

The Corporation of the Municipality of West Grey
By-law Number 74-2017

Being a By-law to provide a policy for the procurement of goods and services and the disposal of surplus goods.

Whereas, Section 23.1 of the *Municipal Act*, 2001, as amended, provides the authority for Council to delegate certain powers and duties;

And Whereas, Section 270(1) of the *Municipal Act*, 2001, as amended, provides that a municipality shall adopt and maintain policies with respect to the delegation by Council of its powers and duties;

And Whereas, Council has deemed it appropriate to update the purchasing policy in order to enhance the efficiency of its decision making and administrative processes;

Now Therefore, be it enacted by the Council of the Municipality of West Grey;

1. **That**, Schedule "A" attached hereto, and forming part of this by-law shall be the Procurement Policy of the Corporation of the Municipality of West Grey and its Boards and Committees.
2. **That**, By-law 71-2002 is hereby repealed.
3. **That**, this by-law shall come into force and take effect on the passing of this by-law.

Read a first and second time, this 17th day of July, 2017.

Read a third time, and finally passed this 17th day of July, 2017.

Mayor – Kevin Eccles

Clerk – Mark Turner

The Corporation of the Municipality of West Grey
Schedule "A" of By-law Number 74-2017

Policy Statement

This policy is intended to provide guidelines for the acquisition of goods and services and the disposal of surplus goods. The policy also authorizes staff the Council of the Corporation of the Municipality of West Grey in the acquisition and payment for these goods and services.

1. Purpose

- 1.1 To establish uniform procedures and guidelines for the procurement of goods and services which is effective, efficient, and economical and which enhances the ability of the Municipality to obtain best value.
- 1.2 To develop a positive and professional relationship between the Municipality and its Suppliers.
- 1.3 To put in place those measures which protect the integrity of the Municipality's elected and appointed Officials while installing confidence in the public's mind that the best value is being obtained.
- 1.4 To provide an opportunity for qualified suppliers to compete for the Municipality's business on a fair and equitable basis.

2. Scope

- 2.1 These procedures apply to the procurement of goods and services for all Departments and Committees under Council's authority.

3. Definitions

- 3.1 Authorized Purchaser - The person holding the positions of the following:
 - CAO
 - Clerk
 - Designated Purchasing Coordinator
 - Department Heads
 - Treasurer
 - Deputy Treasurer
- 3.2 Goods and Services - Includes all supplies, materials, office equipment, wares, merchandise, repairs, advice, research or any other such thing as required by the Municipality in the delivery, implementation or completion of any project, activity or program as may be determined from time to time by Council.
- 3.3 Approved Budget - Means a budget approved by the Council of the Municipality of West Grey for the current fiscal year.
- 3.4 Emergency - Means a situation where the immediate purchase of goods and services is essential to prevent serious delays and further damages, or to restore minimum services.
- 3.5 Purchases - Means the acquisition of goods and services for which the Municipality of West Grey will undertake to pay regardless of the cost being funded or subsidized by other levels of Government.

- 3.6 Quotation - Means a written offer to sell or bid obtained from selected sources of supply to provide stipulated goods and/or services at a particular price and with specified terms or conditions.
- 3.7 Tender - Means a written formal offer submitted by a member of the public in response to an invitation in a particular form to supply stipulated goods and/or services at a particular price on such terms and conditions as may be specified.
- 3.8 Requisition - Means a form that each person wishing to acquire goods and services from the Purchasing Coordinator must fill out. This form must be authorized by a department head before the goods and services may be purchased.
- 3.9 Purchase Order - Means a form that the Purchasing Coordinator uses to order goods and services.

4. Responsibility

- 4.1 It is the responsibility of each person involved in the procurement process to understand this Policy and the meaning and intent of all sections contained therein.
- 4.2 Council for the Municipality of West Grey grants the authority and responsibility for the implementation of this Policy to the Purchasing Coordinator; under the supervision of the Treasurer, who shall ensure that all applicable purchases are in compliance with this Policy.
- 4.3 Authorized purchasers, may delegate to other specific individuals, any of their responsibilities for the procurement of goods and services. Authorized purchasers, who exercise this option, shall ensure that all individuals, to whom the authority for the procurement of goods and services has been delegated, do so in accordance with this policy.
- 4.4 If there are any issues relative to purchasing not addressed by this Policy, or if any other questions of interpretation or any matter which restricts any person from discharging their responsibilities in a beneficial and productive manner, then such matters are to be brought to the attention of the CAO or Clerk or Treasurer who shall take such action as deemed appropriate.
- 4.5 The purchasing function is the responsibility of the Purchasing Coordinator. It is understood and agreed that purchasing must involve and cannot function without the understanding and cooperation of all individuals and such understanding and cooperation is an integral part of each person's regular duties and responsibilities.

5. Purchasing Principles

- 5.1 The Purchasing principles of the Municipality of West Grey shall be as follows:
- a) To procure by purchase, rental or lease the required quality and quantity of goods and services, including professional and consulting services in an efficient and cost effective manner;
 - b) To encourage open competitive bidding on all acquisition and disposal of goods and services where practicable;
 - c) To consider all costs, including acquisition, operating and disposal costs, in evaluating bid submissions from qualified,

- responsive and responsible vendors, rather than basing a decision solely on the lowest bid price;
- d) All other things being equal; consideration where practical should be given to local suppliers;
 - e) To ensure compliance with all Health and Safety regulations.

6. Purchasing Procedures

- 6.1 Subject to any direction that may be given from time to time by Council, the Purchasing Coordinator shall decide the method which shall be employed to obtain the most favourable price having regard to the nature or importance of the contemplated work, the urgency of the requirement, general trade practice and market conditions.
- 6.2 All Municipal purchases are to be made through the Purchasing Coordinator with the exception of specialized items or services, which require the expertise of the individual department heads.
- 6.3 Prior to the Council of the Municipality of West Grey adopting the operating budget and capital budget , no authorized purchaser is authorized to purchase any goods or services other than those goods and services required on a recurring basis for the day to day operation of the Municipality of West Grey, without the prior approval of the Council.
- 6.4 All purchases including those specified above are to be processed using a properly prepared purchase order requisition and each requisition must include the following:
 - a) A detailed description of item(s) requested
 - b) The correct budget code
 - c) Signed approval by the department head or his/her designated authority
 - d) The actual use of the purchase
- 6.5 It is understood that any purchase under \$2,000 does not require formal tendering or written quotations, but it is understood that the Purchasing Coordinator will attempt to obtain competitive pricing locally within the approved budget.
- 6.6 More than \$2,000 and up to \$10,000, the Purchasing Coordinator on the request in writing of the Department Head has the authority to purchase such goods and/or services, provided the item was individually specified in the annual budget, and that a written price quotation is obtained, locally if possible.
- 6.7 More than \$10,000 and up to \$50,000, the Purchasing Coordinator on the request in writing of the Department Head has the authority to purchase such goods and/or services provided:
 - a) The proposed purchase was budgeted for;
 - b) At least three (3) quotations whenever possible have been obtained in accordance with provision of this policy.
- 6.8 More than \$50,000 the Department Head shall call tenders in accordance with the provisions of this policy.
- 6.9 It is the responsibility of the Department Head to check the requisition against the Budget authorization to ensure that it has been approved and that adequate funds are available. If the requisition is in order it is to be auctioned in accordance it's the general procedure set out in

this by-law. If the requisition is not in order, and the Purchasing Coordinator and Department Head are unable to reach a solution, the matter is to be referred to the CAO or Clerk to determine further action.

- 6.10 The Purchasing Coordinator shall conduct the procurement of good and services on a fair and competitive basis, in keeping with accepted public purchasing practices and procedures in accordance with Municipal Tendering Procedures, and in accordance with the applicable laws of the Province of Ontario, the Government of Canada.
- 6.11 The Purchasing Coordinator shall from time to time request and receive from the Department Heads:
 - a) Estimates for their future requirements in order to ensure adequate supplies of goods and services, and
 - b) Lists of goods that are surplus or obsolete so that they may be made available to other Departments, or if no longer useful to the municipality, arrange for their disposal in the way deemed to be in the best interest of the Corporation.
- 6.12 The Purchasing Coordinator shall, whenever possible, promote and coordinate the standardization of goods, with the cooperation of the Department Heads.
- 6.13 The Purchasing Coordinator shall, where it is deemed beneficial to the Corporation, participate with other municipalities and with other levels of government in cooperative purchasing plans.
- 6.14 The Purchasing Coordinator shall be responsible for all vendor contracts, maintaining good business relations on behalf of the Corporation, and shall be responsible for the conduct of negotiations with vendors.
- 6.15 The purchase of all goods and services should be included in the annual budget if the procurement of goods or services are not included in the annual budget the purchase requisition must display the recommendation of the Committee, and must refer to the date of said meeting where the recommendation was considered and must be included in the Committee Report to Council at the next scheduled Council meeting for their approval.

7. Tender Process

- 7.1 The Department Head shall prepare specifications and criteria.
- 7.2 The Department Head or Treasury Department shall receive bids until the deadline in the advertisement; bids shall be marked with the time, date and initialed upon receipt and must be received on or before tender closing time.
- 7.3 Adjustments to submitted tenders by telephone, fax or internet shall not be considered. A tenderer wishing to make adjustments to a submitted tender must supercede it with a later tender or letter enclosed in a tender envelope and received on or before the closing time.
- 7.4 Any tender submission failing to comply with the above will be disqualified and shall not be considered. Further, the tender submission may be disqualified if:

All items have not been bid where stipulated, with the unit price for every item clearly shown.

Alternate tenders have been submitted where not requested in the tender documents.

The tender has been qualified by additions or alterations to the Form of Tender, where not requested in the tender documents.

The signing party has not initialed erasures, strikeouts or over-writing.

Insufficient tender deposit has been submitted.

- 7.5 The Department Head and at least one other municipal staff present shall open the bids in public.
- 7.6 The Department Head shall evaluate all the bids submitted.
- 7.7 The Department Head in consultation with the CAO shall be authorized to recommend a contract in respect of capital works provided that;
 - a) The total cost of the contract does not exceed the amount approved in the annual budget up to and including a variance of 5%;
 - b) The lowest or any tender may not necessarily be accepted;
 - c) No challenges to the tender process have been made by any interested party.
- 7.8 A Certified Cheque made payable to the Municipality of West Grey must accompany the bid when specified in the bid package. The bid deposit will be forfeited to the Municipality should the successful bidder fail to accept the award. Bid deposits are returned to the unsuccessful bidders promptly after the award and acceptance by the successful bidder.

8. Purchase by Negotiation

- 8.1 A Department Head/designate may purchase by negotiation with one or more vendors under which a formal bid process may be waived under the following conditions:
 - 8.1.1 When market conditions and in the judgment of the Treasurer and the Department Head, the goods are in short supply.
 - 8.1.2 When there is only one source of supply for the goods or services.
 - 8.1.3 Single source supply when goods and services are available from only an appropriate supplier.
 - 8.1.4 When two or more identical lowest bids have been received, the Department Head/designate may negotiate with the lowest bidders, keeping all negotiations fair and ethical.
 - 8.1.5 When the lowest bid meeting specifications exceeds the estimated costs by at least 10% and it is not viable or in the best interest of the Municipality to re-bid.

8.1.6 When compatibility with an existing product, facility or service is required.

8.1.7 When no bids are received in a bid call.

8.1.8 When only one bid is received in a bid call.

8.1.9 When work is required at a location where a contractor has already been secured through a bid process with established unit prices and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed.

8.2 Any expenditure exceeding \$30,000.00 for a one time purchase or over an annual basis must be reported to Council.

9. Cooperative Purchasing

9.1 The Purchasing Coordinator has the authority to participate with other units of government (such as other local governments, vendors of record or legislated cooperatives) in their initiatives for cooperative purchasing and bulk buying of goods if the annual expenditure is expected to be less than \$25,000. If the annual expenditure is anticipated to be greater than \$25,000, Council notification will be required, prior to purchase. The policies of the public authorities calling the cooperative Bid solicitation are to be the accepted Procedure for that particular purchase unless additional terms specific to the Municipality are negotiated with the successful bidder.

10. Advertising

10.1 The Department Head or Purchasing Coordinator shall advertise a request for tender in one or more of the following publications:

Publications of local circulation
Daily Commercial News
Appropriate Trade Journals
Internet

11. Payment of Accounts

11.1 Treasurer Authorization

Except as otherwise provided, the Treasurer is authorized to pay all accounts for the purchase of goods and services, where the purchase of such good and services has been made in accordance with this by-law.

12. Limitations

12.1 No employee, Committee Member or Member of Council shall purchase goods or services, request quotes, proposals, tenders, or enter into contracts and agreements on behalf of the Municipality except in accordance with the provisions of this by-law.

12.2 No contract or purchase shall be divided to avoid the provisions of the by-law.

12.3 The Purchasing Coordinator or any other staff shall make no purchase for an employee or elected official of the Municipality of West Grey.

13. Exceptions

- 13.1 In the event that the municipality is faced with an emergency situations, or where a situation arises wherein the requirements of this by-law cannot be reasonably met, the Council may authorize an exemption from fulfilling the specific requirements from all or part of this by-law.