses
  - a. Payroll deductions remittances
  - b. Medical
  - c. Licenses (vehicles, firearms, elevators, etc.)
  - d. Debenture payments
  - e. Grants to agencies
  - f. Damage claims
  - g. Petty cash replenishment
  - h. Tax remittances
4. Professional and Special Services
  - a. Committee fees
  - b. Legal fees and other professional services related to litigation or legal matters
  - c. Appraisal fees
  - d. Honorariums
5. Utilities
  - a. Sewer
  - b. Hydro
  - c. Natural Gas
  - d. Telephone (excluding cellular)
  - e. Cable Television
6. Lease, sale or purchase of Real Property
7. Advertising
8. Entertainers for special events

**THIS IS SCHEDULE "B"**  
**TO THE CORPORATION OF THE VILLAGE OF SUNDRIDGE**  
**BY-LAW NO. 2016-026**

**BID IRREGULARITIES**

	<b>IRREGULARITY</b>	<b>RESPONSE</b>
<b>GENERAL</b>		
1	Late submission.	Rejection. Returned unopened. Opened and returned only when the submitter's name is not clearly identified on the package.
2	Unsealed Envelope/Package.	Rejection.
3	Submitter has not been previously qualified under a prequalification process.	Rejection.
4	Failure to have a representative in attendance and registered at a mandatory site meeting.	Rejection.
5	Failure to include the applicable form of Tender, Quotation, Proposal, or Prequalification with submission.	Rejection.
6	Incomplete or partial price details where all items are mandatory to be bid.	Rejection.
7	Forms that compose the submission documents are not completed in their entirety.	Rejection unless in the opinion of the Treasurer, the missing information is minor in nature.
8	Conditional Bids (Bids qualified, based on a Bidder's condition or restricted by an appended statement).	Rejection unless in the opinion of the Treasurer, the missing information is minor in nature.
9	More than one submission from the same submitter and not identified as an alternative or optional submission, and no withdrawal notice has been received.	The submission package bearing the most recent date/time stamp will be considered with the later submission considered to be withdrawn, and returned to the submitter.
10	Bids containing minor, obvious clerical errors that do not result in any ambiguity with respect to the overall submission.	Four business days to correct and initial.
11	Un-initialled changes to the submission.	Four business days to correct and initial. The Village reserves the right to waive this requirement and accept as is.
12	Authority to bind the Corporation or signature missing.	Rejection.
13	Failure to include supplementary copies of the original at time of submission.	Four business days to submit.
14	Other minor irregularities.	The Treasurer shall have authority to waive irregularities where it considers it to be in the best interest of the Village.
15	Any irregularity	Despite the provisions contained

		herein, Council may waive any irregularity where it considers it to be in the best interest of the Village.
<b>PRICING</b>		
16	Failure to include the schedule of items and prices, price forms or price details, as may be applicable, for inclusion with submission	Rejection.
17	Unit price has been changed but not initialled and, the price extension is consistent with the unit price as amended.	Four business days to correct and initial. The Village reserves the right to waive this requirement and accept as is.
18	Unit price has been changed but not initialled and, the price extension is not consistent with the unit price as amended.	Rejection.
19	Unit price extension which is not consistent with the unit prices.	The Village will update the extended price based on the stated unit price.
20	Where an error has been made transferring an amount from one part of the submission to another.	The Village will update with the amount shown before transfer and ensuing totals corrected accordingly.
21	Pricing appears to be unbalanced to the extent that it would have a significant adverse affect to the Village if awarded.	Rejection.
<b>BID DEPOSIT</b>		
22	Bid Deposit or Bid Bond not submitted with bid	Rejection.
23	Bid Deposit or Bid Bond not in acceptable form.	Rejection.
24	Bid Deposit or Bid Bond amount is insufficient.	Rejection.
25	Surety provider and/or Bidder's authorized signature missing from Bid Bond.	Rejection.
26	Effective period of Bid Bond is less than the irrevocable period stipulated in the bid document.	Rejection.
<b>AGREEMENT TO BOND</b>		
27	Agreement to Bond not submitted with Bid	Rejection.
28	Agreement to Bond not provided in acceptable form.	Rejection
29	Agreement to Bond amount is insufficient.	Rejection.
30	Surety provider and/or Bidder's authorized signature missing from Agreement to Bond	Rejection.
<b>STATUTORY DECLARATION</b>		
31	Statutory Declaration not submitted with Bid	Four business days to submit.
32	Statutory Declaration not in the form specified.	Four business days to submit.
33	Commissioner/Notary Public and/or Bidder's authorized signature missing from Statutory Declaration.	Four business days to submit.

<b>POST AWARD NOTIFICATION</b>		
34	Failure to execute required bonding or security within the prescribed timeline.	Rejection and Bid Deposit forfeiture.
35	Failure to execute a Contract within the prescribed period.	Rejection and Bid Deposit forfeiture.
36	Failure to provide supporting document, as specified within the Bid Request and with the prescribed period.	Rejection and Bid Deposit forfeiture.

**THIS IS SCHEDULE "C"**  
**TO THE CORPORATION OF THE VILLAGE OF SUNDRIDGE**  
**BY-LAW NO. 2016-026**

**PROCUREMENT THRESHOLDS**

<b>STANDARD PURCHASE</b>				
<b>PURCHASE THRESHOLD (excludes HST)</b>	<b>PURCHASE METHOD</b>	<b>METHOD/ADVERTISING</b>	<b>APPROVAL</b>	<b>PURCHASE CONTRACT</b>
Up to \$1,000	<ul style="list-style-type: none"> <li>Low Value Purchase (LVP)</li> </ul>	<ul style="list-style-type: none"> <li>Competitive quotes at the discretion of Heads of Departments</li> <li>Must demonstrate good value for the Village</li> <li>Public advertising not required</li> </ul>	<ul style="list-style-type: none"> <li>Treasurer</li> <li>Fire Chief</li> <li>Village Superintendent</li> </ul>	<ul style="list-style-type: none"> <li>Petty cash</li> <li>Purchase Order (verbal or hard copy)</li> <li>Purchasing Card</li> <li>Supplier account</li> </ul>
Over \$1,000 up to \$5,000	<ul style="list-style-type: none"> <li>Request for Quotation (RFQ)</li> <li>Request for Proposal (RFP)</li> </ul>	<ul style="list-style-type: none"> <li>Minimum of three written quotes obtained</li> <li>Treasurer may directly request quotations</li> <li>Public advertising is discretionary</li> </ul>	Up to \$5,000 <ul style="list-style-type: none"> <li>Clerk</li> <li>Treasurer</li> </ul>	<ul style="list-style-type: none"> <li>Purchase Order Agreement</li> <li>Supplier Account</li> <li>Purchasing Card</li> </ul>
Over \$5,000 up to \$10,000	<ul style="list-style-type: none"> <li>Request for Quotation (RFQ)</li> <li>Request for Proposal (RFP)</li> <li>Request for Tender (RFT)</li> </ul>	<ul style="list-style-type: none"> <li>Minimum of three written quotes obtained</li> <li>Bid Request administered by the Treasurer</li> <li>Public advertising at discretion of the Treasurer</li> </ul>	<ul style="list-style-type: none"> <li>Clerk</li> </ul>	<ul style="list-style-type: none"> <li>Purchase Order for Goods</li> <li>Agreement for Services</li> </ul>
Over \$10,000	<ul style="list-style-type: none"> <li>Request for Quotation (RFQ)</li> <li>Request for Proposal (RFP)</li> <li>Request for Tender (RFT)</li> </ul>	<ul style="list-style-type: none"> <li>Formal Bid Request administered by the Treasurer</li> <li>Public advertising is required</li> </ul>	Over \$10,000 <ul style="list-style-type: none"> <li>Council</li> </ul>	<ul style="list-style-type: none"> <li>Purchase Order for Goods</li> <li>Agreement for Services</li> </ul>
<b>EXTRAORDINARY CIRCUMSTANCE (EMERGENCY) PURCHASE</b>				
<ul style="list-style-type: none"> <li>Requires approval in accordance with the limits stated above</li> <li>Purchase exceeding \$10,000 shall be approved by the Clerk followed by an information report to Council</li> <li>Purchase exceeding \$5,000 shall be administered by the Treasurer. Where impractical, a follow-up purchase requisition shall be submitted to the Treasurer</li> </ul>				
<b>SINGLE SOURCE / SOLE SOURCE PURCHASE</b>				
<ul style="list-style-type: none"> <li>Requires approval in accordance with the value limits stated above</li> <li>Purchase exceeding \$10,000 shall be approved by Council</li> <li>Purchase exceeding \$5,000 shall be administered by the Treasurer</li> </ul>				