

Schedule 'A'
to
By-law No. 2020-54

**CORPORATION OF THE
MUNICIPALITY OF TWEED**

PROCUREMENT POLICY

This Procurement Policy is issued under the authority of the Council of the Corporation of the Municipality of Tweed in accordance with By-law No. 2020-54 dated November 10, 2020.

CORPORATION OF THE MUNICIPALITY OF TWEED
PROCUREMENT POLICY

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CORPORATION OF THE MUNICIPALITY OF TWEED
PROCUREMENT POLICY

1. DEFINITIONS

For the purpose of this policy the following definitions shall apply.

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

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

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

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

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

Bid Irregularity - shall mean a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response.

Bid Request - shall mean a written request for bids or a solicitation, which may be in the form of a Request for Quotation, Request for Tender or Request for Proposal.

Blanket Order (Supply Contract) - shall mean a purchase order which establishes prices or a method for determining prices, terms and conditions and the period of time during which a vendor agrees to provide goods and services to the purchaser upon the purchaser's demand.

CAO - shall mean the Chief Administrative Officer (CAO) for the Municipality of Tweed.

Conflict of Interest- shall refer to a situation(s) in which private interests or personal considerations may affect an employee's judgement in acting in the best interest of the Municipality of Tweed. This includes using an employee's position, confidential information or corporate time, material or facilities for private gain or advancement or the expectation of private gain or advancement. A conflict may occur when an interest benefits any member of the employee's

family, friends or business associates.

Contract - shall mean a legally binding agreement between two or more parties, as follows: formal agreement between two or more parties that creates an obligation to provide defined goods and / or perform defined services.

Corporate Signing Officer - shall mean the Head of Council and CAO/Treasurer, or other individuals designated by Council or by this policy.

Cost Effective Bid - shall mean a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selection procedure.

Council - shall mean the Council of the Corporation of the Municipality of Tweed.

Department Head - shall mean the person responsible for direction and operational control of a department, or the authorized designate.

Direct Appointment - shall mean to directly appoint a consultant on the basis of defined selection criteria, including but not limited to qualifications and experience.

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

Emergency - shall mean a situation where the purchase of goods and services requires immediate action to prevent or correct dangerous or potentially dangerous safety conditions, further damage, to restore minimum service or ensure the safety of the public.

Execute - shall meant to legally bind the Corporation of the Municipality of Tweed to the terms and conditions defined within the agreement.

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

Goods and / or Services - shall include supplies, equipment, property insurance, maintenance, professional and consulting services and service contracts not otherwise provided for.

List of Bidders - shall mean a list retained by the Municipality of those bidders interested in submitting bids.

Lowest Responsive Bid - shall mean the lowest bid price submitted which meets

the requirements and specifications as set out in the bid request, minor deviations excepted.

Material Safety Data Sheets (MSDS) - shall mean material safety data sheets which must be submitted by a vendor for all hazardous materials, including an index of chemical compounds with details of properties, handling details, precautions and first-aid procedures.

Municipality - shall mean the Corporation of the Municipality of Tweed.

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

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

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

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

Professional and Consulting Services - shall include architects, auditors, engineers, designers, planners, surveyors, management and financial consultants, brokers, legal services, and any other professional and consulting services rendered on behalf of the Municipality.

Public Works Manager - shall mean the Public Works Manager for the Municipality of Tweed.

Purchase Requisition - shall mean a request for goods and / or services initiated by the user, for which budget approval has been granted.

Real Property - shall mean land or buildings and any interest, estate or right of easement affecting same.

Responsive and Responsible Vendor - shall mean one who complies with the provisions of the bid solicitation, including specifications, contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed contract based on reputation, or references, or performance on previous contracts, and adequate financial and other resources.

Request for Proposal - shall mean an offer to provide goods and / or services to the Municipality where it is not practical to prepare precise specifications, or where alternatives to detailed specifications will be considered which may be

subject to further negotiation. This process allows vendors to propose solutions to arrive at the end product, and allows evaluation on criteria other than price.

Request for Quotation - shall mean an offer to sell goods and services to the Municipality or an offer to purchase surplus goods from the Municipality.

Single Source - means there is more than one source in the open market but only for reasons of function or service one vendor is recommended for consideration of the particular goods and / or service.

Surety - shall mean a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit or any other form as deemed necessary and stated in any quotation, tender or proposal documents issued by the Municipality.

Tender - shall mean an offer received from a supplier of goods and / or services in response to a public advertisement or invitational bid requesting tenders sealed in an envelope.

Treasurer - shall mean the Treasurer for the Municipality of Tweed.

Verbal Quotation - shall mean the receipt of pricing via telephone or in person; written documentation of the conversation will be retained and information on the requisition shall be documented.

2. PROCUREMENT PRINCIPLES and GOALS

The purchasing principles of the Corporation of the Municipality of Tweed are as follows:

- i) To procure by purchase, rental or lease the required quality and quantity of goods and / or services, including professional and consulting services in an efficient, timely and cost effective manner.
- ii) To encourage open competitive bidding for the acquisition and disposal of goods and services where practicable.
- iii) To consider all costs, including but not limited to acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in evaluating bid submissions from qualified, responsive and responsible vendors.
- iv) To give full consideration to the annual aggregate value or to consider the total project cost of specific goods and services that will be required by each department and by the Municipality as a whole prior to determining

the appropriate acquisition method.

- v) To co-ordinate purchases on a municipal-wide basis when appropriate in order to obtain available volume discounts and best possible prices.
- vi) To monitor and report on the economic climate and legislative changes which may have an impact on the Municipality of Tweed and to determine the appropriate actions to be taken through purchasing policies and procedures.
- vii) To 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.
- viii) This policy will be reviewed every five (5) years to evaluate its effectiveness.

3. GENERAL CONDITIONS

- i) Where a Department Head is authorized to undertake any act pursuant to this policy, such act may be undertaken by the Department Head's authorized designate.
- ii) Any commitments made where it is recommended that a contract be executed by the Head of Council and the CAO must first be approved by Council.
- iii) No expenditure or commitment shall be incurred or made and no account shall be paid by the Municipality for goods and services except as approved by Council or otherwise authorized in accordance with this policy.
- iv) The Treasurer, in consultation with the Department Head of the requisitioning department, may remove a vendor's name from the list of bidders for a period of up to two (2) years on the basis of documented poor performance, non-performance, or conflict of interest. A written notice of this decision will be provided to the vendor by the Treasurer.
- v) Material Safety Data Sheets must be maintained on file by the user department for all relevant products whether acquired through tendering, quotations or the proposal process.
- vi) The privilege clause which reads in part "the lowest or any tender not

necessarily accepted” may be utilized in any tender, request for quotation or request for proposal.

- vii) The Treasurer will assist in developing evaluation criteria and submission analysis for all procurement needs.
- viii) No employee or elected official shall purchase or offer to purchase, on behalf of the Municipality, any goods and services, except in accordance with this policy.
- ix) Elected officials shall not acquire any goods or services.
- x) Any employee who intentionally and knowingly acquires or disposes of any goods and services for the Municipality in contravention of any section of this policy, as amended from time to time, shall be subject to disciplinary actions in accordance with municipal policies.
- xi) All petty cash purchases must exclude tendered goods and services.
- xii) No requirement for goods and services may be divided into two or more parts to avoid the provisions of this policy.
- xiii) No contract shall be awarded where it has been determined by the Treasurer that the provisions of this policy have not been adhered to.
- ixv) The Treasurer shall, in conjunction with the Department Head, reject all purchase requisitions for services where the services could result in the establishment of an employer-employee relationship.
- xv) The Schedules to this policy may be amended provided such amendments have been approved by the Council and the amended schedule(s) have been circulated to the affected staff.

4. REQUIREMENT FOR APPROVED FUNDS

- i) Net departmental expenditures are authorized by Council each year as part of either the operating or capital budget process. Pending Council's approval of proposed budgetary estimates, Department Heads are authorized to spend up to fifty percent (50%) of the previous year's approved operating budget. Department Heads are not authorized to overrun net departmental operating budgets, except in accordance with this policy.
- ii) The exercise of authority to award a contract is subject to identification and availability of sufficient funds in appropriate accounts within the

approved operating budget.

- iii) Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
 - a. the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates; and
 - b. the requirement that the goods and services will continue to exist in subsequent years, and that the required funding can reasonably be expected to be made available.
- iv) The Treasurer can reject all purchase requests for which sufficient funds are not available or identified. If the Department Head advises the Treasurer that the deficiency is minimal and alternative funding has been identified, the purchase request may proceed provided appropriate authorizations are met in accordance with this policy.
- v) The Department Head will co-ordinate with the Treasurer all leasing requirements including term capitalization rate, lease versus buy (or other) analysis, etc. The Treasurer will ensure that all lease commitments comply with the Municipal Act, 2001, as amended, and regulations made thereunder.
- vi) Where this policy prescribes financial limits on contracts that may be awarded under the authority of a Department Head, or provides for financial limits on contracts required to be reported to Council, for the purpose of determining whether a contract falls within these prescribed limits, the contract amount shall be the sum of:
 - a. all costs to be paid to the supplier under the contract, excluding all taxes.
 - b. less any rebates.

5. SPECIFICATIONS

- i) The department whose budget provides for the procurement of goods and services shall be responsible, in consultation with the Treasurer, for the preparation and approval of all specifications and / or terms of reference to be used for the procurement of such goods and services.
- ii) Where practical, specifications or terms of reference should be considered that are detailed but not brand specific to leave room for potential vendors to provide alternatives in the event an equal or better proven product or

method is available.

- iii) Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.

When such services are required:

- a. the Treasurer shall be advised.
- b. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of goods and services.
- c. a fee shall be paid.
- d. the detailed specification shall become the property of the Municipality for use in obtaining competitive bids.

6. STANDARDIZATION

It will be the policy of the Corporation of the Municipality of Tweed, wherever possible, to standardize the procurement of goods and services to allow for:

- i) reduced number of goods and services required.
- ii) increased volume on common items or services.
- iii) maximizing volume buying opportunities.
- iv) providing economies of scale.
- v) reduced handling, training and storage costs.
- vi) minimizing maintenance costs.
- vii) co-operative purchasing activities.
- viii) competitive bid results.
- ix) reduced overall cost.

7. RESPONSIBILITIES and AUTHORITIES

- i) The Department Head has the responsibility for procurement activities within his / her department and is accountable for determining and achieving specific objectives as outlined for each procurement policy.
- ii) The Department Head has the authority to award contracts in the circumstances specified in this policy provided that the delegated power is exercised within the limits prescribed in this policy, and the requirements of the policy are met.
- iii) The Treasurer is responsible for:

- a. providing procurement advice and services to the Department Heads.
- b. monitoring compliance with this policy.
- iv) For awards of value \$2,500.00 or less:
 - a. the Treasurer shall approve all purchase requisitions provided the requirements of this policy are met.
 - b. the Treasurer shall execute all related agreements.
- v) The Treasurer has the authority to instruct the Department Heads not to award a contract and may direct staff to submit recommendations to Council for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interests of the Municipality.

8. METHODS OF PROCUREMENT

Notwithstanding any other provisions of this policy, the acquisition of the items listed in Schedule "A" do not fall under the guidelines of the purchasing policy and shall be subject to applicable policies and procedures established from time to time. Procurement by means of a lease agreement is addressed separately in Schedule "E".

i) Procurement of Goods and / or Services.

Where the approved budgetary expenditure is a required product or service that can be specified it shall be acquired by purchase requisition.

Where it is estimated that the value of the goods and services, inclusive of delivery charges, will cost:

a. \$0 to \$500

Direct acquisition.
No purchase requisition is required.

b. \$501 to \$4,000.

User department shall obtain three (3) written quotations, where possible and practicable.

Department Head shall approve and award the quote.
An information report shall be provided to Council.

- c. \$4,000. to \$8,000.

Initiating department in consultation with the Treasurer shall obtain three (3) written quotations, where possible, using a Request for Quotation form.

Treasurer shall approve and award the quote.
An information report shall be provided to Council.

- d. \$8,001. to \$40,000.

The Treasurer, in consultation with the initiating Department Head, shall issue a Request for Quotation. A minimum of three (3) quotations, where possible, are to be received before the Municipality commits to a vendor.

If only one quotation is received, the Municipality may exercise its right to cancel the call for quotations. Quotations are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission.

An information report shall be provided to Council.
Council approval shall be required before acceptance.

- e. \$40,000. and over

The Treasurer in consultation with the requisitioning Department Head shall issue a Tender for all approved projects based on defined requirements.

Tenders require a reply by a designated date and time, signed by a corporate officer authorized to bind the corporation. Any requested bid deposits, security or bonds must be included with the submission. Replies are delivered directly to the Treasurer's office and are opened at a public tender meeting. If only one tender is received, the Municipality has the option of not opening the bid and closing the call for tender.

Each sealed bid received in response to a formal bid request is reviewed to determine whether a bid irregularity exists; action is taken according to the irregularity (Appendix "B").

A report issued by the issuing Department Head and reviewed by the Treasurer shall be prepared for Council consideration and approval.

Upon Council approval the Treasurer shall ensure that a legally binding agreement is executed by the Mayor, or their designate, and CAO/Treasurer.

The Department Head is responsible for maintaining current insurance certificates and WSIB certificates, as called for in the bid documents.

ii) Requests for Proposals.

This method of acquisition can be used for any dollar value and involves the solicitation of proposals when the requirements for goods and / or services cannot be definitely specified, the requirements of the Municipality are best described in a general performance specification, and innovative solutions are sought. 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.

The Treasurer shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation scoring scheme using a standard Request for Proposal that includes factors such as qualification and experience, strategy, approach, methodology, scheduling, past performance, facilities and equipment. Department Heads shall identify appropriate criteria from the list but are not limited to the standard criteria from the list. Requests for Proposals are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission. If only one proposal is received, the Treasurer, in consultation with the Department Head, has the option of not opening the bid and closing the call for proposal. (Appendix "C").

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

a. \$5,000. or less

A written quotation must be acquired by the initiating department. Department Head shall approved and award the proposal. An information report shall be provided to Council.

b. \$5,001. to \$25,000.

Written quotations shall be acquired through the Request for Proposal process and evaluated on the basis of quantitative and qualitative criteria.

An information report shall be provided to Council. Council approval shall be required before acceptance.

c. Over \$25,000.

Written quotations shall be acquired through the Request for Proposal process and evaluated on the basis of quantitative and qualitative criteria.

A report to Council is required for consideration and approval. Upon Council approval a contract must be executed by the Mayor, or their designate, and CAO/Treasurer.

iii) Expression of Interest and / or Request for Pre-qualification.

Used where bidders offer their interest in submitting a bid on a product or service.

Advertised publicly, and information is requested to determine reference checks, past performance, and financial liability. A reply to the Request for Expression of Interest and / or Pre-qualification is required by a designated date and time to the Treasurer's office, signed by an office authorized to legally bind the Corporation.

Submissions are reviewed and subsequently a Request for Quotation or Tender is prepared for a short list to invited pre-qualified bidders.

iv) Exceptions to Methods of Acquisition.

a. Volatile Market Conditions.

Notwithstanding the provisions of this policy, where market conditions are such that long term price protection cannot be obtained for goods and services, the Treasurer will obtain competitive prices for short term commitments until such time as reasonable price protection and firm market pricing is restored.

b. Sole Source Procurement.

Purchase by negotiation may be adopted if in the judgement of the Treasurer and in consultation with the requisitioning Department Head any of the following conditions apply:

- goods and services are in short supply due to market conditions;
- the sources of supply are restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to any of the following:
 - components or replacement parts for which there is no substitute.
 - compatibility with an existing product, facility or service is required.

- specific standards are adopted by Council.
- there is documented evidence that the extension or reinstatement of an existing contract would prove most cost effective or beneficial (to a maximum of 10% of the original contract).
- work is required at a location where a contractor has already been secured through a tender process, with established unit prices by another party and it is considered to be beneficial and cost effective
- to extend the unit prices for the work to be completed for the Municipality.
- after the RFP process has closed it may be necessary for discussion to clarify and / or make significant revision(s) to the initially defined requirements of the call for quotations / proposals.
- when only one bid / proposal is received through the procurement process and it is impractical to recall the requirements of the call for quotations / proposals.

c. Emergency Procurement.

Notwithstanding the provisions of this policy the following shall only apply in the case of an emergency, when an event occurs that is determined by the CAO and Mayor, or their designate, to be:

- a threat to public health.
- the maintenance of essential municipal services.
- the welfare of persons or of public property, or
- the security of the Municipality's interests and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive bids.

The above criteria are to be applied on an aggregate basis per emergency event in accordance with the following:

- Procurement under \$25,000.

Wherever feasible the CAO, upon the recommendation of the Department Head, in consultation with the Mayor or their designate shall secure by the most open market procedure at the lowest obtainable price, any goods and service required.

- Procurement \$25,001 to \$100,000.

The Department Head shall obtain the prior approval of the

CAO.

CAO shall approve in consultation with the Mayor or their designate and secure.

An information report shall be submitted to Council explaining the actions taken and the reason(s) therefore.

- Procurement over \$100,000.

The Mayor or their designate shall call for a Special Council Meeting for approval.

d. Co-operative or Joint Ventures.

The Municipality may participate with other government agencies or public authorities in co-operative procurement / acquisition ventures or utilize a “piggy back clause” within public sector contracts, whenever it is determined to be in the best interest of the Municipality to do so.

e. Unsolicited Proposals.

Unsolicited proposals received by the Municipality shall be reviewed by the Department Head and the Treasurer. Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this policy. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement requirements comply with the non-competitive procurement policies and procedures.

9. BID ANALYSIS

The analysis of bid responses shall be as follows:

- i) Tenders shall be tabulated and analyzed by the Treasurer, and a recommendation forwarded to Council for review.
- ii) Bid responses dealing with the lease, rental or purchase of physical assets shall be tabulated and analyzed by the initiating department, and a recommendation forwarded to the Treasurer for review. The Treasurer shall provide a report and recommendation to Council for approval.
- iii) All other bid responses shall be tabulated and analyzed by the Treasurer in consultation with the initiating department.

10. REPORTING

Goods and Services and Professional and Consulting Services.

i) Where the:

- a. value of goods and services is less than \$2,500., and
- b. procedures defined by this policy have been followed; and
- c. acquisition is within the approved departmental net budget amount; and
- d. lowest responsive bid is being recommended.

No report to Council is required and the Treasurer shall arrange for a contract to be signed by the appropriate signing officers.

ii) Where the:

- a. value of goods and services is over \$2,500.; or
- b. purchase is for vehicles or heavy equipment; or
- c. purchasing policy is being waived; or
- d. acquisition exceeds the approved capital budget amount; or
- e. lowest responsive vendor submission is not being recommended; or
- f. there was no provision in the budget for the item.

An information report and approval from Council is required, and a contract shall be executed by the Mayor, or their designate, and Treasurer.

11. DISPOSAL OF SURPLUS GOODS

The Department Head shall obtain the approval of Council for the disposal and / or sale of surplus assets. Surplus goods shall be sold by sealed bid or by public auction.

12. CONFLICT OF INTEREST

All consultants (i.e. architects, engineers, etc.) retained by the Municipality shall disclose to the Municipality prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Municipality as directed by the Treasurer may, at its discretion, withhold the assignment from the consultant until the matter is resolved. Furthermore, if during the conduct of a municipal assignment, a consultant is retained by another client giving rise to potential conflict of interest, the consultant shall so inform the Municipality.

CORPORATION OF THE MUNICIPALITY OF TWEED

PROCUREMENT POLICY

METHODS OF PROCUREMENT - Summary

METHOD OF PROCUREMENT	TYPE OF QUOTATION	REPORTING STATUS
1. GOODS and SERVICE		
a. Under \$500.	Direct Acquisition	No report to Council
b. \$501. to \$4,000.	3 Written Quotations Approved by Department Head	Information report to Council
c. \$4,001. to \$8,000.	3 Written Quotations Approved by Treasurer	Information report to Council
d. \$8,001. to \$40,000.	3 Written Quotations - by Request for Quotation	Information report to Council Council approval required
e. Over \$40,000.	3 Written Quotations - by Request for Tender	Report to Council Council approval required
2. REQUESTS FOR PROPOSALS		
a. Under \$5,000.	Written quotation Approved by Department Head	Information report to Council
b. \$5,001. to \$25,000.	Written quotations - by Request for Proposal	Information report to Council Council approval required
c. Over \$25,000.	Written quotations - by Request for Proposal	Report to Council Council approval required Contract by Council
3. EXPRESSION OF INTEREST and / or REQUEST FOR PRE-QUALIFICATION		
	Advertise publicly - request for information. Request for Quotation following review	Information report to Council

CORPORATION OF THE MUNICIPALITY of TWEED

PROCUREMENT POLICY

Schedule "A"

Goods and Services Exempt from Provisions of the Procurement Policies

1. Petty Cash Items
2. Training and Education
 - a) Conferences
 - b) Courses
 - c) Conventions
 - d) Memberships
 - e) Seminars
 - f) Periodicals
 - g) Magazines
 - h) Staff training
 - i) Staff development
 - j) Staff workshops
 - k) Subscriptions
3. Employee Expenses
 - a) Advances
 - b) Meal allowances
 - c) Travel & Hotel accommodation
 - d) Entertainment
 - e) Miscellaneous - Non-Travel
4. Employer's General Expenses
 - a) Payroll deduction remittances
 - b) Licences (vehicles, elevators, radios, etc.)
 - c) Debenture payments
 - d) Grants to agencies
 - e) Payments of damages
 - f) Tax remittances
 - g) Charges to/from other Government or Crown Corporations
 - h) Employee income
5. Professional and Special Services
 - a) Committee fees
 - b) Witness fees
 - c) Court reporter's fees

- d) Honoraria
- e) Arbitrators
- f) Legal settlements
- g) Policing – OPP
- h) Contributions to Boards

6. Utilities

- a) Postage
- b) Water and sewer charges
- c) Heat/Hydro
- d) Cable television charges
- e) Telephone

CORPORATION OF THE MUNICIPALITY of TWEED

PROCUREMENT POLICY

Schedule "B"

Bid Irregularities

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

The action taken for any and all bid irregularities will "automatic rejection" of the bid.

Examples of Bid Irregularities includes but is not limited to:

- Late bids
- Bids completed in pencil
- Bid surety not submitted when bid request indicated such is required
- Surety company not licensed to do business in Ontario
- Bond company corporate seal or signature missing
- Security cheque not certified
- Bidders not attending mandatory site meeting
- Unsealed tender envelopes
- Proper response envelope or label not used
- Pricing or signature pages missing
- Insufficient financial security
- Bid received on documents other than those provided in request
- Part bids (all required items not bid)
- Uninitialized changes
- Mathematical errors
- Pages requiring completion of information by vendor missing

CORPORATION OF THE MUNICIPALITY of TWEED

PROCUREMENT POLICY

Schedule "C"

Tender Process

Tenders will be called for all work, equipment, and materials with a value exceeding \$40,000 by way of public advertising or invitational bid

The Treasurer will have the option of advertising the tender or inviting bids.

The Department Head will provide a draft tender invitation or tender documents to the Treasurer for review; the following information will be included in the draft tender:

- dollar value
- description of work
- closing date

The Treasurer will assign a Tender number to the tender and will provide assistance with documents, if required.

Advertised Tender

The Treasurer will advertise the tender in the appropriate manner (newspapers, municipal website).

Advertisements must include the following information: site meeting time / date / location; contact names for inquiries; document fee (if applicable); location for pickup and drop off of bid documents.

In some instances, the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes the screening of potential vendors in which such factors as financial capability, reputation, qualified staff and equipment management, and product quality are considered. After evaluation of responses, only those contractors who are "pre-qualified" are allowed to submit tenders.

Invitational Bid

The Treasurer will invite tenders from a select list of suppliers / contractors.

Invitations to bid must include the following information: site meeting time / date / location; contact names for inquiries; document fee (if applicable); location for pickup and drop off of bid documents.

The closing date for tenders is usually fifteen (15) days after the date of issue. A tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s) being tendered.

Tender packages will be made available at the Municipal office; tender fee (if applicable) is paid to the municipal office and information is recorded from bidders as documents are picked up. A copy of the tender documents will be made available for viewing.

All tender submissions must be addressed to the Treasurer, and returned in the envelope provided with the tender package. The Treasurer's department will receive all sealed tender submissions and issue a date and time-stamped receipt.

The Treasurer's department will refuse to accept any tender that is:

- not sealed
- received after the closing date
- submitted after a tender has been cancelled

Requests for withdrawal of a tender shall be allowed if the request is made before the closing time for the contract to which it applies. Requests must be directed to the Treasurer by letter or in person, by a senior officer of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract.

Tenders are opened at a specified time on the appointed day.

Each tender is reviewed to determine whether a bid irregularity exists, and action is taken according to Schedule B of this policy.

Tenders are tabulated and evaluated by the using department.

A report initiated by the Department Head and reviewed by the Treasurer shall be prepared for Council consideration and approval.

Following Council's approval a contract which legally binds the Municipality is executed by the Mayor and CAO.

Tender results, if requested, shall be made public by the Treasurer.

CORPORATION OF THE MUNICIPALITY of TWEED

PROCUREMENT POLICY

Schedule "D"

Request for Proposal Process

Requests for Proposals (RFP)'s may be called instead of tenders, by way of public advertising or invitational bid, for the following:

- when requirements or services cannot be definitely specified, or
- when the requirements or services are non standard or specialized in nature, or
- the cost is only a minor component making up the award.

The using department will initiate the RFP process by preparing documents, with input and assistance from the Treasurer if required.

Documents must be submitted to the Treasurer for review to ensure that all provisions other than the specifications have been included in the proper format.

The Treasurer will advertise or distribute the RFP packages.

Advertised RFP's

The Treasurer will advertise the RFP in the appropriate manner (newspapers, municipal website).

Advertisements must include the following information (if applicable): site meeting time / date / location; contact names for inquiries; document fee; location for pickup and drop off of bid documents.

Invitational Bid

The Treasurer will invite RFP's from a select list of suppliers / contractors.

Invitations must include the following information (if applicable): site meeting time / date / location; contact names for inquiries; document fee; location for pickup and drop off of bid documents.

The closing date for RFP's is usually 15 calendar days after the date of issue. However an RFP may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s).

RFP document packages will be made available from the Municipal office. RFP's must be addressed to the Treasurer. The Treasurer's office will receive all sealed submissions and issue a date and time stamped receipt if requested.

The Treasurer's department will refuse to accept any submission that is:

- not sealed
- received after the closing deadline
- submitted after an RFP has been cancelled

Requests for withdrawal of a RFP shall be allowed if the request is made before the closing time for the contract to which it applies. Requests must be directed to the Treasurer by letter or in person, by a senior officer of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a RFP does not disqualify a bidder from submitting another tender on the same contract.

Proposals will be opened at a specified time on the appointed day. Only the names of the bidders will be made public.

Proposals received shall be evaluated on the basis of quantitative and qualitative criteria by the Treasurer and member(s) of Council.

A report initiated by the Department Head and reviewed by the Treasurer shall be prepared for Council consideration and approval.

Following Council's approval a contract which legally binds the Municipality is executed by the Mayor and CAO.

RFP results, if requested, shall be made public by the Treasurer.

CORPORATION OF THE MUNICIPALITY of TWEED

PROCUREMENT POLICY

Schedule "E"

Leases

Leases are to be negotiated by the Treasurer and the Department Head. A recommendation will be forwarded to Council for approval.

As a general principle, lease shall be considered when the following conditions are applicable:

- when the expenditure of goods or services is less than the purchase of goods and services
- the residual payment on the lease is negligible or justification can be made to accept a residual payment that is higher.

Leases will be treated in the same manner as purchase, based on the retail value of the lease payment.

At the expiration of a lease, a replacement goods or product shall be re-quoted or re-tendered. Automatic roll-over of a lease payment will be prohibited.

The report to Council recommending the entering into of a lease agreement shall include the following information:

- value of product or service if being purchased
- length of the lease
- monthly and annual lease payments
- residual amount
- interest
- cancellation period

Once a lease has been negotiated and approved, a copy of the lease and documents will be forwarded to the Treasurer.