



Section:	Finance		
Policy #	7.3	Date Approved:	December 1, 2019

7.3 PURCHASING AND PROCUREMENT POLICY

7.3.1 Legislative Authority & Principals

LEGISLATIVE AUTHORITY:

The Municipal Act, 2001, Part VI, Section 271, as amended states that a municipality and a local board shall adopt policies with respect to its procurement of goods and services, including policies with respect to:

- a) The types of procurement processes that shall be used;
- b) The goals to be achieved by using each type of procurement process;
- c) The circumstances under which each type of procurement process shall be used;
- d) The circumstances under which a tendering process is not required;
- e) The circumstances under which in-house bids will be encouraged as part of a tendering process;
- f) How the integrity of each procurement process will be maintained;
- g) How the interests of the municipality or local board the public and persons participating in a procurement process will be protected;
- h) How and when the procurement process will be reviewed to evaluate their effectiveness; and
- i) Any other prescribed matter. 2001, c25, s. 271 (1).

Principles

- a) To promote the most cost effective and efficient use of municipal funds and resources by acquiring the goods and services at the optimum quality, quantity, price, delivery and performance;
- b) To encourage open competitive bidding on all acquisition and disposal of goods and services where practical;
- c) Unless otherwise approved by Council, to purchase goods and services only as approved in the annual budgets;
- d) To obtain the most competitive offers from the most responsible and responsive vendors. To use vendors who comply with the provisions of the bid solicitation, including specifications and contractual terms and conditions. To use vendors who can be expected to provide satisfactory performance based on reputation, references, experience, and sufficiency of financial and other resources;
- e) To structure specifications that do not exclude certain vendors or manufacturers unless there is documented evidence to warrant exclusion;



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- f) To always consider the "total acquisition cost" rather than the lowest bid. This includes, but is not limited to such factors as repairs, staff training, suitability, compatibility, warranty, trade-in-values, recycling and disposal concerns;
- g) To acquire goods and services about preservation of the natural environment. This gives reference to the method of manufacture and the method of disposal;
- h) To delegate the appropriate level of authority to enable departments to meet service requirements. To ensure that employees who are responsible for requisitioning and purchasing goods and services are accountable for their actions and decisions.
- i) To participate with other publicly funded bodies in cooperative purchasing activities where they are in the best interest of the municipality.
- j) To abide by the Township of Mapleton "Employee Code of Conduct".

Conflict of Interest

No requisition, vouchers, petty cash funds or any other order, written or verbal, shall be issued for personal goods and/or services for employees of the Township, any member of Council, or the public.

No purchase of goods or services shall be made from any employee of the Township, or from any company in which an employee of the Township has an interest. A contract for goods and services placed with a relative of an employee of the Township shall be declared and that employee shall not be placed in a position to supervise or approve the execution of that contract.

No employee or elected official shall purchase surplus assets except by bidding on the same at public auction or by sealed bid.

7.3.2 Definitions

Blanket Order - the agreement wherein a vendor will sell certain items to the Township for an agreed period with established terms and conditions.

Best Value - the consideration of purchase price, warranty, service costs, life cycle costs, time of completion/delivery, inventory carrying costs, operating and disposal costs to determine the successful compliant bid from a responsive, responsible bidder.

Bid - a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the Township.

Bid Deposit - a financial guarantee to ensure the successful bidder will enter into an agreement.

Capital Expenditure - funds used to acquire or upgrade physical assets such as property buildings, machinery or equipment.



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Council - the Municipal Council of the Corporation of the Township of Mapleton.

Designate - a person designated by a Department Head to exercise any or all responsibilities of the Department Head with respect to this policy. A Department Head may assign limitations to certain specified designates.

Direct Purchase - the purchase of goods, services or construction with a Total Procurement Value not exceeding \$25,000;

Disposal - the sale, exchange, transfer, destruction or donation of assets in accordance with the Supporting Policies and Procedures;

Emergency Purchase - a purchase made in a crisis where immediate action is required to prevent the possible loss of life or property.

Formal Bid - a sealed bid submission.

Formal Quotation - a document that sets out requirements for goods and/or services.

Department Head - a head of a department operating within Township of Mapleton. being the Department Head of: Finance, Culture & Recreation, Development Services, Economic Development, Public Works or Fire Department.

Generic - that no specific brand or name shall be included as part of the specifications unless such a brand or name is required to identify the intent of a purchase, order or proposal.

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

Irregular Result - a result in a Procurement in which:

- another Procurement Process should have been conducted based on the bid results;
- award of a Contract to the Bidder, as a result of the Procurement Process, does not represent best value and is not in the best interest of the City; or
- Council authority to commence Procurement should have been obtained;

Limited Tendering (known as Single/Sole Source) - a Procurement Process where negotiations are entered into with one or more than one Vendor

Responsive and Responsible Vendor - a vendor who complies with the provision of a bid solicitation, including the terms and conditions, specifications, who can reasonably be expected to provide the required performance based upon references, previous performance, adequate financial and other resources.

Sealed bids - bids submitted in a sealed envelope to a specified location, by a specified date.



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Services - 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.

Single Source - the goods and services obtained from one vendor without bid solicitation from other vendors who can provide the same goods and services.

Sole Source - the purchase of a good or service that is unique to a vendor and cannot be obtained from another source.

Supplies - goods, wares, merchandise, material and equipment.

Tender - a document that sets out 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.

The Corporation of the Township of Mapleton - herein is also referred to as the "Township" or the "Corporation".

Unsolicited Proposals - submissions from any source whereby the originator believes that the proposal may be of benefit to the Township and are not submitted to the Township in response to a quotation/tender/RFP call.

Vendor - any person or enterprise supplying goods and/or services to the Corporation of the Township of Mapleton, which includes contractors and consultants

7.3.3 Procurement Roles & Responsibilities

Council's Responsibilities

Mapleton Council has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution.

Prior to the commencement of a Procurement Process, being the date Procurements are advertised or solicited, Council shall authorize the commencement of Procurements with an estimated value of \$100,000 or greater and/or Procurements less than \$100,000 that are deemed to be of significant risk, involved security concerns or significant community interest as recommended by the requisitioning Department Head.

1. In keeping with municipal procurement best practices, the Mayor and Members of Council shall not be involved in specific Procurements, including not seeing any related documents or receiving any related information from the time those Procurements have been advertised or solicited until the Contract has been entered into.



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2. The Mayor and Members of Council who receive inquiries from Bidders related to any specific Procurement are required to advise the Bidders(s) to communicate with the contact person listed in the procurement document.
3. During the months where there is no meeting of Council or if Council is in a lame duck period, Procurement authority shall be delegated to Chief Administrative Officer. Any exercise of such delegated authority shall be reported to Council as information

Chief Administrative Officers (CAO) Responsibilities

The CAO shall:

1. Act on behalf of or in consultation with the requisitioning Department Head to authorize the use of the most appropriate Procurement Process;
2. Execute procurement documents including Contracts, Purchase Orders and all other documents related to specific procurements under the Corporate Seal on behalf of the Mayor and the Clerk;
3. Ensure that all Contracts and related documents executed are Approved as to Content by the appropriate requisitioning Department Head; and
4. Ensure that all Contracts and related documents executed are approved as to form by the Township Solicitor.
5. Disposal of assets excluding Real Property;
6. Determining the appropriate Procurement Process based on the Total Procurement Value provided by the requisitioning Department;
7. Delegation of the CAO Procurement authority & responsibilities where appropriate;
8. Disqualification of Vendors from participating in Procurements in accordance with the Supporting Policies and Procedures; and
9. Reporting to Council as required.

Department Head Responsibilities

The Department Head is responsible for:

1. Ensuring compliance with Procurement Policies and Procedures with respect to the activities of their Department
2. Obtaining Council approval to proceed with Procurement in accordance with this policy
3. Delegating appropriate authority to employees within their Department as set out in this Procurement Policy; and
4. Reporting to Council as required

7.3.4 Procurement

All Procurements having a price or value within each dollar range as set out in the Award Authority and in accordance with Supporting Policies and Procedures.

1) Direct Purchase (Up to and including \$25,000)

Direct Purchases are delegated to Departments.

2) Invitational Procurement (Greater than \$25,000 to less than \$100,000)



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Invitational Procurements may be delegated to Departments by the CAO to conduct the Procurement Process.

3) Public Procurement (\$100,000 & Greater)

Public Procurement in accordance with Supporting Policies and Procedures.

4) Limited Tendering (Greater than \$25,000)

Departments must provide the CAO with valid justification in accordance with the conditions as set Limited Tendering.

5) Emergency Purchase Emergency

Purchases must be procured in accordance with Supporting Policies and Procedures.

6) No Cost Procurement

- i) A “no cost” procurement is a Procurement where the Township will not bear any cost. These types of procurements include:
 - (a) Revenue generating opportunities, and
 - (b) Cost pass through to a third party.
 - (c) “No cost” procurements must be acquired in the same manner and using the same Procurement Process and corresponding approval requirements as Procurements that have a cost to the Township, depending on the value of the no cost procurement.

7) Co-operative Purchasing

The CAO may delegate to a Department to make arrangements with one or more public bodies for Co-operative Purchasing where there are economic advantages in doing so, provided that if the Procurement is to be conducted by other public bodies, the Purchasing Department determines that:

- The method of Procurement used by the other public body is a competitive method consistent with that as set out in this Policy; and
- The awarding, reporting and execution of contracts resulting from the co-operative Procurement is consistent with Supporting Policies and Procedures.

8) Unsolicited Proposal

Unsolicited Proposals received by the Township from a Vendor who has approached the Township to advise the Township of their ability or desire to undertake Township requirements shall be reviewed by the CAO and Department Head to determine if it is in the best interest of the City to initiate a Procurement Process as set out with Supporting Policies and Procedures.

9) Tied Bids

In the case of tied Bids, the successful Bidder will be determined by a coin toss, conducted by the Purchasing Agent in accordance with the Supporting Policies and Procedures.

10) Use of Formal Agreement

- i) Formal agreements shall be used in conjunction with a Purchase Order, for complex requirements, which may contain terms and conditions other than those of the Township’s standard terms and conditions.
- ii) The CAO in consultation with the requisitioning Department Head shall determine if a formal agreement is required.



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- iii) Formal agreements and associated contracts shall be Approved as to Content, approved as to Form and executed in accordance with the Supporting Policies and Procedures.
- iv) When a formal agreement is required, the Purchasing Department shall issue a Purchase Order incorporating the formal agreement.

11) Communication During a Procurement

A Procurement Process begins when the Procurement is advertised or solicited (Start Date) and ends when The Township signs an agreement and/or issues a Purchase Order with a Vendor (End Date) or when the Procurement Process is cancelled. Throughout the Procurement Process, all communications with Vendors involved in the process must occur formally, through the contact person identified in the procurement documents.

12) Disposal of Assets

The Department Head shall declare surplus, obsolete or non-repairable assets as surplus to the CAO for disposal in accordance with Supporting Policies and Procedures. The CAO may redeploy such assets to other Township Departments or if no longer useful for Township purposes, arrange for their disposal at the highest return or the reduction or avoidance of net cost from the disposition.

7.3.5 Purchasing Mechanisms

Informal Quotation Purchases

The Department Head shall be authorized to make purchases of goods and services for estimated expenditures **Up to and including \$25,000.00** excluding all applicable taxes from such vendor and upon such terms and conditions as the Department Head deems appropriate subject to first obtaining at least three (3) written quotations whenever possible. Bid documents and specifications (as applicable) can be issued and received by e-mail and/or fax transmission.

The Department Head shall make reasonable effort to obtain three (3) competitive quotations (verbal and/or written) for purchases **less than \$5,000.00**.

Exclusions: Single item small capital projects or purchases including those of complex specifications or requirements must be issued in a formal bid document. (Example, the purchase of a new vehicle.)

Formal Quotation Purchases

The Department Head shall be authorized to make Formal Quotation Purchases for goods and services for estimated expenditures exceeding **\$25,000.00 and less than \$100,000.00** excluding all applicable taxes by requesting and obtaining sealed bids for the goods and services unless specifically authorized to do so by a resolution of Council for a particular transaction. At least three (3) bids must be obtained whenever possible.

When the preferred Quotation exceeds the approved budget appropriation by 10% of the total project budget, the Department Head shall submit a report to Council for direction.



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Tender Purchases

The Department Head shall not order goods or services exceeding **\$50,000.00** excluding all applicable taxes 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 (3) bids must be obtained whenever possible.

Notwithstanding the above, adherence to this purchasing policy is not required with respect to those items listed below, or to a transaction specifically authorized by resolution of Council to be exempt from this tendering policy.

- Purchases for consulting services for a program where services (i.e. bridge inspection/evaluation) have been awarded to a consulting firm on an on-going basis when clearly identified in the budget.
- Purchase of replacement parts where the original equipment manufacturer (OEM) is the sole provider of that equipment.
- Single source supply

Request for Proposal/Expression of Interest

The Department Head may use a Request for Proposal/Expression of Interest 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.

For estimated expenditures **not exceeding \$50,000.00**, the evaluation criteria and process shall be approved by the Department Head prior to the issuance of the Request for Proposal/Expression of Interest.

For **expenditures exceeding \$50,000.00**, the evaluation criteria and process shall be approved by Council resolution prior to the issuance of the Request for Proposal/Expression of Interest.

When the preferred proposal exceeds the approved budget appropriation and/or exceeds \$50,000.00, the Department Head shall submit a report to Council for direction.

Conditional Bid Solicitation Prior to Capital Budget Adoption

The Department Head is authorized to issue bids for capital works or equipment replacement prior to the adoption of the capital budget by Council provided the bid specifies that the acceptance and award is subject to budget approval by Council and the scope and quantities are subject to addition or deletion.

Unsolicited Proposals

Unsolicited proposals must be in writing detailing information on a product or service that can provide the Township with significant value or savings. Unsolicited bids may be accepted, and a contract entered into for a maximum of a one-year period without competitive bid process providing the total annual expenditure is less than \$25,000.00.



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If the expenditure is greater than \$25,000.00:

A report must be submitted to Council detailing 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 endorsement.

If the issue addressed in the unsolicited proposal is significant, the Township can issue a quotation, tender, RFP or EOI as per the purchasing policy.

In-house Bids

Where requested by Council in-house bids may be permitted.

BID CLOSING AND OPENING

1. Purchasing procedures will establish appropriate bid closing and opening procedures.
2. All bids exceeding \$25,000.00 will be opened at a public opening.

CONDITIONS APPLICABLE TO ALL BID SUBMISSIONS

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

1. Bid documents must be submitted and received in the manner as specified in the bid document. No exemptions will be permitted.
2. Bids received at the designated Township location later than the specified closing date and time will be returned to the bidder. In the case of sealed bids, the bid will be returned to the bidder unopened.
3. 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.
4. A bidder may withdraw a submitted bid at any time up to the official closing time by letter bearing their signature.
5. All departments must document the receipt of all submissions **over \$5,000.00** including the bidders' name, date/time of receipt of bid and initials of the employee accepting the bid.
6. All bids will be subject to best value evaluation by the Department Head to determine the successful bid.
7. The disclosure of information received in response to bid solicitation shall be treated in accordance with the Municipal Freedom of Information & Protection of Privacy Act, R.S.O. 1990, as amended.

Bids may be rejected for any of the following reasons:

1. Bid received after the specified closing date and time as specified in the bid document. No exceptions.
2. Bid does not comply with the requirements at time of closing as specified in the bid document. No exceptions.



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3. Bids which are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations or irregularities of any kind.
4. Does not meet specification requirements.

BLANKET ORDERS

1. The Department Head may establish Blanket Orders using the applicable bid mechanism based upon the estimated annual expenditure. Blanket Orders may also be coordinated and issued by Finance for all Township departments as applicable.
2. In the case of equipment repairs and equipment rentals for amounts not exceeding **\$25,000.00**, excluding all applicable taxes; the Department Head shall be authorized to select vendors not solely on the basis of cost, but also on ability, quality or workmanship, service, availability, overall performance and experience without first obtaining quotations.
3. Blanket Orders shall be issued for a specific time period with all ordering departments responsible for maintaining purchases within budget allocations.

PURCHASE OF USED FLEET EQUIPMENT

The Department Head of Public Works and the Fire Department are authorized to purchase used fleet equipment that is sold by other municipalities by private sale or public auction; sold through a vendor licensed to sell used equipment; by sealed bid; or by negotiation providing that:

1. The equipment meets or exceeds the departmental equipment requirements.
2. It is documented that it is fiscally responsible to purchase a used piece of equipment rather than purchase new.
3. If the total expenditure per piece of equipment exceeds \$50,000.00 including all applicable taxes and before the GST rebate is calculated, a report will be forwarded to Council detailing purchase information and expenses.

EMERGENCY PURCHASES

The Department Head shall be authorized to make emergency purchases in excess of **\$25,000.00** excluding all applicable taxes upon the approval of the Mayor. The Department Head shall present a report to Committee and/or Council as soon as reasonably feasible.

LIMITED TENDERING or PURCHASE BY NEGOTIATION

A Department Head may purchase by negotiation with one or more vendors under which a formal bid process may be waived under the following conditions:

1. When market conditions and in the judgment of the CAO and the Department Head, the goods are in short supply.
2. Sole source.
3. When two or more identical bids have been received, the Department Head may:



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- a. Request that all parties that have submitted an identical bid are permitted an additional 24 hours or a reasonable amount of time specified by the Department Head to resubmit a sealed bid; or
 - b. Negotiate with the two lowest bidders, keeping all negotiations fair and ethical.
4. If the Department Head is unable to come to a resolution of award, a coin toss shall determine award.

A Department Head may negotiate with the lowest bidder that meets specifications when that bid exceeds the estimated and/or budgeted costs by 10% or more. Failure to reach a satisfactory arrangement will result in a re-tender.

EXCEPTIONS

A Department Head may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to Council. Such exemption may be granted by resolution.

EXCLUSIONS

Competitive bids shall not be required for goods or services provided by any of the following when such goods or services are not available elsewhere, including, but not limited to:

1. Utilities, government agencies, Crown corporations, traveling expenses, meals, conferences, seminars, memberships, subscriptions, medical exams, licenses, in-house services and any other goods or services as approved by Council;
2. When patent, copyright or exclusive license is applicable;
3. When goods are in short supply due to market conditions;
4. During emergency situations including;
5. Imminent or actual danger to life, health or safety of general public, staff and or Township officials;
6. Imminent or actual danger of injury to or destruction of real or personal property belonging to the Township;
7. Unexpected interruption of essential public service
8. As defined by the Emergency Plans Act, R.S.O. 1990, Chapter E.9 and the Township's Emergency Plan including amendments thereto.
9. As identified elsewhere in this policy.

ADVERTISING

Where effective in the opinion of the Department Head, information regarding the bid document shall be advertised in the local newspaper, Township website, and/or applicable publications necessary to comply with all existing statutory regulations.

BID DEPOSITS

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

1. All bids for municipal construction projects in excess of \$50,000.00.



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2. Special contracts or scope of work as deemed appropriate by the Department Head.
3. For estimated expenditures less than \$100,000.00, the Department Head shall determine the amount of the bid deposit.
4. Bid deposits shall be no less than 5% of the estimated value of the work prior to bidding or an amount equal to a minimum of 5% of the bid submitted. For estimated expenditures greater than \$100,000.00, the minimum bid deposit required shall be 10%.
5. A bid deposit shall be provided in one of the following formats:
 - a. A bid bond or an agreement to bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming The Corporation of the Township of Mapleton as the obligee.
 - b. A certified cheque made payable to The Corporation of the Township of Mapleton.
 - c. An irrevocable letter of credit naming The Corporation of the Township of Mapleton as the beneficiary.
 - d. Money orders made payable to The Corporation of the Township of Mapleton.
 - e. Canadian currency.

The Township does not pay interest on any bid deposits.

All bid deposits must be original documentation, signed and sealed as appropriate. No faxes or photocopies will be accepted.

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

The Township reserves the right to request a bid deposit also be used as a financial guarantee by the successful bidder as applicable to the bid document.

7.3.6 Bonding & Insurance Requirements

1. Performance, Labour and Material and/or Maintenance Bonds are required for all construction projects exceeding \$100,000.00 for a minimum of 50% of the bid amount.
2. Bonds must be originals signed and sealed. No faxes or photocopies will be accepted.

INSURANCE

The standard insurance minimums are as follows:

1. \$2 million – general liability policy
2. \$2 million - automobile liability policy
3. \$2 million – homeowners (e.g. for rental of facilities)
4. \$5 million – general liability and automobile liability policies – for contract work done for most Public Works Department projects
5. \$2 million – professional errors and omissions liability



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6. Builder’s Risk – the amount of the project cost
7. Bid documents must clearly indicate insurance requirements to be provided by the successful bidder.

Unless otherwise authorized by the Department Head, the Township will only accept a “certified copy” of requested Certificates of Insurance direct from an insurance broker/company and must be furnished at his/her cost. The Certificate of Insurance must detail the liability insurance policy covering public liability and property damage for no less than the minimum amounts stated to the satisfaction of the Township and in force for the entire contract period. The policy must contain:

1. a “Cross Liability” clause or endorsement;
2. an endorsement certifying that **The Corporation of the Township of Mapleton** is named as an additional insured;
3. an endorsement to the effect that the policy or policies will not be altered cancelled or allowed to lapse without thirty days prior written notice to Township of Mapleton.

Contractor’s Liability Insurance Policy shall not contain any exclusions of liability for damage, etc. to property, building or land arising from:

1. the removal or weakening of support of any property, building or land whether such support be natural or otherwise;
2. the use of explosives for blasting;
3. the vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.00.
- 4.

7.3.7 Administration

No contract or purchase shall be divided to avoid any requirements of this policy.

In all purchases, the best value shall determine award, 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.

The Township of Mapleton may participate with other units of government, their agencies or public authorities in co-operative purchase ventures when the best interest Township of Mapleton will be served. Where such participation is at variance with the Town’s Purchasing policy, Council shall first authorize any participation.

All invoices and accounts from vendors shall be authorized prior to payment. Authorization in the form of signatures of the Department Head and staff denoting clerical accuracy, budgetary or specific resolution approval and indication that goods and services were received in good order must be in place. These required signatures will be deemed to authorize payment.



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Between the last regular meeting of Council in any year and the adoption of estimates for the next year, the Treasurer is authorized to pay the accounts of any ordinary business transactions of the Municipal Corporation that are required to maintain services. This shall include the payment of accounts or previously approved capital items and projects.

After the adoption of estimates, the Treasurer is authorized to pay the accounts approved by the appropriate Department Head and to pay contract accounts upon receipt of evidence of value received and which are approved by the appropriate Department Head.

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

HEATH AND SAFETY

Workplace Hazardous Materials Information System (WHMIS)

The Workplace Hazardous Materials Information System (WHMIS) is a Federal Government system for controlling workplace hazards. It is a requirement of the legislation to keep an up-to-date file of Material Safety Data Sheets (MSDS) relating to all hazardous materials used at the Municipality.

It is the responsibility of the user Department to ensure that a copy of the MSDS for all controlled products that are used by their department is kept in a place that is accessible to all affected staff.

The Township will request the MSDS at the time of placing orders. It is the user Department's responsibility to notify the Health and Safety Committee of any products deemed to be hazardous for which MSDS have not been received.

WORKPLACE SAFETY INSURANCE BOARD (WSIB)

It is the responsibility of the user Department to obtain a WSIB certificate of clearance for work that is to be completed on Municipal Property. The certificate of clearance is to be submitted prior to the commencement of any work. The requirements are follows:

1. All of the Contractor's personnel must be covered by the insurance plan under the Workplace Safety and Insurance Act, 1997, or must provide an identification number from the WSIB verifying their status as an "Independent Operator". Prior to final payment, a Certificate of Clearance must be issued indicating all payments by the Company to the Board in conjunction with the subject Contract have been made and that the Municipality will not be liable to the Board for future payments in connection with the Company's fulfillment of the contract.
2. Further Certificates of Clearance or other types of certificates shall be provided upon request.



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For Independent contractors / Owners / Operators who do not have WSIB coverage, the following shall be provided upon request by the user Department:

1. Single Independent Contractors / Owners / Operators shall provide a letter from the Workplace Safety & Insurance Board confirming independent operator status and identification number. To obtain this, contractors must complete the form “Determining worker/Independent Operator status”, issued by the Workplace Safety & Insurance Board. (For more information, please contact the local Workplace Safety & Insurance Board Office and refer to this clause.)
2. Single Independent Contractors / Owners / Operators must also provide a certificate from the Workplace Safety & Insurance Board confirming they have purchased the optional WSIB coverage.
3. The Township of Mapleton has the right to reject any bidder it deems to provide insufficient coverage.

It is the responsibility of the user Department to request a current WSIB Certificate every (60) days. It is the responsibility of the user Department to advise Accounts Payable and the Department Head of the user Department of any cheques to be held as a result of an expired clearance certificate.

WORKWELL

1. All purchases by the Township of Mapleton will be in accordance with regulated health and safety standards and specifications.
2. Responsible parties which may include, but are not limited to, Managers, Supervisors, Operators and Health and Safety members shall be consulted prior to making appropriate purchases and shall be included in pre-start up inspections and training for this equipment.
3. Where required, hazard assessments are to be undertaken and appropriate safe operating procedures created for high-risk hazards.”

RETENTION OF DOCUMENTATION

All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for goods and services exceed in \$5,000.00 shall be retained in accordance with records retention requirements.

PURCHASING PROCESS REVIEW

The Department Head may randomly review departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence.

7.3.8 Award Authority

The estimated expenditure value of the goods and/or service requirement will determine the purchasing mechanism to be used and the purchasing authority:



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Dollar Range	Procurement Process	Authority
=<\$25,000.00	Direct Purchases	Department Head
>\$25,000 to <\$100,000	Request of Proposals* Request for Quotation* Limited Tendering Contract Extension Irregular Results *Invitation will be at the discretion of Council	CAO and Department Head
=>\$100,000	Request of Proposals* Request for Quotation* Limited Tendering Contract Extension Irregular Results *Invitation will be at the discretion of Council	CAO and Department Head
=<\$25,000.00	Emergency Purchase	Department Head
Any Dollar Value	Disposal of Assets	CAO and Department Head

7.3.9 Implementation Procedures

FORMAL QUOTATIONS/TENDERS

The overall objective is to obtain the right goods and/or services at the right price by a qualified vendor. The bid document shall include the following main requirements:

1. Instruction to Bidders: This includes all of the procedures for the process that includes but not limited to:
 - a. Township contact name and phone number for queries
 - b. Addenda issuance procedures
 - c. Closing date, location and time
 - d. Township processes for acceptance, rejection, payment terms, delivery terms, etc.
 - e. Requirements at time of closing (bid deposit)
 - f. Terms and conditions as per the purchasing policy
2. Scope/Specifications (as applicable)
 - a. If the product/work requirement can be generally described for information purposes and does not require the bidder to indicate their compliance, the information can be stated in the bid document under Scope. (Example, supply and delivery of paper)
 - b. If the product/work requirement is specific in technological requirements, measurements, etc. that requires the bidder to comply with or state the actual, then specifications are required. (Example, the purchase of a vehicle). Specifications must be specific enough to give all bidders sufficient information to



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provide a bid that will meet or exceed the requirement but general enough that it allows an equal opportunity to bid.

3. Form of Quotation/Form of Tender (as applicable)
4. This provides the bidder with an adequate format to provide unit or lump sum prices matching to the description of the product requirement. Clearly indicate on the Form of Quotation/Form of Tender if taxes are/are not applicable and if they are to be included or not included in the unit or lump sum price.
5. The bid form shall also provide an area to provide for the bidder's signature, company name, company address, telephone number, fax number and e-mail address.
6. All prospective bidders shall be supplied with one copy of the official bid document, and a set of plans and/or specifications as applicable. A complete list of prospective bidders, including address, phone and fax numbers is to be maintained to facilitate the distribution of potential written addenda.
7. A "Submission Label" may be included with all bid documents and shall include the bid document number, opening date, company name and address.

EXPRESSION OF INTEREST (EOI)

- 1) A process of soliciting information from vendors regarding:
 - i) Availability of vendors to complete scope of work
 - ii) Technical information
 - iii) Feasibility
 - iv) Market availability
- 2) The EOI is a basic document outlining general ideas, concepts, goals requesting the bidders to provide submissions which detail their experiences, proposed methods of how to meet the needs outlined within the EOI.
- 3) An evaluation team should be organized consisting of those parties that have an interest or expertise in the scope or work outlined within the EOI.
 - i) The EOI should include the following but is not limited to:
 - ii) Introduction: some general statements regarding the purpose of the EOI, general background information, historical data, etc.
 - (a) Information for Bidders: This includes all of the procedures for the process but is not limited to:
 - (b) Township contact name and phone number for queries
 - (c) Closing date, location and time
 - (d) Requirements at time of closing, submission details (number of copies of the bid to be submitted)
- 4) The evaluation team shall rank and shortlist as applicable and subsequently issue an RFP, Tender or Quotation to the short-listed vendors.

REQUESTS FOR PROPOSAL (RFP)

- 1) If a good or service cannot be specifically stipulated; an alternative method is required; or the suitability of the deliverable is dependent upon the knowledge and expertise of a bidder;



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then an RFP may be issued. This is inclusive of but not limited to architects, engineers, consulting services, etc.

- 2) An evaluation team should be organized consisting of those parties that have an interest or expertise in the project and its requirements
- 3) The RFP should include the following but is not limited to:
 - a) Introduction: some general statements regarding the purpose of the RFP, general background information, historical data, etc.
 - b) Information for Bidders: This includes all the procedures for the process but is not limited to:
 - i) Township contact name and phone number for queries
 - ii) Closing date, location and time
 - iii) Addenda Issuance
 - iv) Township processes for acceptance, rejection, payment terms, delivery terms, etc.
 - v) Requirements at time of closing, submission details (number of copies of the bid to be submitted)
 - c) Scope of Work or Deliverable – outline the objectives, goals, deliverable requirement, etc.
 - d) Evaluation Criteria: detailing an outline of the evaluation criteria including weighted ratings will assist the bidders with outlining and preparing their submission. The evaluation criteria cannot be changed after the bids have been submitted.
- 4) All prospective bidders shall be supplied with one copy of the official bid document, and a set of plans and/or specifications as applicable. A complete list of prospective bidders, including address, phone and fax numbers is to be maintained to facilitate the distribution of potential written addenda.
- 5) A “Submission Label” may be included with all bid documents and shall include the bid document number, opening date, company name and address.

UNSOLICITED PROPOSALS

Unsolicited proposals are proposals received from vendors that allow for unique, innovative or cost saving initiatives that may be original in their idea and independently originated.

- 1) Information to be included in the unsolicited proposal include:
 - i) Offers name, address, type of organization, contact information (telephone, fax, e-mail, contact names, job titles) in which technical or business questions can be asked or negotiated
 - ii) Clear identification of proprietary data and information
 - iii) Signature of authorized personnel from vendor providing unsolicited proposal
 - iv) Objectives, methods, results, of the unsolicited proposal
 - v) Requirements of the Township
 - vi) Proposed price
 - vii) Period for validity of proposal
 - viii) Agreement or contract requirements
 - ix) References, past experiences if necessitated



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REPORTS TO COUNCIL

Reports to Council seeking direction are to be submitted when any of the following criteria apply.

- 1) Formal Quotation: The preferred bid exceeds the approved budget appropriation by 10% of the total project budget.
- 2) Tender: All tender award recommendations to be submitted to Council.
- 3) Request for Proposal:
 - i) If the estimated expenditure of the RFP exceeds \$50,000.00, the evaluation criteria and process must be approved by Council resolution prior to the issuance of the RFP.
 - ii) After the closing of the RFP, if the preferred proposal exceeds the approved budget or exceeds \$50,000.00, a report must be submitted to Council.

ADVERTISING

Tender documents shall be advertised

PROCEDURES FOR ACCEPTANCE OF BIDS

- 1) Informal Quotations must abide by the following procedures.
 - i) The closing date and time is at the discretion of the Department Head issuing the bid requirement.
 - ii) All informal quotation bid submissions must be submitted by the time, date, location and method specified in the bid document. No exceptions.
 - iii) Informal bid submissions received by fax or e-mail later than the time specified will not be considered in the bid award. All bid submissions shall have the date and time of receipt noted on the document.
- 2) Formal Quotations, Tenders, Requests for Proposal and Other Formal Requests for Information (pre-qualification of bidders, expression of interest, etc.) must abide by the following procedures:
 - i) All formal bids must be properly signed and sealed or witnessed and placed in a sealed envelope and submitted to the designated location prior to closing.
 - ii) All sealed bid submissions submitted shall have the date and time of receipt noted on the face of the envelope.
 - iii) Sealed bid submissions received later than the time specified will not be opened and will be returned by regular registered mail or picked up by the owner from the department issuing the bid document.
 - iv) All sealed bid submissions will be opened at a time announced by the Department Head as soon after the closing as is practical. Such bid submission opening shall be open to the public. The Department Head and at least one elected official shall attend. The names of those in attendance shall be recorded.



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- v) Upon opening, only the bid prices will be provided unless otherwise noted in the bid document. The Township reserves the right to verify all bid submissions for requirements and extended prices after the public opening and may reject any non-compliant bid after the bid opening. No announcement concerning the successful bidder will be made at the bid submission opening.

PROCEDURES FOR REJECTION OF BIDS

- 1) Bids may be rejected for any of the following reasons:
- 2) Bid received after the specified closing date and time.
 - i) Bid does not comply with the requirements at time closing as specified in the bid document. (Example, bid deposit)
 - ii) Bids which are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations or irregularities of any kind.
 - iii) Does not meet minimum specification requirements.
 - iv) It is not in the best interest of the Township to accept the bid (Example, but not limited to: over budget, does not meet the objective of the bid document, etc.)
- 3) Bid rejections must be documented as for reason for rejection and retained with bid file.
- 4) If a bid is rejected, all bid deposits must be returned as soon as possible after the bid opening with copies of the accompanying letter and bid deposit to be included with the bid file.

BID DEPOSITS

- 1) Bid deposits shall be used 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 bid, the bidder:
- 2) Will enter into an agreement within a specified amount of time.
 - i) Will provide the specified security as required.
 - ii) Will provide additional documentation as noted in the bid document
- 3) If a bidder awarded a contract does not oblige to any of the above within three weeks (or as specified by the bid document) and the Township is required to obtain another bidder and/or is required to issue another bid document, the bid deposit is forfeited.
- 4) Bid deposits are required to accompany any bid submission for construction work exceeding \$50,000.00 or as deemed appropriate by the Department Head.
- 5) Bid deposits shall be no less than 5% of the estimated value of the work unless the work exceeds \$100,000.00 then the bid deposit shall be no less than 10%.
- 6) Acceptable forms of bid deposits include certified cheques, letters of credit or money orders and shall name the Corporation of the Township of Mapleton as the payee.
- 7) If the bid deposit and performance security are of the same value, the department issuing the bid document may choose to use the bid deposit as the performance security for the successful vendor, as accepted by both parties.
- 8) All bid deposits except for the two lowest bids are to be returned to the bidders within ten (10) days after bid closing unless some anomalies are found in the analysis of the two lowest bids in which case the third lowest bid deposit will be retained. The remaining bid



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deposits to be released after execution of the contract agreement and submission to the Corporation of all documents required for the contract.

- 9) No interest will be paid on any bid deposit.

PERFORMANCE SECURITY

- 1) Performance security is a guarantee of the full completion of all work as required in the bid document. Acceptable formats for performance security include: Agreement to Bond;

Performance Bond; Labour and Materials Bond; Irrevocable Letter of Credit; Money Order and Certified Cheque.

- 2) Performance Bond and Labour and Materials Bond are required for all construction projects exceeding \$100,000.00 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.
- 3) Performance security is required for but not limited to construction, renovation, demolition, service contracts (when working on Township property), supply and installation of equipment for expenditures exceeding \$50,000.00.
- 4) All performance security must be in ORIGINAL FORM, signed, and sealed as applicable.
- 5) No faxes or photocopies will be accepted.
- 6) As detailed in Section, a bid deposit may be used as performance security.

INSURANCE

- 1) Any time that a successful bidder is required to complete any type of work on or at a Township of Mapleton location, a certificate of insurance is required. The Township's minimum requirement for all insurance types is \$2 million. The certificate insurance requirements are detailed in the Purchasing Policy and the terms and conditions of these procedures. The bid document shall clearly indicate the insurance requirements that are to be provided by the successful bidder.
- 2) General Liability - whenever a successful bidder is being used to perform work for the Township. For larger projects, the Township requires \$5 Million General Liability e.g. Public Works projects.
- 3) Automobile Liability: whenever a successful bidder's vehicle(s) is being used to perform work for the Township or on Township property
- 4) Umbrella Policy: Provides excess insurance on top of the primary insurance policy. i.e. a successful bidder carries \$1 million general liability coverage and \$1 million umbrella coverage. This means on every insurance policy the contractor carries, there is an additional layer of coverage of \$1 million, therefore in this case, the contractor would have \$2 million liability coverage.

INFORMATION FOR BIDDERS



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- 1) All formal bid documents issued must include Purchasing Procedures, which provides all bidders with policy and procedural information on the bidding process. Departments issuing bid documents are required to stipulate within the bid document actual bid submission requirements.
- 2) If a consultant (i.e. architect, engineer) is preparing the bid document, it is the responsibility of the department hiring the consultant to provide a copy to be included with the bid document.

STATEMENT BY BIDDER

All formal bid documents must require that the Statement by Bidder is completed in full and signed by an authorized representative of the company submitting the bid.

PROCEDURES - MONITORING AND REPORTING

To maintain the integrity of the process and to ensure adherence to the Purchasing Policy, staff will randomly review departmental procurement documentation. Any inappropriate purchases will be documented and reported to the CAO.

BID Documents & Specifications

1. Bid documents may be issued prior to the adoption of the current year capital budget by Council providing the bid document includes a statement such as:
 - a. This bid document must be issued prior to the adoption of the current year's capital budget by Council. Award of the bid document is subject to final Council approval. The Township reserves the right to award the bid in its entirety, award in part or not award at all pending approval of the budget item by Council and if required, Council resolution.
2. Specifications for Annual Operating Tenders, including but not limited to gravel and dust suppressant do not need to be approved by Council.
3. Tender specifications for Construction Plan or Capital Purchases must be approved by Council

Award Considerations

In addition to price, consideration may be given to the following in determining the lowest responsible bidder:

- a) The ability, capacity, and skill of the bidder to provide the goods and services requested,
- b) The ability of the bidder to perform the contract or provide the services promptly or at the time specified without delay or interference,
- c) The character, integrity, reputation, judgment, experience and efficiency of the bidder,
- d) The quality and performance of previous contracts, goods or services,
- e) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the goods and services.
- f) The quality, availability, adaptability of the goods or contractual services to the use required.



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- g) The ability of the bidder to provide future maintenance and services for the items acquired, and
- h) The number and scope of conditions attached to the bid.