



# THE CORPORATION OF THE TOWN OF WASAGA BEACH

## POLICY MANUAL

<b>SECTION NAME:</b> Financial Management	<b>POLICY NUMBER:</b> 4-2
<b>POLICY:</b> Procurement Policy	<b>REVIEW DATE:</b> November 2017
<b>EFFECTIVE DATE:</b> November 13, 2012	<b>REVISIONS:</b> November 13, 2012
<b>APPROVED BY BY-LAW</b> By-Law No. 2012-96	<b>ADMINISTERED BY:</b> Treasurer

### PURPOSE

- 1) To establish a policy regarding the purchase of goods, services, construction and professional services as required under Section 270 of the *Municipal Act, 2001. S.O. 2001*, as amended.
- 2) To promote and maintain the integrity of the purchasing process and protect Council, vendors and staff involved in the process by providing clear guidelines and authoritative roles for purchasing actions.
- 3) To provide for an open, transparent and accountable purchasing process that is fair and impartial.
- 4) To obtain the highest quality goods, services, or construction works at the least possible costs.

### SCOPE

This policy shall apply to all purchases of goods and services by members of Council, officers, committee and board members, and employees of the Town of Wasaga Beach.

## **ACCESSIBILITY ORGANIZATIONAL COMMITMENT**

The Town of Wasaga Beach is committed to meeting the accessibility needs of persons with disabilities in a timely manner, and shall incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities, except where not practical to do so. In such situations where it is not practical, a documented explanation shall be provided upon request.

Furthermore, whenever possible the purchase of goods and services shall be based on the principles of universal design.

The Town incorporates accessibility features and has regard to accessibility for people with disabilities when designing, procuring, or acquiring self-service kiosks.

## **POLICY REVIEW AND PROCEDURE**

This Policy will be reviewed as required, but in any case no later than five (5) years from the date of the most recent review.

The Treasurer will be responsible for initiating the review of this Policy.

## **ATTACHMENTS**

Purchasing Summary attached as Schedule “A”, adopted by By-Law No. 2012-\_\_\_\_\_.

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## 1. DEFINITIONS

For the purposes of this Policy the following definitions will apply:

**“Approved Budget”** shall mean a budget approved by the Council of the Corporation of the Town of Wasaga Beach for the current fiscal year.

**“Authority”** shall mean the legal right to conduct the tasks outlined in this Policy as directed by Council.

**“Bid”** shall mean a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the Town.

**“Chief Administrative Officer” or “CAO”** shall mean the Chief Administrative Officer for the municipality or designate in his or her absence.

**“Clerk”** shall mean the Town Clerk of the Town of Wasaga Beach.

**“Committee”** shall mean a Standing Committee as designated by the Council of the Corporation of the Town of Wasaga Beach.

**“Council”** shall mean the Municipal Council of the Corporation of the Town of Wasaga Beach.

**“Contract”** shall mean a written binding agreement between the Town and the party providing the goods and services at a specified price.

**“Department”** shall mean any department within the Town, including any board for which the Municipality provides purchasing services.

**“Department Head”** shall mean the senior manager of a Department within the Town of Wasaga Beach.

**“Firm”** shall mean the company, group, business or individuals conducting business and supplying goods and services.

**“Goods and Services”** shall mean supplies, services, work, equipment, property, construction, etc., which the Town is intending to obtain, including consultants.

**“Professional and Consulting Services”** shall mean a person or firm, who by virtue of particular expertise is hired by the Town to undertake a specific task or assignment that may include designing specifications and preparing plans or programs.

**“Purchases”** shall mean an acquisition of goods or services for which the Town will undertake to pay, regardless of the cost being funded or subsidized by other levels of government.

**“Quotation”** shall mean a verbal or written offer received from a vendor to sell or buy goods and services in response to a direct request.

**“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 and the rental, repair or maintenance of equipment, machinery, or other personal and real property.

**“Supplies”** shall mean goods, wares, merchandise, material and equipment.

**“Tender”** shall mean a document which sets out particular specifications for the good 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.

**“Town”** shall mean the Corporation of the Town of Wasaga Beach.

**“Vendor”** shall mean any person or enterprise supplying goods or services to the Corporation of the Town of Wasaga Beach.

## **2. GENERAL PROVISIONS**

- 1) Procurement of goods and services by the Town shall be carried out under the following processes:
  - a) Purchases of goods and services with a value less than \$5,000 – at the discretion of authorized personnel in accordance with the provisions of this policy.
  - b) Purchases of goods and services with a value of \$5,000 or more and less than \$25,000 – a minimum of three verbal or written quotations to be obtained by authorized personnel in accordance with Section 6 herein.
  - c) Purchases of goods and services with a value of \$25,000 or more and less than \$50,000 – a minimum of three written quotations to be obtained by authorized personnel in accordance with Section 7 herein.
  - d) Purchases of goods and services with a value of \$50,000 or more – to be obtained by tender by authorized personnel in accordance with Section 8 herein.
  - e) Request for Proposal – to be used when the goods and/or service required cannot be specifically stipulated or when methodologies are sought to perform a certain function or service.

- f) Purchases of professional services – Request for Proposal (RFP) or Expression of Interest (EOI) to be utilized in accordance with Section 11 herein.
- 2) All amounts described in this policy include applicable sales taxes.
  - 3) The Town shall, wherever possible, standardize the purchase of goods and services of like nature as a combined effort of all departments, through the Accounts Payable Clerk, to allow for:
    - a) Reduced number of goods and services required;
    - b) Increased volume on common cross departmental items or services;
    - c) Maximized volume buying opportunities and economies of scale;
    - d) Reduced handling, training and storage costs;
    - e) Minimized maintenance costs;
    - f) Cooperative purchasing activities;
    - g) Competitive bid results; and
    - h) Reduced overall costs.
  - 4) The Town shall adhere to all regulations prescribed by the Province affecting the procurement process.
  - 5) The integrity of the procurement process will be maintained by requiring that each Department Head ensure that the policies are adhered to in their respective department. Any employee who intentionally and knowingly acquires or disposes of any goods or services for the Town in contravention of any provision of this policy shall be subject to disciplinary action.
  - 6) The Town shall not purchase from any officer, employee or their family or from any other source that would result in a direct or indirect pecuniary interest, unless such interest has been declared in writing to the CAO or Committee.
  - 7) No member of Council, officer or employee of the Town shall knowingly cause or permit anything to be done or communicated to anyone which could cause any potential vendor to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to the Town.
  - 8) No contract for goods, services and/or construction shall be deliberately divided into two or more parts to avoid compliance with the provisions of this policy.

- 9) The Town shall encourage the procurement of goods and services with due regard to the preservation of the natural environment. Vendors may be selected to supply goods made by methods resulting in the least damage to the environment and to supply goods incorporating recycled materials where practicable.
- 10) The Town shall encourage the procurement of goods and services from local suppliers where feasible and practical to do so.
- 11) Disputes in regards to a purchasing action are to be received in writing and shall be resolved as follows:
  - a) Meeting between the vendor and Department Head responsible.
  - b) If a) does not lead to a resolution, the decision can be appealed to the CAO.
  - c) If b) does not lead to a resolution, the decision can be appealed to Committee and such decision rendered by the Committee shall be deemed final.

### **3. VALUE FOR SERVICE**

In determining the preferred vendor, the Department Head shall consider the following in addition to price:

- 1) Ability, capacity and skill of the vendor to provide the quality of goods or services required;
- 2) Ability of the vendor to fulfill the contract or provide the service promptly at the specified time;
- 3) Character, reputation, integrity, experience and efficiency of the vendor;
- 4) Quality and performance of previous contracts, goods or services undertaken by the vendor;
- 5) Sufficiency of the vendor's financial resources with respect to fulfilling the contract or providing the goods and services;
- 6) Ability of the vendor to provide future maintenance and service;
- 7) The physical location of the vendor and the vendor's employees; and
- 8) Number and scope of conditions attached to the contract or bid.

**4. EXPENDITURE APPROVAL**

- 1) Council has the ultimate authority for all expenditures and delegates this authority to staff through the approval of the annual Operating and Capital Budget and by specific resolution.
- 2) For purchases not included in the approved budget or items that are expected to exceed the approved budgeted amount, the following procedures are required (see Section 13 for emergency purchases):
  - a) Department Heads shall submit a request for approval to the CAO for any unbudgeted expenditures less than \$5,000. Approval shall be provided in writing from the CAO.
  - b) Department Heads shall submit a request for approval to Committee for:
    - i) Any unbudgeted expenditures of \$5,000 or more.
    - ii) Any expected variance for the net departmental operating budget greater than \$5,000.
    - iii) Any expected variance for a capital project as outlined below:

Budgeted Amount	Variance to Budget	Report to Committee
< \$100,000	> \$5,000	Yes
\$100,000 - \$500,000	> \$10,000	Yes
> \$500,000	> \$15,000	Yes

Final approval for unbudgeted expenditures of \$5,000 or more and expected budget variances as described above shall be provided by Council resolution.

- 3) All operating contracts or agreements extending beyond the term of the approved budget shall be provided to the Treasurer for review and discussion prior to Committee review.

**5. AUTHORIZED PERSONNEL**

- 1) The Department Head shall be responsible for procurement activities within the department and shall be accountable for determining and achieving specific objectives as outlined for each procurement project. The Department Head, or designate, shall ensure that there are sufficient funds available and identified for all purchases and shall follow the budget variance procedures outlined in this policy.

- 2) Following the approval of a purchase action through the budget process or specific resolution, the purchase shall be carried out by Town staff as outlined below:
  - a) The CAO and Department Heads shall be authorized to make approved purchases of goods and services.
  - b) Department Supervisors, under the direction of the Department Head, shall be authorized to make approved purchases of goods and services.
  - c) Department Heads may also appoint subordinates who shall be authorized to make approved purchases of goods and services to a maximum of \$1,000.
- 3) Department Supervisors or subordinates who have been delegated purchasing authority from their Department Head shall have no authority to delegate this purchasing authority to any other person.

## **6. PROCURING GOODS & SERVICES BETWEEN \$5,000 AND \$25,000**

- 1) Informal quotations shall be obtained for all purchases of goods and services with a value of \$5,000 or more and less than \$25,000.
- 2) The person authorized to make such purchases shall make every reasonable effort to obtain at least three verbal or written quotations from reputable vendors. Where three quotations cannot be obtained, an exemption may be provided in writing from the CAO.
- 3) The department responsible for the purchase shall prepare a Summary of Quotations and shall provide this to the Treasury department and the CAO.
- 4) For purchases of goods and services with a value of \$10,000 or more, approval to proceed with the purchase shall be provided in writing by the CAO.
- 5) Any expected budget variances shall be reported to Committee for approval as outlined in this policy.

## **7. PROCURING GOODS & SERVICES BETWEEN \$25,000 AND \$50,000**

### **A. General Provisions**

- 1) Formal quotations shall be obtained for all purchases of goods and services with a value of \$25,000 or more and less than \$50,000.
- 2) The person authorized to make such purchases shall make every reasonable effort to obtain at least three written quotations from reputable vendors. Where three quotations cannot be obtained, an exemption may be provided by Committee.

- 3) Any expected budget variances shall be reported to Committee for approval as outlined in this policy.

## **B. Advertisement**

- 1) Advertisements for formal quotations may be drafted and published in the local newspaper and on the Town's website at the discretion of the Department Head.

## **C. Documents**

- 1) The Department Head shall ensure that quotations are being sought and the necessary documents (as described below) are included and distributed as required.
  - a) A clear description of the specific goods or services required. If alternative goods or services are acceptable, such shall be stated in the specifications.
  - b) Any pertinent plans or drawings.
  - c) The closing date and time for receipt of quotations, location where quotations are to be submitted and the name and phone number of the contact person.
  - d) A copy of the Town's purchasing policy.
- 2) Each vendor submitting a quotation shall provide a minimum of the following information:
  - a) Name, address, phone and fax number of the vendor.
  - b) Specifications of goods or services being quoted on.
  - c) Warranty terms and conditions.
  - d) Date of delivery.
  - e) Price and period of validity.
  - f) Status of taxes.
  - g) Terms of payment.
  - h) Signature of the vendor.

- i) For construction projects, WSIB clearance and appropriate insurance certificates.

#### **D. Quotation Requirements**

- 1) All quotations shall be returned to the designated contact person who will record the date and time of receipt on the sealed envelope.
- 2) Quotations must be in the possession of the designated person on or before the closing date and time established for receipt of quotations. Quotations received after the closing time will not be considered and the vendor shall be advised that the quotation was received late and will be returned by regular mail.
- 3) The quotation must be legible, written in ink or typewritten and signed by an authorized person with authority to bind the vendor. Erasures, overwriting or strikeouts must be initialed by the official signing on behalf of the vendor.
- 4) All vendors requested to submit quotations shall be advised of all revisions, deletions, substitutions and additions to the specifications or of any extension to the closing time or of cancellation of the request for quotations. Vendors who have submitted quotations prior to notification of any change shall be given the opportunity to withdraw and resubmit their quotations.
- 5) Any vendor who has submitted a quotation may request that the same be withdrawn. A withdrawal request shall be made in writing to the designated person and the withdrawal shall be permitted if the request is made prior to the closing time. Withdrawn quotations shall be returned to the vendor. The withdrawal of a quotation shall not disqualify a vendor from submitting another quotation. Withdrawal requests received after the closing time shall not be permitted. The vendor shall be informed that the withdrawal request was received subsequent to the closing time.
- 6) All quotations shall be kept confidential until after the closing date and time established for receipt.

#### **E. Review and Acceptance of Quotations**

- 1) All quotations submitted in accordance with the above conditions shall be considered. After the closing time, the designated person shall promptly prepare a Summary of Quotations containing the name of each vendor, the general specifications and the total amount of each quotation including applicable sales taxes.

- 2) The designated person and Department Head shall check the quotations to ensure that all requirements and conditions have been met. If a quotation is rejected on the basis of a defect, the vendor shall be so advised.
- 3) Quotations shall be provided to Treasury for review of financial calculations.
- 4) The lowest price may not necessarily be the best value for the Town. Selection of the preferred quotation is subject to the general provisions in Section 2 and considerations in Section 3.
- 5) The Department Head shall prepare a report to Committee, including the Summary of Quotations, for approval to proceed with the purchase from the preferred vendor.

## **8. PROCURING GOODS & SERVICES VALUED AT \$50,000 OR MORE**

### **A. General Provisions**

- 1) All goods and services required with a value of \$50,000 or more shall be procured through a public tendering process, unless a specific exemption is granted by Council.
- 2) Any expected budget variances shall be reported to Committee for approval as outlined in this policy.

### **B. Tender Advertisement**

- 1) All tenders shall be advertised to the public. The Department Head shall determine the geographical scope of the advertising, and as a minimum, all tenders shall be advertised locally in at least one of the local newspapers and on the Town website.
- 2) The closing date for the tender shall be no sooner than three (3) weeks following publication in the local media unless the urgency of the requirement dictates otherwise and approval by resolution of Council has been obtained.
- 3) Each advertisement for tender shall typically contain the following information:
  - a) Location where tender documents may be obtained.
  - b) Date and time of tender closing.
  - c) General specifications of the goods or work to be performed.

- d) Name and phone number of contact person.
- e) Each tender advertisement shall contain the following statements:
  - i) “Tenders on the prescribed Tender Form and sealed in an envelope clearly marked as such will be received by the: Corporation of the Town of Wasaga Beach, 30 Lewis Street, Wasaga Beach, Ontario, L9Z 1A1”; and
  - ii) “The lowest of any tender will not necessarily be accepted”

### **C. Tender Documents**

- 1) The designated person shall prepare and distribute all necessary tender documents, including:
  - a) Specifications of the work to be performed or the goods required including an estimate of quantities. If alternative goods or services are acceptable such shall be stated in the specifications.
  - b) Any pertinent plans or drawings.
  - c) Any contingency allowance to be included shall be stated by the Town and no bidder shall include any contingency allowance in any tender.
  - d) Any requirements for bid deposits to be submitted with the tender submission.
  - e) The closing date and time for receipt of tenders, location where tenders are to be submitted and the name and phone number of the contact person.
  - f) A copy of the Town’s purchasing policy.
  - g) A copy of the Tender Form, in accordance with subsection 8.C.2).
  - h) A list of additional documents that will be required from the successful bidder as part of the contract agreement.
- 2) Tenders submitted in a format other than the Tender Form supplied by the Town shall not be accepted. The Tender Form shall provide the bidder sufficient space to complete a minimum of the following information:
  - a) Name, address, phone and fax number of bidder.
  - b) Specifications of goods or services to be performed.

- c) Date of completion/delivery.
- d) Price, applicable taxes and terms of payment.
- e) Warranty terms and conditions.
- f) Any specific exclusions or limitations.
- g) Acknowledgment of receipt of addendums.
- h) Signature of the bidder.

#### **D. Tender Requirements**

- 1) The designated person responsible for the tender shall keep a list of all persons taking out tender documents. Such list shall contain the prospective bidder's name, address, and telephone number, and shall be made available to the public.
- 2) All revisions, deletions, substitutions and additions to the tendering material shall be prepared in writing by the designated person and a copy sent to each individual or company that acquired tender documents. If it is deemed necessary to extend the closing date, an advertisement setting out the new closing date shall be inserted in the publications originally used, and a copy of the extension information shall be mailed to each person or company that obtained tender documents. A copy of each addendum shall also be attached to each set of tender documents not yet distributed. Bidders who have submitted tenders prior to the release of an Addendum shall be given the opportunity to withdraw and resubmit their tenders in accordance with subsection 8.D.9).
- 3) When in the opinion of the Town it is advisable to cancel a tender call, an advertisement shall be inserted in the same publications originally used and on the Town's website stating that the tender has been cancelled, the reason for such cancellation and whether or not the tender will be recalled. Each person who obtained tender documents shall be mailed written notice of the cancellation of the tender call and all tenders received shall be returned unopened to the bidder.
- 4) The Tender Form and documents are to be submitted in a sealed envelope to: The Corporation of the Town of Wasaga Beach, 30 Lewis Street, Wasaga Beach, Ontario, L9Z 1A1 and shall be initialed and time and date stamped upon receipt. Tenders received on or before the date and time for closing of the tender shall become the property of the Town and shall be kept in safekeeping by the Clerk. Tenders received subsequent to the date and time

for closing of the tender shall not be considered and shall be returned unopened to the bidder by regular mail or picked up.

- 5) The tender must be legible, written in ink or typewritten and must be signed by a duly authorized official of the bidding organization. Erasures, overwriting or strike-outs must be initialed by the official signing on behalf of the organization.
- 6) The estimate of quantities as shown in the tender document shall be used as a basis of calculation upon which the award of contract will be made. These quantities are not guaranteed to be accurate and are furnished without any liability on the part of the Town.
- 7) Where sub-trades are to be used, a complete list showing sub-trade name, owners, phone numbers and addresses shall accompany the tender submission. The amount of indebtedness to the sub-trade for works to be performed shall be clearly shown on the list. Sub-trades may be changed by the main contractor but only on written approval by the Department Head.
- 8) Any correspondence by mail or telephone, pertaining to adjustments or corrections to a Tender already submitted, shall not be considered. A bidder wishing to make adjustments to a tender must first withdraw the original tender in accordance with subsection 8.D.9) and resubmit the alternative bid on the prescribed Tender Form and in accordance with the provisions contained herein prior to the closing.
- 9) Any person who has submitted a bid on a tender may request that their tender be withdrawn. A withdrawal request shall be made in writing to the contact person and the withdrawal shall be permitted if the request is made prior to the closing time. Withdrawn tenders shall be returned unopened to the bidder. The withdrawal of a tender shall not disqualify a bidder from submitting another tender on the same contract. Withdrawal requests received after the tender has closed shall not be permitted. The bidder shall be informed, during or after the opening, that the withdrawal request was received subsequent to the closing time.
- 10) More than one tender from any individual firm, partnership, corporation or association under the same or different names for the same item will not be considered. Collusion between bidders will be sufficient cause of rejection of all affected tenders.
- 11) Tenders shall be accompanied by a bid deposit where required in the tender documents, in accordance with subsection 8. E.
- 12) The number of bids received and the names of bidders shall not be divulged prior to the Tender opening.

## **E. Bid Deposits**

- 1) Bid deposits shall be required at the discretion of the Department Head. A bid deposit is a financial guarantee that if a bidder is successful in the award of the tender, the bidder:
  - a) Will enter into an agreement within a specified amount of time.
  - b) Will provide the specified security as required.
  - c) Will provide additional documentation as noted in the tender document.
- 2) Bid deposits are required to accompany any bid submissions for construction work exceeding \$100,000 or as deemed appropriate by the Department Head.
- 3) Bid deposits shall be no less than 5% of the estimated value of the work unless the work exceeds \$200,000 then the deposit shall be no less than 10%.
- 4) Acceptable forms of bid deposits include certified cheques, letters of credit or money orders and shall be payable to The Corporation of the Town of Wasaga Beach.
- 5) All bid deposits with the exception of the two lowest bids are to be returned to the bidders within ten (10) business days after the bid closing unless some anomalies are found in the analysis of the two lowest bids in which case the third lowest bid deposit will also be retained. The remaining deposits shall be released after execution of the contract agreement and submission of all required documents.
- 6) If a bidder awarded a contract refuses or neglects to execute the contract agreement or to submit the required documents within three (3) weeks or by the time specified in the tender document, the Town at its sole discretion, may cash the deposit and such deposit shall be subject to forfeiture. Any bidder who has defaulted as herein shall have no claim whatsoever against the Town for such action taken by the Town.
- 7) Interest will not be paid on any bid deposit.

## **F. Tender Opening**

- 1) The Town shall endeavor to open all tenders promptly after the date and time of closing. Tender openings shall be open to the public and shall be attended by the Treasurer (or designate), the staff member responsible for the tender and the Department Head (or designate) of the department undertaking the project. Should the above attendees be unavailable, a date and time for the opening shall be established as soon as all required witnesses are available, and all bidders shall be advised. The names of those in attendance shall be recorded.

- 2) The designated person responsible for the tender shall open all submitted tenders and the Department Head or designate shall check the tenders to ensure that all tender requirements and conditions have been met. If an improper tender or a defect in the tender is discovered and if it is deemed necessary to reject the tender by reason of the improper or defective tender, the bidder shall be advised in writing that the tender has been rejected and reasons for same.
- 3) When the Department Head or designate is satisfied that the tender submission contains the proper forms and information, the name of the bidder, the general specifications and the total amount of each bid will be announced. All tender compliancy will again be reviewed by the Department Head and financial particulars will be checked by the Treasurer or designate. Tenders containing prices that are unbalanced may be rejected. Whenever in a tender submission the tender amount for an item does not agree with the extension of the estimated quantity and the tender unit price, the unit price shall govern and the amount of the total tender price shall be corrected accordingly.
- 4) No announcement concerning the successful tender will be made at the tender opening. A complete report and analysis shall be prepared by the Department Head to be submitted to the appropriate approval authority in accordance with subsection 8. G.
- 5) The responsible department shall forward any certified cheques/security deposits to Treasury for safekeeping and the designated person responsible for the tender shall prepare a Summary of Tenders containing the name of each bidder, the general specifications and the total amount of each bid. The Summary of Tenders shall be made available to the public.

#### **G. Acceptance of Tender**

- 1) For expenditures up to \$200,000, the Department Head shall prepare a report to Committee, including the Summary of Tenders, for approval to proceed with the preferred bid. Final acceptance of the tender shall be in the form of a Committee resolution.
- 2) For expenditures in excess of \$200,000, the Department Head shall prepare a report to Committee with a recommendation to Council, including the Summary of Tenders, for approval to proceed with the preferred bid. Final acceptance of the tender shall be in the form of a Council resolution.
- 3) The lowest price may not necessarily be the best value for the Town. Selection of the preferred quotation is subject to the general provisions in Section 2 and considerations in Section 3.

- 4) The Town reserves the right to reject any or all tenders and accept any tender considered best for its interest.
- 5) The successful bidder shall be advised by the designated person and, where appropriate, the contract documents shall be supplied for execution. Where contract documents are required or when the goods or services are to be delivered in the near future, the bidder shall be advised that documents must be signed or goods received or services performed by a specific date. Failure by the successful bidder to comply with the above shall be grounds to permit the Town to accept the second most appropriate tender or cancel the contract and the bidder's security deposit shall be forfeit to the Town.
- 6) All unsuccessful bidders, save and except the second most appropriate candidate, shall be notified as to the name of the successful bidder and the deposit cheques or securities shall be returned with such notice within fifteen (15) working days. The deposit cheque or security of the top two candidates shall be returned no later than the date of execution of the contract documents or delivery of the goods.
- 7) After notification of award, the successful bidder will be responsible for executing the contract agreement and to file satisfactory performance security (see subsection 8. H.), insurance policies (see subsection 8. I.) and WSIB clearance letter, as required, with the Town within three (3) weeks of the date of the contract award and such shall be maintained until contract completion.

#### **H. Performance Security**

- 1) Performance security is a guarantee of the full completion of all work as required in the bid document. Acceptable formats include:
  - a) Agreement to Bond
  - b) Performance Bond
  - c) Labour and Material Bond
  - d) Irrevocable Letter of Credit
  - e) Certified cheque
- 2) Performance security is required for, but not limited to, construction, renovation, demolition, service contracts (when working on Town property), and supply and installation of equipment for expenditures exceeding \$50,000.

- 3) A Performance Bond and Labour and Materials Bond are required for all construction projects exceeding \$200,000 for a minimum of 50% of the bid amount. For all other requirements, the Department Head shall determine the financial amounts of the performance security.
- 4) All performance security must be in original form, signed and sealed as applicable. No faxes or photocopies will be accepted.

#### **I. Insurance Certificate**

- 1) Upon the award of contract, the successful bidder must provide a certificate of insurance as detailed in the bid document. The Town's minimum coverage requirement for all insurance types is \$2 million for general liability, automobile and property insurance. This minimum is increased to \$5 million for larger projects including road and environmental works.
- 2) The insurance policy shall contain:
  - a) A "cross liability" clause or endorsement,
  - b) An endorsement certifying that The Town of Wasaga Beach is included as an additional named insured,
  - c) An endorsement to the effect that the policy will not be altered, cancelled or allowed to lapse without thirty (30) days prior written notice to the Town.
- 3) The contractor's liability insurance shall not contain any exclusions of liability for damage, etc., to property, building or land arising from:
  - a) The removal or weakening of support of any property, building or land whether such support is natural or otherwise,
  - b) The use of explosives for blasting,
  - c) The vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5 million.
- 4) If required, the Contractor shall obtain a Builder's All Risk Policy satisfactory to the Town in the joint names of the Town and the Contractor in the amount of the total value of the contract. The Builder's All Risk Policy shall remain in the custody of the Town and shall be kept in force by the Contractor until the work has been completed and accepted in writing by the CAO or Department Head.

## **9. REQUEST FOR PROPOSAL**

- 1) Department Heads or the CAO may use a Request for Proposal (RFP) in place of a quotation or tender when goods and services cannot be specified or when alternative and innovative solutions are sought.
- 2) The RFP document should include the following but is not limited to:
  - a) Introduction – general statements regarding the purpose of the RFP, background information, historical data, etc.
  - b) Scope of work or deliverable – outline the objectives, goals and requirements.
  - c) Evaluation criteria.
  - d) The closing date and time for receipt of proposals, location where proposals are to be submitted and the name and phone number of the contact person.
  - e) A copy of the Town’s purchasing policy.
- 3) The RFP process shall follow the same procedures outlined in Section 7 above for formal quotations except that the RFP document and evaluation criteria shall be approved by the Department Head and CAO prior to issuance of the Request for Proposal.
- 4) Depending on its terms, the process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices.
- 5) Any expected budget variances shall be reported to Committee for approval as outlined in this policy.

## **10. EXCEPTIONS**

- 1) The CAO or Department Head may request an exemption from any or all purchasing procedures outlined in this policy. A detailed report shall be submitted to Committee providing rationale for the exemption with final approval received from Council.
- 2) Adherence to the purchasing procedures in Sections 6 to 8 is not required with respect to the following general expenditures:
  - a) Payroll deduction remittances.
  - b) Sales tax remittances.
  - c) Damage and insurance claims.

- d) Licenses (vehicles, radios, elevators).
  - e) Utilities, postage and courier fees.
  - f) Maintenance and licensing software purchases for systems previously acquired.
  - g) Purchase of real property.
  - h) Legal fees.
- 3) For those expenditures that will be wholly recovered from outside sources (i.e. Developers, etc.) and are not an obligation of the Town, the provisions of this policy do not apply.

## **11. PROFESSIONAL SERVICES**

- 1) An RFP shall be issued for the provision of insurance, audit and banking services for a term of five (5) years with a possible extension of an additional year.
- 2) Engineering services shall be procured through the following process:
  - a) An RFP shall be issued for the provision of on-going general engineering support services with a value less than \$40,000 for a term of five (5) years with a possible extension of an additional year.
  - b) An Expression Of Interest (EOI) shall be issued to pre-qualify engineering consulting firms for the provision of on-going engineering services for a term of five (5) years with a possible extension of an additional year.
    - i) The EOI shall be advertised and open to the public and shall identify the evaluation criteria established by the Department Head in consultation with the CAO and/or Treasurer. The criteria shall include, but is not limited to, the expertise and reputation of the firm being considered.
    - ii) The Department Head shall review the EOI submissions and prepare a report to Committee detailing the evaluation process and the selection of four (4) engineering firms. Final approval shall be provided by Council resolution.
    - iii) An RFP shall be issued to the pre-qualified firms for specific projects with engineering services with a value greater than \$40,000.

## **12. SINGLE SOURCE PURCHASING OR PURCHASING BY NEGOTIATION**

- 1) Where a Department Head deems it appropriate or in the best interests of the Town to acquire goods or services from a particular source or by negotiation with one or more vendors, the formal purchasing process may be waived by Council under the following conditions:
  - a) The good or service is available from a sole source.
  - b) Extension of an existing contract would prove more cost-efficient or beneficial.
  - c) When the required item is in short supply due to market conditions.
  - d) When it is necessary to ensure compatibility with existing products or to avoid violating warranty/guarantee requirements when service is provided.
  - e) When two or more identical bids have been received.
  - f) When no compliant or viable bids are received in a competitive process.

## **13. EMERGENCY PURCHASES**

- 1) In the case of an emergency, during normal business hours, which requires the immediate purchase of goods or services, the following procedures are required:
  - a) The Department Head, or designate, shall be authorized to purchase the necessary goods or services with a value less than \$25,000 upon consent of the CAO and shall report all such actions to Committee.
  - b) The CAO or Department Head shall be authorized to purchase the necessary goods or services with a value of \$25,000 or more upon consent of the Mayor and shall report all such actions to Committee.
- 2) In the case of an emergency, outside of normal business hours, which requires the immediate purchase of goods or services in order to prevent serious delays in the operation of the department or further damage, or to restore minimum services, the Department Head, or designate, may purchase the necessary goods or services and shall report all such actions to the CAO and Committee.

## **14. INVOICE APPROVAL AND REQUIRED DOCUMENTS**

- 1) Each invoice shall be stamped and completed with the following information:
  - a) Received - initialed by the employee who verified receipt of the goods or services.

- b) Price Check - initialed by the employee who matched the invoice price to the quotation, tender or resolution. The Accounts Payable Clerk shall re-calculate any quantity extensions, sub-totals and taxes.
  - c) Approval - initialed by the Department Head (or Department Supervisor in the absence of the Department Head) as direction for payment and indication the department is satisfied with the goods or services received.
  - d) Cheque No. - completed by the Accounts Payable Clerk with the date-stamp and cheque number once the cheque is issued.
  - e) Acct. No. - completed by the department that has made the purchase for entry by the Accounts Payable Clerk.
- 2) The following supporting documents are required:
- a) All signed packing slips shall be attached to the related invoice by the responsible department.
  - b) For purchases charged to a corporate credit card or approved vendor house account (i.e., Foodland, Beach Builders, Rona, and Canadian Tire) the invoice/charge receipt shall be provided to the Accounts Payable Clerk at the time of purchase with the invoice stamp completed as above. The receipt shall display both the printed and signed name of the employee that acquired the purchase along with the department name. These receipts shall be matched to the monthly vendor statement by the Accounts Payable Clerk.
  - c) Copies of all signed agreements or contracts relating to approved expenditures shall be provided to the Accounts Payable Clerk and attached to the related invoice.
  - d) Where a purchase is authorized through Council or Committee resolution, a copy of the signed resolution shall be provided to the Accounts Payable Clerk and attached to the related invoice.
  - e) Where an exemption has been granted by Council, Committee or the CAO, a copy of the signed resolution or written authorization shall be provided to the Accounts Payable Clerk and attached to the related invoice.
  - f) Where a purchase is subject to the procedures outlined in Section 6 - Informal Quotations, a copy of the Summary of Quotations shall be provided to the Accounts Payable Clerk and attached to the related invoice.

- g) Where the documentation relates to more than one invoice, the documents shall be attached to the first invoice received and a copy to be retained by the Accounts Payable Clerk and referenced for all subsequent invoices.

## **15. DISPOSAL AND SALE OF SURPLUS GOODS**

- 1) As part of the asset management process, departments should routinely identify assets and equipment that are no longer required by the department, have been replaced, or are no longer suitable for the original purpose.
- 2) Where the department has determined that an item is in disrepair and no longer meets the Health & Safety or other requirements of the Town, it shall be disposed of in a proper manner and reported to the Treasury department for proper recording in the tangible capital asset system.
- 3) Where a fair market price is offered, these items may be used as a trade-in on the purchase of replacement equipment. Alternatively, they may be offered to another department for use in that operation. Any trade or transfer of an asset must be reported to the Treasury department for proper recording in the tangible capital asset system.
- 4) If the asset or equipment can no longer be used for any purpose within Town operations, it shall be advertised for sale, upon approval by the Department Head and CAO or Treasurer, in the following manners:
  - a) Internal notice for Town staff; and
  - b) Public notice at Town facilities; and
  - c) Public notice on Town website; or
  - d) Public notice in a local newspaper or publication; or
  - e) Sale at advertised auction.
- 5) A notice as determined above shall include the date and time for closing of offers and the person and location to which offers, in sealed envelopes, suitably marked, are to be delivered. All notices or advertisements shall include the provision that neither the highest nor any offer shall necessarily be accepted.
- 6) All offers will be opened in the presence of the Department Head and Treasurer, or designates. In the event that the anticipated value of the surplus item and/or any bid exceeds \$5,000, a report summarizing the offers received shall be submitted to the next Committee meeting together with a staff recommendation on whether and what bid to accept.

- 7) All assets shall be accepted as is or where is and without warranty or guarantee. The new owners shall assume all risk and expense associated with these assets.
- 8) Any remaining surplus assets may be awarded to a registered non-profit entity by the responsible department. Non-profit agencies shall be notified where possible (for relevant items) of the Town's disposal intent and shall submit a letter of interest to the department. Donated items should be considered safe for use and meet current product safety standards where applicable.
- 9) Revenue generated from the sale of surplus assets shall be credited to the appropriate asset replacement reserve for future allocation.
- 10) The sale of Town land, the disposal of library materials and the disposal of items from collections from a Museum and/or Archives, shall be excluded from this disposal policy.

**TOWN OF WASAGA BEACH**  
**SCHEDULE "A"**  
**Purchasing Summary**

Purchase Threshold	Purchase Method	Authorized Personnel	Required Approval	Required Documents
<b>Included in Approved Budget</b>				
Less than \$1,000	Direct Purchase	CAO Department Head Department Supervisors Appointed Subordinates	Department Head	Invoice
\$1,000 or more and less than \$5,000	Direct Purchase	CAO Department Head Department Supervisors	Department Head	Invoice
\$5,000 or more and less than \$10,000	Informal Quotation (Section 6)	CAO Department Head Department Supervisors	Department Head	Invoice Summary of Quotations
\$10,000 or more and less than \$25,000	Informal Quotation (Section 6)	CAO Department Head Department Supervisors	CAO	Invoice Summary of Quotations CAO Approval
\$25,000 or more and less than \$50,000	Formal Quotation (Section 7) or RFP (Section 9)	CAO Department Head Department Supervisors	Committee	Invoice Committee Resolution
\$50,000 or more and less than \$200,000	Tender (Section 8) or RFP (Section 9)	CAO Department Head Department Supervisors	Committee	Invoice Committee Resolution
\$200,000 or more	Tender (Section 8) or RFP (Section 9)	CAO Department Head Department Supervisors	Council	Invoice Council Resolution

**TOWN OF WASAGA BEACH**  
**SCHEDULE "A"**  
**Purchasing Summary**

Purchase Threshold	Purchase Method	Authorized Personnel	Required Approval	Required Documents
<b>Professional Services (Section 11)</b> (Approved Budget Items Only)  <b>Insurance, Audit, Banking</b>   <b>Engineering</b>  Less than \$40,000  \$40,000 or more	Request for Proposal (Section 9)   Request for Proposal (Section 9) with five year retention  Request for Proposal (Section 9) from pre-qualified firms	CAO Department Head   CAO Department Head Department Supervisors  CAO Department Head Department Supervisors	Council   Council  Council	Invoice Council Resolution   Invoice Council Resolution  Invoice Council Resolution
<b>Single Source Purchase (Section 12)</b>	Direct Purchase	CAO Department Head Department Supervisors	Council	Invoice Council Resolution

**TOWN OF WASAGA BEACH  
SCHEDULE "A"  
Purchasing Summary**

<b>Purchase Threshold</b>	<b>Purchase Method</b>	<b>Authorized Personnel</b>	<b>Required Approval</b>	<b>Required Documents</b>
<b>Emergency Purchase (Section 13) During Normal Business Hours</b>  Less than \$25,000  \$25,000 or more  <b>Outside Normal Business Hours</b>	Direct Purchase  Direct Purchase  Direct Purchase	CAO Department Head Department Supervisors  CAO Department Head  CAO Department Head Department Supervisors	CAO  Mayor  Department Head	Invoice CAO Approval  Invoice Mayor Approval  Invoice
<b>Not Included in Approved Budget</b>  Less than \$5,000  \$5,000 or more	Follow applicable method  Follow applicable method	Based on applicable method  Based on applicable method	CAO  Council	Invoice CAO Approval  Invoice Council Resolution

**Copies of all approved exemptions from the purchasing policy must be provided to Treasury.**

**Copies of all financial contracts must be provided to Treasury.**