

**THE CORPORATION OF THE
TOWNSHIP OF STRONG
BY-LAW 2024-010**

A By-Law to Provide Policies with Respect to the Procurement
of Goods and Services

WHEREAS Section 271(1) of The Municipal Act, S.O. 2001, as amended, states that a municipality shall adopt and maintain policies with respect to its procurement of goods and services;

AND WHEREAS this policy establishes the authority and sets out the methods by which goods and services will be purchased and disposed of for the purposes of the Township of Strong subject to certain exceptions set out herein;

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF STRONG ENACTS AND BE IT ENACTED AS FOLLOWS:

1. That the Procurement Policy attached hereto as Schedule "A" be adopted.
2. That any previous By-laws pertaining to a procurement policy, purchasing policy, or similar, including By-law 2021-012, are hereby rescinded.
3. That this By-law comes into effect on the date of passing.

BY-LAW read a first, second and third time and finally passed at a meeting of Council on the 13th day of February, 2024.

Original Copy Signed

Mayor Tim Bryson

Original Copy Signed

Clerk-Administrator Caitlin Haggart

Schedule “A” to By-Law 2024 – 010

Procurement Policy

1.0 DEFINITIONS

Acquisition shall mean the process used for obtaining goods and services.

Agreement shall mean a legal document that binds the Corporation of the Township of Strong and all other parties, subject to the provisions of the contract.

Annual Aggregate Value shall mean the total amount anticipated to be spent annually by all departments on a particular type of good or service.

Approval shall mean authorization to proceed with the purchase or disposal of goods and/or services.

Bid shall mean an offer or submission received in response to a request for quotation, tender or proposal which is subject to acceptance or rejection.

Bid Deposit shall mean a submission from a prospective vendor in response.

Blanket Order shall mean the agreement wherein a vendor will provide certain items to the Township for an agreed period of time with established terms and conditions.

Budget shall mean the budget approved by Council for the current fiscal year at which time purchases of goods and services are being considered.

Clerk-Administrator shall mean the Clerk-Administrator for the Corporation of the Township of Strong.

Committee shall mean a committee as designated by the Council of the Corporation of the Township of Strong.

Corporation shall mean the Corporation of the Township of Strong.

Council shall mean the Council of the Corporation of the Township of Strong.

Conflict of Interest shall mean a situation in which private interests or personal considerations may affect an employee's judgment in acting in the best interest of the Township of Strong. It includes using an employee's position, confidential information or corporate time, material, or facilities for private gain or advancement or the expectation of private gain or advancement. A conflict may occur when an interest benefits any member of the employee's family, friends, or business associates.

Department Head shall mean the person responsible for direction and operational control of a Department.

Disposal shall mean the removal of materials owned by the Township by sale, trade-in, auction, alternative use, gift, or destruction which are deemed surplus.

Emergency Purchase shall mean a purchase made in a crisis situation where immediate action is required to prevent or correct dangerous or potentially dangerous conditions, further damage, to restore minimum service or ensure the safety of the public.

Execute shall mean to legally bind the Corporation of the Township of Strong to the terms and conditions defined within an Agreement.

Expression of Interest shall mean a situation where vendors are solicited by the Township to advise the Township of their ability or desire to undertake Township requirements.

Expenditure shall mean the payment of moneys by the Corporation of the Township of Strong in consideration of the acquisition of goods and/or services.

Firm shall mean the company, group, supplier, business, vendor, or individual conducting business and supplying goods or services.

Formal Bid shall mean a sealed bid submission.

Formal Quotation shall mean a document that sets out particular requirements for goods and/or services.

Goods and Services shall mean supplies, work, equipment, property, construction, projects, public works services, consultant's services, which the Corporation of the Township of Strong is intending to obtain.

In-house Bid shall mean a bid made by a Department and authorized by the Department Head, submitted in response to a bid solicitation, where the provision of the goods, services or construction at the lowest total acquisition cost, meets all the specifications and contains no irregularities requiring automatic rejection.

Informal Quotation shall mean a competitive bid process for goods or services that is conveyed and received from bidders in a written format by e-mail, mail or fax.

Lowest Responsive Bid shall mean the lowest bid price submitted which meets the requirements and specifications as set out in the bid request, minor deviations excepted.

Negotiation shall mean the action or process of conferring with one or more vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this Policy.

Open Market Procedure shall mean obtaining price quotations from vendors verbally or in writing.

Privilege Clause shall mean the standard clause used in bid documents and advertising that reads in part "the lowest or any tender not necessarily accepted."

Procure/Procurement/Purchase shall mean to acquire by purchase, rental or lease of goods and/or service.

Quotation shall mean a written offer received from a firm in response to a request from the Township for the provision of goods and/or services.

Request for Proposals shall mean an offer to provide goods or services to the Township, where it is not practical to prepare precise specifications, or where alternatives to detailed specifications will be considered, which may be subject to further negotiation. This process allows vendors to propose solutions to arrive at the end product, and allows for evaluation on criteria other than price.

Request for Quotations shall mean a public interest for quotations for the provision of goods, services or construction to the Township based on defined requirements and where a clear solution exists.

Request for Tenders shall mean a public interest for tenders for the provision of goods, services or construction to the Corporation based on defined requirements and where a clear solution exists.

Sealed Bids shall mean bids submitted in a sealed envelope to a specified location, by a specified date.

Services shall mean items such as telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical and related services, insurance, leases for grounds, buildings, office or other space required by the Corporation of the Township of Strong and the rental, repair or maintenance of equipment, machinery, or other personal and real property.

Sole Source shall mean there may be more than one source in the open market but only for reasons of function or service only one vendor is recommended for consideration of the particular goods and/or services.

Supplies shall mean goods, wares merchandise, material and equipment.

Tender shall mean a document which sets out particular specifications for the commodity or service required. This can also refer to an offer in writing to execute some specified work or to provide some specified articles at a specified rate.

Township shall mean the Corporation of the Township of Strong.

Treasurer shall mean the Treasurer for the Corporation of the Township of Strong.

Vendor shall mean any person or enterprise supplying goods or services to the Corporation of the Township of Strong.

Verbal Quotation shall mean pricing received via telephone or in person, with written documentation of the conversation retained by the Department.

2.0 PURPOSES, GOALS AND OBJECTIVES

2.1 The purposes, goals and objectives of this by-law and of each of the methods of procurement authorized are:

- i) to encourage competition among suppliers;
- ii) to maximize savings for taxpayers;
- iii) to ensure service and product delivery, quality, efficiency and effectiveness;
- iv) to ensure fairness among bidders;
- v) to ensure openness, accountability and transparency while protecting the financial interests of the Township of Strong;
- vi) to purchase environmentally responsible goods and services to attempt to reduce the amount of solid waste requiring disposal; and
- vii) to meet the accessibility obligations legislated under the *Ontarians for Disabilities Act, 2001* and the *Accessibility for Ontarians with Disabilities Act, 2005*. See section 2.2 below.

2.2 ACCESSIBILITY OBLIGATIONS IN PROCUREMENT

The Township is committed to meeting its obligations under the *Human Rights Code*, the *Ontarians with Disabilities Act (ODA), 2001* and the regulations established under the *Accessibility for Ontarians with Disabilities Act (AODA), 2005*.

To this end, Department Heads or their designates will consider accessibility during all phases of the procurement process, taking the following into consideration:

1. The barriers (structural or technical) that people with disabilities might face in attempting to use the goods, services or facilities being acquired.
2. Who the goods, services or facilities will be used by, for example members of the public or Township employees.
3. The appropriate accessibility criteria and how it can be incorporated into the procurement process.

In cases where the Township is contemplating the acquisition of a service to be provided to the public by an external source, the procurement document will specify that the vendor must adhere to the Township's Accessible Customer Service policy by ensuring that their staff receive customer service training, that is acceptable and approved by the Township, on interacting with people with disabilities and delivering the service appropriately.

During the procurement process, documentation will be kept acknowledging the Township's efforts to ensure compliance with the ODA and the AODA. In cases where incorporating

accessibility criteria and features into the acquisition are not practical, an explanation will be provided, upon request, and documented.

3.0 CONFLICT OF INTEREST

3.1 No elected official, appointed officer or employee of the Township shall have any pecuniary or controlling interest either direct or indirect in any bid or contract for the supply of goods or services to the Township, unless such pecuniary interest is disclosed by the contractor, bidder or person submitting a formal or informal bid, as the case may be, or unless such pecuniary interest would be exempt under the Municipal Conflict of Interest Act, R.S.O. 1990, C.M.50.

3.2 Bid documents shall include a section that requires and provides for the disclosure of any pecuniary interest prior to submission of the bid. Should a conflict of interest arise after the award of a contract, the conflict shall immediately be disclosed in writing to the Department Manager. Further, all competitive bid documents and agreements shall provide that in the event that a contract is awarded to a person who did not, during the bidding or contracting process, disclose the pecuniary interest of an elected official, appointed officer or employee of the Township in the contract, the contract may be cancelled at any time by the Township in its sole discretion without damages or penalty.

3.3 In this section, "controlling interest" means the interest that a person has in the corporation when the person beneficially owns, directly or indirectly, or exercises control or direction over equity shares of the corporation carrying more than ten percent (10%) of the voting rights attached to all equity shares of the corporation at any time during the procurement process;

3.4 For the purposes of this section, a person has an indirect pecuniary interest in any competitive bid or agreement entered into by a corporation, if:

- The person or his or her nominee is a shareholder in, or a Department Manager or senior officer of, a corporation that does not offer its securities to the public.
- The person has a controlling interest in, or is a Department Manager or senior officer of, a corporation that offers securities to the public.

3.5 For the purposes of this section, an elected official, appointed officer or employee of the Township has an indirect pecuniary interest if the person is a business partner of a person or is in the employment of a person or body that has entered into a tender, proposal, quotation or contract with the Township.

3.6 For the purposes of this section, the pecuniary interest in a tender, proposal, quotation or contract of a parent or spouse or any child of elected official, appointed officer or employee shall, if known to the person, be deemed to be also pecuniary interest of the elected official, appointed officer or employee as the case may be.

4.0 PURCHASING MECHANISMS

Council has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. Treasury shall not pay for any item that has not been authorized by Council through budget appropriation or specific resolution.

Department Heads shall be responsible for approval of accounts within their approved department budget. Unbudgeted capital expenditures require prior Council approval.

Resolutions approving budget amendments, capital expenditures or special appropriations shall contain the purpose of expenditure, cost estimates or expenditure limitation, and the fund in which an appropriation has been provided. All staff reports recommending such resolutions shall contain the Department Head's endorsement.

A Department Head may appoint a designate to exercise any or all responsibilities assigned to the Department Head by this policy.

4.1 Low Dollar Value Purchases: (\$0 - \$2,000)

Purchases up to \$2,000 shall be considered low dollar value procurements. The Department Head may delegate approval authority to their staff for low dollar value procurements and it is their responsibility to ensure that this policy is adhered to. All information on low dollar procurements must be documented and maintained on file. Low dollar value procurements do not require a purchase order, RFQ, RFP or RFT. Obtaining competitive quotes is considered a good business practice and should be attempted.

4.2 Informal Quotation Purchases: (\$2,001 - \$10,000)

Procurements greater than \$2,000 but not exceeding \$10,000 are to be completed through an Informal Quotation process.

The Department Head or any employee exercising delegated authority shall be authorized to make purchase of goods and services for budgeted expenditures. Informal Bids shall be obtained in the following manner:

- i. Three (3) written bids obtained from (3) separate potential vendors;
- ii. A "No Bid" response shall not be considered as a valid bid;
- iii. All vendors shall receive the same informal quotation written information;
- iv. The informal quotation shall be awarded to the lowest responsive bid; and
- v. Documentation on all bids, including but not limited to the prospective bidders list, bid document, bid responses and decision-making rationale shall be maintained on file
- vi. Purchase Orders must be completed by the Department Head or any employee exercising delegated authority and signed. The Purchase Order is to include the quoted price from the supplier.

Staff is encouraged to seek three (3) bids to ensure a more competitive process. If staff has exhausted all efforts to obtain three (3) bids and can support this documented evidence, a minimum of two (2) written bids is acceptable. Exclusions to this process are single item small capital projects or purchases including those of complex specifications or requirements, which must be issued in a formal bid document.

4.3 Formal Quotation Purchases (RFQ): \$10,001 - \$30,000

- i) Department Heads shall be authorized to make Quotation Purchases for goods and services for estimated expenditures exceeding \$10,000 and less than \$30,001 without requesting and obtaining sealed tenders for the goods and services.
- ii) At least three (3) bids must be obtained whenever possible
- iii) Quotations received must be in writing and include specifications of products/services being quoted, supplier's company name, date of the quote, amount of the quote and delivery date.
- iv) The Department Manager shall review the bid and verify that all terms, conditions and specifications of the bid are met.
- v) The Township reserves the right in its absolute sole discretion to accept or reject any submission.
- vi) The Department Head shall issue a Purchase Order for the selected supplier if the proposed expenditure has been approved in the current year's budget.
- vii) The Department Head shall prepare a recommendation to forward to Council for approval if the proposed expenditure has not been approved in the current year's budget. Once Council has passed a resolution approving the expense, a Purchase Order will be issued quoting the resolution number.

4.4 Request for Tender Purchases (RFT): Greater than \$30,000

- i) The Department Head shall not order goods or services exceeding \$30,000 without requesting and obtaining sealed tenders for the goods and services unless specifically authorized to do so by a resolution of Council for a particular transaction. At least three bids must be obtained whenever possible.
- ii) Awards under the RFT process require the following approval:
 - a) Council must approve the award of tenders greater than \$30,000.
 - b) Council must approve the award of contracts when a bid irregularity exists. Please refer to Appendix A.
- iii) Notwithstanding the above, adherence to this purchasing policy is not required with respect to those items listed below, or to any transaction specifically authorized by resolution of Council to be exempt from this tendering policy:
 - a) Purchases for supply and placement of road material throughout the Township in excess of \$30,000 but not exceeding \$50,000 when clearly

- identified in the budget.
- b) Purchases for consulting services for a program where services have been awarded to a consulting firm on an on-going basis when clearly identified in the budget.
- c) Purchase of replacement parts where the original equipment manufacturer (OEM) is the sole provider of that equipment.
- d) Sole source supply.
- iv) The Department Head shall be responsible for arranging for the public opening of tender submissions at the time and date specified by the tender call. There shall be in attendance at that time:
 - a) Department Head or designate; and
 - b) The Clerk; and
 - c) At least one other representative of the Township

If any of these positions is not available, the Treasurer or delegate may act on their behalf.

- v) The Department Head shall complete a summary of the bids and recommend award of the contract.
- vi) The Department Head shall present with their recommendation to Council the sources of financing, allocation of revenues, and other financial commentary as considered appropriate.
- vii) The Township reserves the right in its absolute sole discretion to accept or reject any submission.

4.5 Requests for Proposals (RFP)

- i) The Department Head may use a Request for Proposal in place of a tender or quotation when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.
- ii) When the preferred proposal exceeds the approved budget appropriation, the Department Head shall submit a report to Council for direction.
- iii) Awards under the RFP process require the following approval:
 - a) The Department Head or any employee exercising delegated authority approval may approve an RFP award for purchases up to \$30,000.
 - b) Council must approve an RFP award for purchases greater than \$30,000.
 - c) Council must approve an RFP award where a Bid Irregularity exists.
 - d) Council must approve an RFP award for purchases that are less than \$30,000 but exceeds the approved budget.
- iv) The Department Head will be the lead in the RFP process. A selection committee will be formed with a minimum of two (2) evaluators that have an interest or expertise in the project and its requirements. The evaluators shall review all compliant proposals against the established criteria, reach consensus on the final rating results, and ensure that the final rating results with supporting documents are kept in the procurement file.
- v) The Department Head shall prepare a report on the

sources of financing, allocation of revenues and other financial commentary as considered appropriate for Council.

- vi) Unsuccessful proponents may, upon their request, attend a debriefing session with the Department Head to review their competitive bid. Any discussions relating to any submissions other than that of the proponent present will be strictly prohibited. This debriefing session is intended to provide general feedback regarding the proponent's rating on various criteria in order to allow the proponent to understand where future improvements might be available.
- vii) The Township reserves the right in its absolute sole discretion to accept or reject any submission.

4.6 Emergency Purchases

An emergency purchase situation exists where there is an immediate and serious need that may not be reasonably met by any other procedure, and will include, without limitation:

- A condition where non-expedient procurement of a Good and/or Service, or where a lack of supplies and services, may adversely affect the functioning of the Township's government or administration, threaten public or private property or the environment, or jeopardize the health or safety of the public;
- A situation where interim contract arrangements have expired, a breach of contract has occurred, or a situation where all received bids from bidders or tenderers are unacceptable or uncompetitive.

The goal of the Emergency Purchasing process is for the Township to immediately procure a Good and/or Service that is required, using the most expedient method available. Wherever possible, economy will be taken into consideration.

In the situation where an emergency purchase must be completed, the emergency purchase must be documented and delivered, by the respective Department Head, to the Clerk-Administrator or Treasurer.

For emergency purchases above \$10,000, the Department Head shall obtain the prior approval of the Clerk-Administrator or Treasurer. An information report shall be submitted to Council explaining the actions taken and the reason(s) therefore.

4.7 Purchases by Negotiation

A Department Head may under the following conditions negotiate with one or more suppliers of goods or services, and in such cases the requirement for inviting tenders or quotations is waived:

- i) When in the judgement of the Department Head, goods or services are determined to be in short supply due to market conditions.

- ii) Where there is only one source of supply.
- iii) When two or more identical bids have been received, the Department Head may negotiate with the bidders, keeping all negotiations fair and ethical.
- iv) When the lowest bid meeting specifications exceeds the estimated costs and it is not practical to recall the tender or quotation.
- v) When no bids are received in a tender or quotation call.
- vi) When all bids received fail to meet the specifications or tender term and conditions and it is impractical to recall tenders or questions.
- vii) Any negotiated purchase contract for \$10,000 or more in value, excluding taxes and freight, shall be subject to approval by Council.

4.8 Sole Source Purchases

- i) General Rules for Sole Source Purchasing:
 - a) That the procurement of materials, parts, supplies, equipment or services without competition is done under exceptional and limited circumstances.
- ii) Conditions Required for Sole Source Purchasing of Which One or More Must be Met:
 - a) When the expertise or product of an individual organization or individual is deemed to be specifically required by the Corporation.
 - b) When competition is precluded because of the existence of patent rights, copyrights, secret processes, control of raw material or other such conditions.
 - c) When the procurement is for services related to electric power or energy, gas, water or other utility services and/or system where it would not be practical to allow a contractor other than the utility company itself to work upon the system.
 - d) When the procurement is for technical supply and/or services in connection with the assembly, installation or servicing of equipment or software of a highly technical, electronic, or specialized nature.
 - e) When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer.
 - f) When a contractor is already at work on the site based on an existing contract and it would not be practical to engage another contractor

for additional work deemed to be necessary.

- iii) Process to be Followed Prior to Initiating a Sole Source Purchase:
 - a) Sole source purchases require detailed documentation from the responsible department to justify the purchase and to ensure that the cost charged by the vendor is reasonable.
 - b) Where a Department Head deems that a sole source purchase is necessary, a written report shall be submitted to the Treasurer for approval.

4.9 In-House Bids

- i) In-house bids may be used for the procurement of goods, services or construction in circumstances where the Treasurer considers it appropriate to do so.

4.10 Petty Cash

- i) Cash purchases (petty cash) may be used by appropriate departments in accordance with established procedures and where the value is less than \$50.00.
- ii) They are not to be grouped to achieve larger purchases.

4.11 Purchase Orders

The following procedures shall be observed whenever there is a requirement for a Purchase Order as required by this policy.

- i) Upon issuance of a purchase order, the Department Head or any employee exercising delegated authority and signed shall indicate a description, actual or estimated price, applicable taxes, a total cost, the correct general ledger account, the date, vendor name and Department Head or Delegate's signature.
- ii) Purchase orders are to indicate correct delivery designation of the supplies or equipment.
- iii) Purchase orders are not required for the following:
 - a) Expenditures classified as emergency purchases per section 4.7 of By-Law 2021-012.
 - b) Low dollar purchases classified as purchases no greater than \$2,000.00.
 - c) Certain regular, recurring purchases relating

to the day-to-day operations of a business—including heat, electricity and gas payments, monthly subscriptions to services, memberships, etc.—are usually billed for monthly and do not require a purchase order.

- iv) Blanket Purchase Orders can be issued if such a purchase order is desirable. Any purchase order issued shall be limited as to the time (not to exceed a period of 12 months) and value per order (not to exceed \$1,000 per order).

5.1 CONDITIONS APPLICABLE TO ALL BID SUBMISSIONS

5.2 The following conditions apply to all bid submissions whether formal or informal:

- i) Bid documents must be submitted and received in the manner specified.
- ii) A bidder who has already submitted a bid may submit a further bid at any time up to the official closing time. The last bid received will supersede and invalidate all bids previously received by that bidder.
- iii) A bidder may withdraw a submitted bid at any time up to the official closing time.
- iv) All Departments must document the receipt of all submissions over \$30,000, including the bidders name and date and time of receipt of the bid.

5.3 Bids may be rejected for the following reasons:

- i) Bids received after the closing date and time as specified in the bid document.
- ii) Bids which are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations or irregularities of any kind.
- iii) Bids which do not meet specification requirements.

5.4 All bid openings will be open to the public.

6.0 LOCAL PREFERENCE

6.1 The Township will endeavor to achieve best value in its commercial transactions. As a consequence, the Township will not practice local preference in awarding purchases in accordance with the Discriminatory Business Practices Act, R.S.O. 1990, Chapter D12.

7.0 ADVERTISING

7.1 Bid Documents shall be posted on the Township's website, at a minimum. In addition, and where effective in the opinion of the Department Head, information regarding the bid document shall be advertised in the local newspaper,

on tendering websites, and/or in any publications necessary to comply with all existing statutory regulations.

8.0 BID DEPOSITS

8.1 Bid deposits shall be required to accompany bid submissions in the following circumstances:

- i) Construction projects in excess of \$30,000.
- ii) Other contracts as deemed appropriate by the Department Head or Treasurer.

8.2 The minimum bid deposit required shall be 5%. Higher deposits may be required at the discretion of the Treasurer.

8.3 A bid deposit may be provided in one of the following formats:

- i) Bid bond issued by a bonding agency naming the Corporation of the Township of Strong as the obligee.
- ii) Certified cheque made payable to the Township of Strong.
- iii) Irrevocable letter of credit naming the Corporation of the Township of Strong as beneficiary.
- iv) Money orders made payable to the Corporation of the Township of Strong.
- v) Canadian currency.

8.4 The Corporation of the Township of Strong does not pay interest on any bid deposits.

8.5 All bid deposits must be original documentation, signed and sealed as appropriate. Faxes, photocopies or electronic versions of bid deposits will not be accepted.

8.6 The Corporation of the Township of Strong is authorized to cash and deposit any bid deposit in its possession that is forfeited as a result of non-compliance with any of the terms, conditions and/or specifications of a sealed bid.

9.0 EXCLUSION OF BIDDERS

9.1 The Township may, in its absolute discretion, reject a bid if the bidder, or any officer or director of the bidder, is or has been engaged either directly or indirectly through another corporation, in legal action against the Township, its elected or appointed officials, officers and employees in relation to any other contract or service or any matter arising from the Town's exercise of its powers, duties, or functions.

9.2 In determining whether or not to reject a quotation, tender or proposal under this clause, the Township will consider whether the litigation is likely to affect the bidder's ability to work with the Township, its staff, consultants and representatives, and whether the Town's experience with

the bidder indicates that the Township is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

9.3 The Department Head shall document evidence where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions, or for Health and Safety violations.

9.4 The Township may prohibit an unsatisfactory supplier from bidding on future contracts.

10.0 **EXCEPTIONS FROM REQUIREMENTS OF THE PURCHASING PROCESS**

10.1 Purchasing processes are not required for the following items:

i) Petty Cash Items

ii) Training and Education

- Conferences/courses
- Conventions/Seminars
- Memberships
- Periodicals/magazine subscriptions
- Staff training/development/workshops

iii) Employee Expenses

- Advances
- Meal allowances
- Travel & Hotel accommodation
- Entertainment
- Miscellaneous – Non-Travel

iv) Employer's General Expenses

- Payroll deduction remittances
- Licenses (vehicles, radios, etc.)
- Debenture payments
- Grants to agencies
- Insurance Claim Payments
- Real Estate Costs
- Courier and freight
- Licenses
- Payments of damages
- Tax remittances
- Charges to/from other Government or Crown Corporations
- Employee income
- Employee benefit payments and premiums
- Petty Cash Replenishments
- Sinking Fund Payments
- Building Lease Payments
- General IT manufacturer's warranty agreements
- Charges to and from Area Municipalities in association with legal agreements
- Office supplies

v) Professional and Special Services

- Committee fees
- Temporary Help
- Banking and Underwriting Services where covered by Agreements

- Workers Compensation Payments
- Appraisal Services
- Real Estate Services
- Legal Services or Settlements
- Audit Services
- Planning Services
- Benefit Agent
- Honoraria
- Donations
- Arbitrators
- Funeral or Burial Services
- Providers of artistic and recreational services, such as instructors, dance/yoga/gymnastic teachers, historical experts, artistic designers, health and appearance therapists

vi) Utilities

- Postage
- Telephone/Cable Services
- Water and sewer charges
- Hydro
- Natural Gas
- Fuel for vehicles

11.0 ADMINISTRATION

- 11.1** Contracts or purchases shall not be divided to avoid any requirements of this policy.
- 11.2** In all purchases, price shall be the prime selection criteria prior to any special provisions or options calculated into the bid price, providing that all specification requirements are met. Such specifications are to be generic or “as equivalent.” All factors influencing the purchasing decision are to be included in the specifications.
- 11.3** Goods or services shall not be purchased by an employee of the Township through the use of a personal credit card without first obtaining the approval of the Department Head in advance of the purchase. Use of personal credit cards is only allowed when there is not an account with a vendor and where the vendor will not invoice the Township.
- 11.4** Goods or services shall not be purchased from an employee of the Township or from any association of such employee, unless the extent of the interest of such employee has been fully disclosed and the vendor has been approved by the Treasurer.
- 11.5** The Township of Strong may participate with other units of government, their agencies or public authorities in co-operative purchase ventures when the best interest of the Township of Strong will be served. Where such participation is at variance with the Township of Strong’s Purchasing policy, Council shall first authorize any participation. A list of authorized co-operative purchasing groups shall be maintained on the Township website.
- 11.6** Performance evaluations may be undertaken on suppliers and providers of service.

11.7 After the adoption of the budget, the Treasurer is authorized to pay the accounts approved by the appropriate Department Head as contained in the budget, upon receipt of evidence of value received and which have been approved by signature of the Department Head.

11.8 Notwithstanding the provisions of this procedure, the Corporation shall have the right to reject the lowest or any bid at its absolute discretion. The Corporation also reserves the right to reissue the bid document in its original format or modified as best suits the requirements of the Corporation.

11.9 Moneys and Accounts

i) Moneys Paid Out

All moneys ordered to be paid by the Council shall be so paid by cheque of the Municipality signed by one of the Clerk-Administrator, Treasurer, or designate, and one of the Mayor or other appointed Council representative. Bank drafts, money orders and electronic fund transfers may also be used. All payments will be made payable directly to the vendor, except where Section 11.3 may apply.

ii) Approval of Accounts

Each invoice received shall be inspected and approved by signature of the Department Head concerned, or authorized designate. Each month, all such approved invoices shall be listed on the Council List of Accounts for Approval. The Council List of Accounts for Approval shall be distributed to Council for review. This or any other rule shall not affect or interfere with the payment of salaries, or of sums authorized by By-law of the Council or payable under any Act of Parliament.

iii) Payment of Accounts

a) No payment shall be made by the Clerk-Administrator or Treasurer on account of the municipality unless the goods and/or services have been received, the invoice has been approved for payment by the Department Head and an appropriation for same is included in the current budget.

b) Between the last regular meeting of Council in any year and the adoption of a budget for the next year, the Clerk-Administrator or Treasurer is authorized to pay the accounts of any ordinary business transactions of the Corporation that are required to maintain services. This shall include the payment of operating accounts and/or previously approved capital items and projects.

12.0 **GENERAL APPLICATION**

12.1 Notwithstanding the provisions By-law 2021-012, all previous

purchasing transactions shall be herein confirmed as valid.

12.2 Where there is a conflict between the provisions of this by-law and those of any other by-law, the provisions of this by-law shall prevail.

12.3 Council may, when determined to be in the best interest of the Township, waive any section or clause of this by-law.

13.0 RESOLUTION OF QUESTIONS OF POLICY

13.1 Any question involving the meaning or application of this policy is to be submitted to the Clerk-Administrator or Treasurer, who will resolve the question.

14.0 POLICY REVIEW

14.1 This policy shall be reviewed on an ongoing basis.

14.2 The review shall determine how effective this policy has been in achieving the purpose, goals and objectives set out in Section 2.0 of the By-law as well as the requirements of the Municipal Act, 2001.

15.0 DISPOSAL OF SURPLUS GOODS

15.1 When a Department Head has identified surplus goods, the Treasurer shall be notified in writing, describing the goods, condition and location. A list of the items will be made available to all Township departments in the event that some items may be used by other departments. If a department is interested in any of the surplus items, there will be a journal entry made to each department for an agreed value. Any surplus goods not transferred within Township departments will be accumulated by the Township and disposed of by any of the following methods:

- i) Sealed bid by formal advertised public bid;
- ii) General public advertisement;
- iii) Sold by auction and/or consignment;
- iv) Donation to a registered charity.

15.2 Equipment that cannot be sold and has been determined by the Department Head to be of no value shall be disposed of as deemed appropriate by the Treasurer.

15.3 The Treasurer shall obtain the approval of Council prior to the disposal of any asset.

APPENDIX “A” – BID IRREGULARITY

BID IRREGULARITY

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

For the purpose of this policy, Irregularities are further classified as “Major Irregularities” or “Minor Irregularities”.

A “**Major Irregularity**” is a deviation from the Bid request that affects the price, quality, quantity or delivery, and is material to the Award. If the deviation is permitted, the Bidder could gain an unfair advantage over competitors. The Department Head must reject any Bid which contains a Major Irregularity. The Bidder will be notified of the rejection due to the Major Irregularity.

A “**Minor Irregularity**” is a deviation from the Bid request which affects form rather than substance. The effect on the price, quality, quantity or delivery is not material to the Award. If the deviation is permitted or corrected, the Bidder would not gain an unfair advantage over competitors. The Department Head may permit the Bidder to correct a Minor Irregularity.

MATHEMATICAL ERRORS – RECTIFIED BY STAFF

The Department Head will correct errors in mathematical extensions and/or taxes, and the unit price will govern. If, based on the corrected total the required Bid deposit is insufficient, the Bidder shall be notified and will be given 24 hours to rectify the issue or the Bid will be automatically rejected.

ACTION TAKEN:

The Department Head and Treasurer will be responsible for all action taken in dealing with Irregularities, and will act in accordance with the nature of the Irregularity:

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

In addition, the award of a contract under any RFT or RFP in which a Bid Irregularity exists is subject to the approval of Council.

In the event that the Bidder withdraws their Bid due to the identification of a Major Irregularity, the Township may disqualify such Bidder from participating in Township Quotations/Tenders/Requests for Proposals for a period of up to one year.

APPENDIX “B” – TENDER PROCESS

Where the quantity and quality of a Commodity has been defined, Tenders will be called for all Commodities with a value exceeding \$30,000 by way of public advertising or invitational Bid.

Advertising

The Department Head and/or Treasurer will advertise and distribute Tenders:

- All public Tenders are advertised on the Township Website.
- As a procurement best practice, the Township shall maintain a Qualified Vendor Roster. Participants of the Qualified Vendor Roster who have expertise in the Commodity being procured may be sent the Tender directly.
- At the discretion of the Department Head, Tenders may be advertised in a local, regional and/or construction newspaper and/or on procurement websites.
- Advertisements must include the following information (if applicable): title, Tender number, brief description of the Commodity being Tendered, site meeting time/date/location, contact names for Purchasing inquiries, document fee, and location for pick up and drop off of Bid documents.
- In some instances, the Tender may be issued to help develop and/or refresh the Qualified Vendor Roster. During this process, potential Vendors will be screened using such factors as financial capability, reputation, qualified staff and equipment management, ability to support, and product quality.
- The Township reserves the right to limit the submission of Bids to those Vendors on the Qualified Vendor Roster.

Where possible, at least fifteen days’ notice shall be given between the date of the advertisement/notice and the closing time of the Tender. However, a Tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the Commodity being Tendered.

A Bidder may be disqualified for contacting or questioning Township Staff or Council regarding details of the Tender unless that person is the Township’s Lead Contact.

All Bids must be addressed to the Lead Contact, Township of Strong, on documents provided and returned in the envelope if provided with the Tender package.

Release of Tender Documents

- (a) **Privilege Clause:** All Tender documents shall contain the following statement: “The lowest or any Bid will not necessarily be accepted and the Township reserves the right to award any portion of this Tender”, or words to that effect.
- (b) **Bond Agreement:** Where a Performance and/or Maintenance Bond and/or Labour and Material Payment Bond is required, the Tender document must contain an “Agreement to Bond”, to be executed by the Bidder and returned with the Bid.
- (c) **Bid Surety Requirements:** Bid deposits and Bid Bonds are guarantees that a Bidder will enter into a Contract with the Township.

Where deemed necessary by the Department Head, or where labour (or services) and material are involved, a Bid deposit or Bid Bond is required in an amount equal to five (5%) per cent of the Bid price. A

higher percentage deposit may be required at the discretion of the Treasurer and/or Department Head.

Bid deposits must be cash, certified cheque, bank draft, money order, irrevocable letter of credit, or Bid Bond.

Any Bid received without the required Bid deposit or Bid Bond shall be disqualified.

- (d) Performance and Maintenance Bonds: Performance Bonds guarantee performance of the terms of the Contract. This Bond protects the Township from financial loss should the Vendor fail to perform the Contract in accordance with its terms and conditions. Maintenance Bonds provide upkeep of a project for a specified period of time after the project is completed. This Bond guarantees against defective workmanship or materials.

Where deemed necessary by the Department Head, or where the Township could experience significant financial loss should a Vendor's failure to perform the Contract within the terms and conditions of the Contract, a Performance Bond is required.

Where deemed necessary by the Department Head, or where the Township could experience significant financial loss or other harm as a result of defective workmanship or materials, a Maintenance Bond is required.

Performance and/or Maintenance Bonds must be in the amount of fifty (50%) per cent of the Contract price for Contracts up to One Hundred Thousand (\$100,000.00) Dollars. Where the Contract price exceeds One Hundred Thousand (\$100,000.00) Dollars, the Performance and/or Maintenance Bonds must be in the amount of one hundred (100%) per cent of the Contract price.

- (e) Labour and Material Payment Bonds: Labour and Material Payment Bonds are guarantees that the Vendor will make payment for obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the project.

Where deemed necessary by the Department Head, or where the Township could experience significant financial loss should a Vendor fail to pay its obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the Contract, a Labour and Material Payment Bond shall be required.

Labour and Material Payment Bonds shall be in the amount of fifty (50%) percent of the Total Award Price, up to One Hundred Thousand (\$100,000.00) Dollars, and one hundred (100%) percent of the Total Award Price over One Hundred Thousand (\$100,000.00) Dollars.

- (f) Insurance: Where deemed necessary by the Department Head, or where the Township could experience significant financial loss, the Tender shall require that an insurance certificate be provided. The insurance coverage must be a minimum of Five Million (\$5,000,000.00) Dollars for liability, bodily injury and property, unless alternatively stated in the Tender document. The insurance policy will require that the Township be added as an additional named insured (for the project in question) and that the Township be notified in advance in the event that the insurance policy is cancelled or changed in any manner.

- (g) Occupational Health and Safety: All Tender document forms and Contracts shall require that the Occupational Health and Safety Act be complied with.
- (h) Workplace Safety and Insurance Board Certificate (WSIB): All Tender document forms and Contracts involving a labour component shall require a WSIB Certificate of Clearance from the Vendor.
- (i) Penalty Clause: All Tender documents shall include a penalty clause, whereby a pre-tax daily charge is imposed on a contractor who fails to complete the assigned duties to a standard that meets the approval of the Township, in its sole discretion, by the date(s) established in the Tender document.

Receipt and Opening of Bid Documents

The Township will refuse to accept any Bid that is:

- Not sealed
- Received after the closing deadline
- Submitted after a Tender has been cancelled.

Requests for withdrawal of a Bid shall be allowed if the request is made before the closing time for the Tender to which it applies. Requests must be directed to the Lead Contact by letter or in person, by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a Bid does not disqualify a Bidder from submitting another Bid on the same Tender, subject to the provisions of Appendix B.

- (a) Timed and Dated: When Bids are received they shall be time and date stamped. Bid envelopes shall be dated, timed and initialed by the person receiving the Bid, and placed in a secure location until the Tender opening.
- (b) Number of Bids and Bidder Name not to be Divulged: The number of Bids received and the names of Bidders are confidential and shall not be divulged prior to the Tender opening.
- (c) Bid envelopes: Bids shall be received in an envelope clearly marked as to contents, including:
 - Tender Number and Title
 - Name and Address of Bidding Firm
- (d) Bids Received After Closing Time and Date: Bids received after the closing time shall be noted and returned unopened to the Bidder, as soon as possible. If a late Bid is received without a return address on the envelope it shall be opened, the address obtained, and then returned. The covering letter will advise why the envelope could not be returned unopened.
- (e) Alternative Bids: Unsolicited alternative Bids shall not be considered. If a Bidder wishes to extend alternative bids under the same Tender, they must obtain permission to do so, in writing, from the Lead Contact. Permission will only be granted based on the specific nature of the Commodity being Procured. All required Bonds and Deposits must be provided based on the dollar value of the highest Bid.
- (f) Two Bids for Same Tender - Same Envelope: If two Bids for the same Tender are received in the same envelope, the Bids must be contained in separate envelopes within the exterior envelope and must be marked as Bid A and/or Bid B. If the two Bids are not contained in

separate envelopes within the exterior envelope, the lowest Bid in the envelope shall be considered the intended Bid.

- (g) Two Bids Same Tender – Different Envelopes: If two Bids for the same Tender are received in different envelopes the envelope with the latest date and time received shall be considered the intended Bid.
- (h) Bids Received By: Bids shall be received by the Municipal Office Staff.
- (i) Tender Opening: Bids shall be opened in public by Township Staff, preferably in the presence of the Department Head. The names of those individuals in attendance, the time and date of the opening, the names of the firms submitting a Bid, the completeness of each Bid received, and the total Bid price of each Bid shall be recorded at the opening.
- (j) Bid Irregularity: All Tenders shall be inspected for the presence of any Bid Irregularities. Such Irregularities shall be dealt with in accordance to Appendix 'A', attached to and forming part of this By-law.
- (k) One Tender Received: If only one Bid is received, the Township has the option of not opening the Bid and closing the call for Tender.

Action when all Bids Received are Over Budget

At such time that a Tender closes, the competition is over. If all Bids are over budget, Council shall review the submissions and may elect to cancel the Tender. The scope of the project must be reviewed prior to re-Tender. If complete re-Tender is not financially viable or the project is required immediately, as determined by the Council and/or the Opening/Evaluation Committee, two procedures are acceptable:

- a) Negotiate with the lowest Bidder(s); or
- b) Re-Tender via post-Tender addendum to the lowest three Bidders, provided that there are tangible changes in the scope of the work, and with a view to bringing the cost of the project within the budget.

Return of Deposit Cheques

- (a) Immediately following the Tender opening, all Bid deposit cheques (other than those of the two lowest Bidders) shall be returned to the applicable Bidders by regular mail, or pick-up by the Bidder. In the case of a pick-up, the person picking up the Bid deposit shall execute a receipt.

Upon receipt of the executed Contract and all other required documents in a format acceptable to the Township, the deposit cheque of the second low Bidder shall be returned by regular mail or pick-up by the Bidder. In the case of a pick-up, the person picking up the Bid deposit shall execute a receipt. The Bid deposit of the successful Bidder will be held as performance Surety until completion of the project.

- (b) The Bid deposit cheque of the successful Bidder shall be cashed, and the funds returned with payment of the final invoice upon successful completion of the tender.

Action When Successful Bidder Does Not Finalize Contract

After Tender opening, if the successful Bidder should fail to sign the Contract or fail to provide any required documents (e.g., Bonds) within the specified time, the Department Head may grant additional time to fulfill the necessary requirements or may recommend that either:

- a) The Tender be Awarded to the next highest Bidder; or

b) The Tender is cancelled.

In either case, the deposit of the originally Awarded Bidder is forfeited to the Township.

Execution of Contract

After the Tender opening, a report to Council is required which describes the bids received and provides a written recommendation.

Council is responsible for approving a Vendor. Upon Council's approval, the Department Head shall ensure that a Contract is executed by the Mayor and Clerk-Administrator or Treasurer, or a Purchase Acknowledgement is issued.

APPENDIX “C” – REQUEST FOR PROPOSAL PROCESS

REQUESTS FOR PROPOSALS (RFPs) may be called by way of public advertising or invitational Bid, as outlined in the Township’s Procurement Policy. In the event that there is an applicable Standing Order for the Commodity, that Standing Order shall be used to a limit of \$30,000 as set out herein:

- When the Commodity cannot be definitely specified, or
- When the Commodity is non-standard or specialized in nature, or
- The cost is only a minor component making up the Award.

Advertising

The Department Head will advertise and distribute RFPs:

- All public RFPs are advertised on the Township of Strong Website.
- As a procurement best practice, the Township shall maintain a Qualified Vendor Roster. Participants of the Qualified Vendor Roster who have expertise in the Commodity being procured may be sent the RFP directly.
- At the discretion of the Department Head, RFPs may be advertised in a local, regional and/or construction newspaper and/or on procurement websites.
- Advertisements must include the following information (if applicable): title, RFP number, site meeting time/date/location, contact names for Purchasing inquiries, document fee, and location for pick up and drop off of Bid documents.
- In some instances, the RFP may be issued to help develop and/or refresh the Qualified Vendor Roster. During this process, potential Vendors will be screened using such factors as financial capability, reputation, qualified staff and equipment management, ability to support, and product quality.
- The Township reserves the right to limit the submission of Bids to those Vendors on the Qualified Vendor Roster.

The closing date is usually a minimum of 30 calendar days after the date of issue. However, an RFP may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s).

Bids must be addressed to the Lead Contact, Township of Strong. The Office Staff will receive all sealed submissions and will date and time stamp and initial all submissions.

In lieu of receiving sealed physical submissions, the Township may, in the discretion of the Treasurer and/or Department Head, receive Bids by electronic submission. Any such Bid will not be opened prior to the submission deadline.

The Township of Strong will refuse to accept any submission that is:

- Not sealed, if physical copies are received
- Received after the closing deadline
- Submitted after an RFP has been cancelled.

Requests for withdrawal of a Bid shall be allowed if the request is made before the closing time for the contract to which it applies. Requests must be directed to the Lead Contact by letter or in person by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a Bid does not disqualify a Bidder from submitting another Bid, subject to the provisions of Appendix ‘B’.

A Bidder may be disqualified for contacting or questioning Township Staff or Council regarding details of the RFP unless that person is the Lead Contact.

Bids received shall be evaluated on the basis of quantitative and qualitative criteria by an Evaluation Committee. Each Evaluation Committee member shall evaluate the Bids separately. The recommended Bid is the one that achieves the highest average overall score based on the combined evaluations of all Evaluation Committee Members.

RFP results, if requested, may be made public by the Department Head.

Request for Proposals are not formally opened in public nor is it required to disclose prices or terms at the time of submission. If only one Bid is received, the Department Head has the option of not opening the Bid and closing the Request for Proposal.

Where the required Goods and/or Services cannot be specified and it is estimated that the value of the Goods and/or Services (excluding all taxes) cost:

- a. **\$30,000.00 or less**
 - A written Bid must be acquired by the initiating Department.
 - No report to Council is required.
 - A Purchase Acknowledgement must be issued.
- b. **Over \$30,000.00**
 - Proposal guideline documents shall be processed through the Department and shall be advertised on the Township website, at a minimum.
 - Bids will be evaluated on the basis of quantitative and qualitative criteria, established and rated by the Evaluation Team.
 - A report to Council is required from the Department Head for Council consideration and approval.
 - Upon Council's approval, a Contract must be executed by the Mayor and the Clerk-Administrator or Treasurer.