



## THE CORPORATION OF THE TOWNSHIP OF CHAPPLE BYLAW NO 1834

**BEING** a by-law of The Corporation of the Township of Chapple to provide for the purchase of goods and services by the Township.

**WHEREAS** pursuant to Part VI, Section 271 of the Municipal Act, 2001, a municipality and local board shall adopt policies with respect to its procurement of goods and services; and

**WHEREAS** the Municipal Council of the Corporation of the Township of Chapple deems it desirable to amend this policy;

**THEREFORE** the Municipal Council of the Corporation of the Township of Chapple enacts as follows:

### PART I: OBJECTIVE

- 1.1** This by-law outlines the processes to be followed to obtain the best value when purchasing goods or contracting services for the Township of Chapple.
- 1.2** The guiding principle is that procurement decisions will be made using a competitive process that is open, transparent, and fair.
- 1.3** The Township of Chapple encourages innovation and the use of technology which meets Township specifications and industry standards to ensure the utilization of the most efficient and effective processes and practices.

### PART II: GENERAL PROVISIONS

- 2.1** Unless otherwise provided in accordance with this by-law, the CAO/Clerk-Treasurer, the Public Works Superintendent, Fire Chief or their designate shall act for the Township of Chapple, for the purchase of all goods and services and shall be responsible for providing all necessary advice and services required for such purchases in accordance with the method of purchase authorized by this by-law and the Purchasing Policy.
- 2.2** No purchase of goods and services shall be authorized unless it is in compliance with the Purchasing by-law and the Purchasing Policy. Goods and services that are obtained without following the provisions of the aforementioned will not be accepted, and any invoices received will not be processed for payment.
- 2.3** Unless otherwise provided in accordance with this by-law and the Purchasing Policy, the purchase of all goods and services shall be authorized in accordance with the provisions of Schedule "A" to this by-law.
- 2.4** Requisitions or purchase orders shall not be arbitrarily structured to alter the relationship of the price to the preauthorized expenditure limit.
- 2.5** "In-house bids", "Vendors of record" and "Two-Envelope procurement process" will not be considered for the procurement of goods or services.

- 2.6** The CAO/Clerk-Treasurer is authorized to make and promulgate from time to time administrative policies, procedures and directions respecting:
- i.** the preparation and development of specifications;
  - ii.** the requirements and form of bid deposits;
  - iii.** other securities and documentation required or advisable for sealed bids;
  - iv.** procedures for the opening, evaluation and recommendation of tenders; and
  - v.** such other matters of an ancillary or incidental nature to carry out the intent and purpose of this by-law more fully.
- 2.7** Definitions specific to this by-law are documented in the Purchasing Policy, as outlined in Schedule "C."
- 2.8** Disputes shall be resolved as follows:
- i.** Meeting between the bidder and the Public Works Superintendent or Fire Chief;
  - ii.** If (i) does not lead to a resolution, the decision can be appealed to the CAO/Clerk-Treasurer; or
  - iii.** If (ii) does not lead to a resolution, the decision can be appealed to the Council.
- 2.9** This by-law will be reviewed and revised on a periodic basis. It is anticipated that reviews will be conducted every five years or more frequently as required.
- 2.10** Goods and Services that are not subject to this by-law are listed in Schedule "B."

### **PART III: RESPONSIBILITIES AND AUTHORITIES**

#### **RESPONSIBILITIES**

- 3.1** CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief:
- i.** Have responsibility for procurement activities within their Departments and are accountable for achieving best value while following the procurement principles;
  - ii.** Monitoring compliance with this by-law;
  - iii.** Notifying the Council, in advance if possible, of non-compliance with this by-law and/or the Purchasing Policy, and
  - iv.** Have authority to purchase items not exceeding \$25,000 under section 3.2 of the Purchasing Policy.
- 3.2** Council is responsible for:
- i.** The procurement process for all items greater than \$25,000 with the exception of those items listed in Schedule "B;"
  - ii.** Decisions whenever the specifications of a tender call or Request for Proposal cannot be met by two or more suppliers, and
  - iii.** Rejecting all purchase requisitions for services where the services could result in the establishment of an employee – employer relationship.
- 3.3** No provision of the by-law precludes CAO/Clerk-Treasurer/Public Works Superintendent or Fire Chief from recommending an award to Council where:

- i. in their opinion, it is in the best interest of the Township to do so, or
- ii. it is a matter of procurement procedure and, it is in the best interest of the Township to do so.

#### **SINGLE/SOLE SOURCING**

- 3.4** In circumstances where there may be more than one source of supply in the open market, but only one of these is recommended by the CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief for consideration on the grounds that it is more cost effective or beneficial to the Township and where the expenditure will exceed \$25,000, approval must be obtained from Council prior to negotiations with the single source. The CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief or designate shall be responsible for submitting a report detailing the rationale supporting the use of the single source.
- 3.5** If the CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief requires goods, services or equipment deemed to be available from only one source of supply, and where the expenditure will exceed \$25,000, they, shall obtain approval from the Council for the tendering procedure to be waived and for authorization to negotiate with the sole source supplier.

#### **AUTHORITY**

- 3.6** For awards of value \$100,000 or less, a contract may be awarded provided that it is a funded requisition and the requirements of the by-law and Purchasing Policy are met.
- 3.7** CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief have the authority to award contracts in the circumstances specified in the Purchasing Policy provided that the delegated power is exercised within the limits prescribed in Schedule "A" to this by-law, and the requirements of this by-law and the Purchasing Policy are met.
- 3.8** The CAO/Clerk-Treasurer has the authority to instruct the Public Works Superintendent or Fire Chief to defer the award of contracts to Council for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interest of the Township.
- 3.9** When a CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief is of the opinion that a "triggering event" has occurred, the CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief may authorize the purchase of such goods, services and construction as is considered necessary to remedy the situation without regard to the requirement for a bid solicitation and may award the necessary contract amendment.

The relevant details surrounding the "triggering event" shall be included in a report and submitted to Council as soon as possible.

- 3.10** The CAO/Clerk-Treasurer has the authority to purchase goods, services and equipment considered necessary or advisable to carry out the requirements of the Municipal Elections Act, R.S.O. 1996. The CAO/Clerk-Treasurer shall wherever possible be guided by the provisions of this by-law and the Purchasing Policy.
- 3.11** Despite any other provision of this by-law, the following contracts are subject to Council approval:
  - i. any contract requiring approval from the Ontario Municipal Board;
  - ii. any contract prescribed by Statute to be made by Council;
  - iii. where the cost amount proposed for acceptance is higher than the Council approved budget for that expenditure or where the

expenditure would result in insufficient remaining funds in the project budget to complete the project as budgeted;

- iv. where the net revenue amount proposed for acceptance is lower than the Council approved budget;
- v. where a substantive objection emanating from the bid solicitation has been filed with the CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief;
- vi. where a major irregularity precludes the award of a tender to the supplier submitting the lowest bid; and
- vii. where authority to approve has not been expressly delegated.

**3.12** No appointed or elected officer or employee of The Corporation of the Township of Chapple will have any interest, directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods or services or in any portion of the profits thereof, or of any supplies to be used therein, or in any of the monies to be derived therefrom.

#### **PART IV: REQUIREMENT FOR APPROVED FUNDS**

- 4.1** The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within Council approved budget.
- 4.2** 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:
  - i. the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved budget;
  - ii. the requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the CAO/Clerk-Treasurer, the required funding can reasonably be expected to be made available; and
  - iii. the contract has a provision that the supply of goods or services in subsequent years is subject to the approval by Council of the department estimates to meet the proposed expenditures.

#### **PART V: MATERIALS MANAGEMENT AND INVENTORY CONTROL**

- 5.1** The Public Works Superintendent and Fire Chief shall adopt and implement a system of materials management and inventory control methods so as to maintain an adequate level of commodities to support and supply all operations and services of the Township.
- 5.2** Material or other items which become obsolete or surplus to the requirements of the Township of Chapple shall be disposed of by the CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief by either advertising for sealed bids, public auction or other public sale depending on which method is most suitable for the material or item involved and in keeping with the best interests of the Township.


#### **PART VI: REPEAL AND ENACTMENT**

- 6.1** Schedule "A" being the Levels of Contract Approval Authority is attached and forms part of this by-law.

- 6.2 Schedule "B" being the Goods and Services Not Subject to This By-law is attached and forms part of this by-law.
- 6.3 Schedule "C" being the Purchasing Policy is attached and forms part of this by-law.
- 6.4 By-law 1427 is repealed.
- 6.5 By-law 1820 is repealed.
- 6.6 This by-law comes into force on the day it is passed.
- 6.7 This by-law may be referred to as the Procurement of Goods & Services By-law

**READ AND PASSED** this 9<sup>th</sup> day of April 2024.

  
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JAMES GIBSON, REEVE

  
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CINDY NIELSON, CAO/CLERK TREASURER

**SCHEDULE A TO BY-LAW NO 1834**

**LEVELS OF CONTRACT APPROVAL AUTHORITY**

Note: Sales taxes, excise taxes, goods and service taxes and duties shall be excluded in determining the price of a contract for the supply of goods and services for the purpose of the relationship of the price to the preauthorized expenditure limit.

In the case of multi-year supply and/or services contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.

<b>DOLLAR VALUE</b>	<b>PROCUREMENT PROCESS</b>	<b>APPROVAL AUTHORITY</b>
<b>INFORMAL PROCESS</b>		
\$5,000 or less	Purchasing Card or Purchase order. No formal quotes required.	An employee authorized by; CAO/Clerk-Treasurer/ Public Works Superintendent/ Fire Chief
Greater than \$5,000 but not greater than \$25,000	Informal Quotation (3 Quotes required – verbal or written) or Direct Negotiation as a result of Single or Sole Source.	CAO/Clerk-Treasurer/Public Works Superintendent/ Fire Chief
Greater than \$25,000 but not greater than \$50,000	Informal Quotation (minimum of 3 written quotes required) or Direct Negotiation as a result of a Single or Sole Source	CAO/Clerk-Treasurer/Public Works Superintendent/ Fire Chief
<b>FORMAL PROCESS</b>		
Greater than \$25,000 but not greater than \$100,000	Formal Quotation Requires Three Bids	Council/CAO/Clerk-Treasurer/Public Works Superintendent/Fire Chief
Greater than \$100,000	Request for Proposal	Council
Greater than \$100,000	Request for Tender	Council
<b>DIRECT NEGOTIATION</b>		
Greater than \$25,000	Direct Negotiation as a result of Single or Sole Source	Council
<b>IRREGULAR RESULT</b>		
Greater than \$25,000	Irregular Result	Council

**SCHEDULE B TO BYLAW 1834**  
**GOODS AND SERVICES NOT SUBJECT TO THIS BYLAW**

**1. Petty Cash Items**

**2. Training and Education including:**

- i.** Conferences
- ii.** Courses
- iii.** Conventions
- iv.** Magazines
- v.** Memberships
- vi.** Periodicals
- vii.** Seminars
- viii.** Staff Development
- ix.** Staff Workshops
- x.** Staff Relations

**3. Refundable Employee Expenses including:**

- i.** Cash advances
- ii.** Meal allowances
- iii.** Travel expenses
- iv.** Accommodation

**4. Employer's General Expenses including:**

- i.** Payroll deduction remittances
- ii.** Medicals
- iii.** Insurance premiums
- iv.** Tax remittances

**5. Licenses, certificates, and other approvals required.**

**6. Ongoing maintenance for existing computer hardware and software, and for ongoing maintenance on existing roads equipment and fire apparatus.**

**7. Other Professional and Special Services up to \$25,000 including:**

- i.** Additional non-recurring Accounting and Auditing Services
- ii.** Legal Services if made in accordance with the delegation of authority to the CAO/Clerk-Treasurer
- iii.** Banking Services where covered by agreements
- iv.** Public Debenture Sales
- v.** Group Benefits
- vi.** Realty Services regarding the Lease, Acquisition, Demolition, Sale of Land and Appraisal of Land

## **SCHEDULE C TO BYLAW 1834**

### **THE CORPORATION OF THE TOWNSHIP OF CHAPPLE PURCHASING POLICY PURPOSE**

#### **1. LEGISLATIVE AUTHORITY:**

- 1.1** The Municipal Act, 2001, Part VI, Section 271, as amended states that a municipality and 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, as the case may be, 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).

#### **2. PURPOSE OF PURCHASING POLICY**

- 2.1** The purpose of this policy is to set out guidelines for the municipality to ensure that all purchases of materials, Supplies and services provide the lowest costs consistent with the required quality and service.
- 2.2** An open and honest process shall be maintained that is fair and impartial.
- 2.3** The purchasing policy will promote and maintain the integrity of the purchasing process and protect Council, Vendors and staff involved in the process by providing clear direction and accountabilities.

#### **IMPLEMENTATION PROCEDURE**

##### **3. DEFINITIONS**

- 3.1** For the purposes of this Policy:
- a)** "Blanket Order" shall mean the agreement wherein a Vendor will sell certain items to the Township for an agreed period with established terms and conditions.
  - b)** "Bid" shall mean a submission from a prospective Vendor in response to a request for the purchase of goods or services issued by the Township.
  - c)** "Bid Deposit" shall mean a financial guarantee to ensure the successful Bidder will enter into an agreement.
  - d)** "Certificate of Insurance" from the Workplace Safety and Insurance Board means a certificate issued by an authorized official of the WSIB certifying that the Board waives its rights under subsection 9(3) of the Workers' Compensation Act, R.S.O. 1990 W.11.
  - e)** "Committee" shall mean Council unless a specific committee has been designated by the Council of the Corporation of the Township of Chapple.
  - f)** "Cooperative Purchasing" means a variety of arrangements whereby two or more public procurement entities combine their



requirements in a single procurement process to obtain advantages of volume purchases from the same Supplier(s) or contractor(s).

- g)** "Council" shall mean the Council of the Corporation of Township of Chapple.
- h)** "Emergency Purchase" shall mean a purchase made in a crisis situation where immediate action is required to prevent the possible loss of life or property.
- i)** "Formal Bid" shall mean a Sealed Bid submission.
- j)** "Formal Quotation" shall mean a document that sets our particular requirements for goods and/or services.
- k)** "Generic" shall mean that no specific brand or name shall be included as part of the specifications unless such a brand name is required to identify the intent of a purchase, order, or proposal.
- l)** "Informal Quotation" shall mean a competitive Bid process for goods or services that is conveyed and received from Bidders in a written format by e-mail, mail, or fax.
- m)** "Manager" shall mean a head of a department operating within Township of Chapple, including either the CAO/Clerk-Treasurer, Public Works Superintendent or Fire Chief.
- n)** "Sealed Bids" are Bids that are submitted in a sealed envelope to a specified location, by a specified date.
- o)** "Services" shall mean items such as telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical and related services, insurance, leases for grounds, buildings, office, or other space required by the Corporation and the rental, repair or maintenance of equipment, machinery, or other personal and real property.
- p)** "Supplies" shall mean goods, wares, merchandise, material, and equipment.
- q)** "Supplier" means any individual or organization providing goods and services to the Township including but not limited to contractors, consultants, Vendors, service organizations etc.
- r)** "Tender" means a document, which sets out particular specifications for the commodity or service required. This can also refer to an offer in writing to execute some specified work or to provide some specified articles at a specified rate.
- s)** "The Corporation of the Township of Chapple" herein is also referred to as the "Township" or the "Corporation".
- t)** "Triggering Event" means an occurrence resulting from an unforeseen action or consequence of an unforeseen event, which must be remedied on a time sensitive basis to avoid a material financial risk to the Township or serious or prolonged risk to persons or property.
- u)** "Vendor" shall mean any person or enterprise supplying goods or services to the Corporation of the Township of Chapple.

#### **4. PURCHASING RESPONSIBILITIES**

##### **4.1 EXPENDITURE AUTHORIZAITON**

Chapple Council has the ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. CAO/Clerk-Treasurer cannot pay for any item that has not been authorized by Council through budget appropriation or specific resolution. This purchasing policy provides guidelines outlining how spending authority is to be used.

#### **4.2 MANAGER AUTHORIZATION AND RESPONSIBILITIES**

- a) A Manager shall be responsible for approval of accounts within the approved budget for such department or any amendment to same as approved by Council. Unspecified capital expenditures in the annual estimates require prior Council approval by resolution.
- b) Resolutions approving budget amendments, capital expenditures or special appropriations shall contain 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 Manager's endorsement.
- c) A Manager shall be authorized to make Small Order Purchases of goods and services up to an amount of \$5,000 from such Vendor and upon such terms and conditions the Manager deems appropriate.

#### **5. PURCHASING MECHANISMS**

##### **5.1 INFORMAL QUOTATION PURCHASES**

- a) A Manager shall be authorized to make purchases of goods and services for estimated expenditures **exceeding \$5,000 and less than \$25,000** from such Vendor and upon such terms and conditions as Council 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 at the using department location.
- b) 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).

##### **5.2 FORMAL QUOTATION PURCHASES**

- a) A Manager shall be authorized to make Formal Quotation Purchases for goods and services for estimated expenditures exceeding **\$25,000 and less than \$50,000** without requesting and obtaining sealed Tenders for the goods and services unless specifically authorized to do so by a resolution of Council for a particular transaction. At least three (3) Bids must be obtained whenever possible.
- b) When the preferred Quotation exceeds the approved budget appropriation by 10% of the total project budget, the Manager shall submit a report to Council for direction.

##### **5.3 TENDER PURCHASES**

- a) The Manager shall not order goods or services exceeding **\$25,000** without requesting and obtaining sealed Tenders for the goods and services unless specifically authorized to do so by a resolution of Council for a particular transaction. At least three (3) Bids must be obtained whenever possible.
- b) If services are satisfactory, Tenders may be renewed or renegotiated for a period not exceeding five years.
- c) 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.

- d) Purchases for the supply and placement of road material throughout Chapple Township in excess of \$25,000 but do not exceed \$100,000 when clearly identified in the budget.
- e) 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.
- f) Purchase of replacement parts where the original equipment manufacturer is the sole provider of that equipment (i.e., transmission for grader).
- g) Single source supply.

#### 5.4 REQUESTS FOR PROPOSALS

- a) The Manager may use a Request for Proposal in place of a Tender or quotation when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.
- b) For estimated expenditures **not exceeding \$25,000**, the evaluation criteria and process shall be approved by the Manager prior to the issuance of the Request for Proposal. For **expenditures exceeding \$25,000**, the evaluation criteria and process shall be approved by Council resolution prior to the issuance of the Request for Proposal.
- c) Reporting will not include summaries of Bids as this information will remain confidential. Any disclosure of information shall be made by the appropriate officer in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act.
- d) Unsuccessful proponents may, upon their request, attend a debriefing session with the CAO/Clerk-Treasurer to review their Bid submission. Discussions related to any Bid submission other than that of the proponent present will be strictly prohibited.
- e) When the preferred proposal (i) exceeds the approved budget appropriation and/or (ii) exceeds \$25,000, the Manager shall submit a report to Council for direction.

#### 5.5 COOPERATIVE PURCHASING

The Township may participate in Cooperative Purchasing initiatives with other government or broader public sector entities where it is in the best interest of the Township to do so.

- a) The Cooperative Purchasing process may be conducted in accordance with the procurement policies and procedures of the entity that is responsible for coordinating and leading the process, provided that those policies and procedures are consistent with the Township's obligations under applicable trade agreements and the Township's procurement goals and objectives set out in this bylaw.

#### 6. BID OPENING

- 6.1 The CAO/Clerk-Treasurer shall arrange for the public opening of Tender Bids at the time and date specified by the Tender call. There shall be in attendance at that time:
  - a) The CAO/Clerk-Treasurer or designate, and
  - b) At least one other municipal representative
- 6.2 A summary of the Bids and a recommendation of the award to the successful Bidder, subject to review, shall be presented to Council for their action.

## **7. CONDITIONS APPLICABLE TO BID SUBMISSIONS**

- 7.1** The following conditions apply to all Bid submissions whether they are formal or informal:
- a)** Bid documents must be submitted and received in the manner as specified in the Bid document. No exceptions will be permitted.
  - b)** Bid received by 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. No exemptions will be permitted.
  - c)** 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.
  - d)** A Bidder may withdraw a submitted Bid at any time up to the official closing time by letter bearing their signature.
  - e)** All departments must document the receipt of all submissions over \$5,000 including the Bidders name, date/time of receipt of Bid and initials of the employee accepting the Bid.
- 7.2** Bids may be rejected for any of the following reasons:
- a)** Bid received after the specified closing date and time as specified in the Bid document. No exceptions.
  - b)** Bid does not comply with the requirements at the time of closing as specified in the Bid document. No exceptions.
  - c)** Bids which are incomplete, conditional, or obscure, or which contain additions not called for, erasures, alterations, or irregularities of any kind.
  - d)** Does not meet specification requirements.
- 7.3** The Township is governed by the Municipal Freedom of Information & Protection of Privacy Act; therefore, Tenderers must accept that Tender contents can be made public as a condition of the Tendering process.
- 7.4** The Township reserves the right to accept or reject any submission.

## **8. BLANKET ORDERS**

- 8.1** A manager may establish Blanket Orders using the applicable Bid mechanism based upon the estimated annual expenditure.
- 8.2** In the case of equipment repairs and equipment rentals for amounts not exceeding **\$10,000**, the Manager shall be authorized to select Vendors not solely based on cost, but also on ability, quality or workmanship, service, availability, overall performance, and experience without first obtaining quotations.
- 8.3** Blanket Orders shall be issued for a specific time period with the department responsible for maintaining purchases within budget allocations.

## **9. PURCHASE OF USED FLEET EQUIPMENT**

- 9.1** The Public Works Superintendent and Fire Chief 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:
- a)** The equipment meets or exceeds the departmental equipment requirements.
  - b)** It is documented that it is fiscally responsible to purchase a used piece of equipment rather than purchase new.
  - c)** If the total expenditure per piece of equipment exceeds \$25,000, a report will be forwarded to Council detailing purchase information and expenses.

- 9.2** The Public Works Superintendent and Fire Chief are exempt from the Township's formal quotation/Tender/RFP process when purchasing used fleet equipment by any of the methods detailed in 9.1.
- 10. EMERGENCY PURCHASES**
- 10.1** The Manager shall be authorized to make Emergency Purchases in excess of \$5,000 upon the approval of the Reeve/designate. The Manager shall present a report to Council at its next meeting.
- 11. PURCHASE BY NEGOTIATION**
- 11.1** A Manager may purchase by negotiation with one or more Vendors under which a Formal Bid process may be waived under the following conditions:
- a)** When market conditions and in the judgement of the Manager, the goods are in short supply.
  - b)** When there is only one source of supply.
  - c)** When two or more identical Bids have been received, the Manager may negotiate with the two lowest Bidders, keeping all negotiations fair and ethical.
  - d)** When the lowest Bid meeting specifications exceeds the estimated costs by at least 10% and it is not viable or in the best interests of the Township.
  - e)** Any expenditure exceeding \$25,000 for a one-time purchase or over an annual basis must be reported to Council.
- 12. EXCEPTIONS**
- 12.1** A Manager 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 shall be granted by resolution.
- 13. EXCLUSIONS**
- 13.1** 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:
- a)** 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 (see Schedule B to the Procurement By-law).
  - b)** As identified elsewhere in this policy.
- 14. ADVERTISING**
- 14.1** Where effective in the opinion of the Manager, information regarding the Bid document shall be advertised in the local newspaper and/or applicable publications necessary to comply with all existing statutory regulations. Any requirement exceeding \$100,000 must be advertised.
- 14.2** Purchasing Procedures outline additional advertising opportunities and methods.
- 15. BID DEPOSITS**
- 15.1** Bid deposits shall be required to accompany Bid submissions for the following circumstances:
- a)** All Bids for municipal construction projects in excess of \$25,000.
  - b)** Special contracts or scope of work as deemed appropriate by the Manager.

- 15.2** For estimated expenditures less than \$100,000, the Manager shall determine the amount of the Bid deposit.
- 15.3** 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, the minimum Bid deposit required shall be 10%.
- 15.4** 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 Chapple as the obligate.
  - b)** A certified cheque made payable to the Corporation of the Township of Chapple.
  - c)** An irrevocable letter of credit naming the Corporation of the Township of Chapple as the beneficiary.
  - d)** Money orders made payable to the Corporation of the Township of Chapple.
  - e)** Canadian currency.
- 15.5** The Township does not pay interest on any Bid deposits.
- 15.6** All Bid deposits must be original documentation, signed and sealed as appropriate. No fax or photocopies will be accepted.
- 15.7** The Township is authorized to cash and deposit any Bid deposit in the Township's possession that is forfeited because of non-compliance with any of the terms, conditions and/or specifications of a Sealed Bid.

**16. BONDING REQUIREMENTS**

- 16.1** Performance, Labour and Material and/or Maintenance Bonds are required for all construction projects exceeding \$500,000 for a minimum of 50% of the Bid amount.
- 16.2** All bonds must be original, signed, and sealed. No fax or photocopies will be accepted.
- 16.3** Acceptable forms of Bonds may include:
- 1. Surety Bonds,
  - 2. Certified Cheques,
  - 3. Bank Drafts,
  - 4. Irrevocable Letter of Credit.

**17. INSURANCE**

- 17.1** The standard insurance minimums are as follows:
- \$2 million – general liability policy
  - \$2 million – automobile liability policy
  - \$2 million – homeowners (e.g. for rental of facilities)
  - \$5 million – general liability and automobile liability policies – for contract work done for most Public Works/drainage projects.
  - \$2 million – professional errors and omissions liability
  - Builder's Risk – the amount of the project cost
- Bid documents must clearly indicate the insurance requirements to be provided by the successful Bidder.
- 17.2** The successful Bidder must furnish the Township at their cost a "certified copy" of a liability insurance policy covering public liability and property damage for no less than the minimum amounts stated in 17.1 to the satisfaction of the Township and in force for the entire contract period. The policy must contain:
- a)** A "Cross Liability" clause or endorsement.
  - b)** An endorsement certifying that **The Corporation of Township of Chapple** and the successful Bidder are included as an additional named insured.

- c) 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 Chapple.
- 17.3** Contractor's Liability Insurance Policy shall not contain any exclusions of liability for damage, etc. to property, building or land arising from:
  - a) The removal or weakening of support of any property, building or land whether such support be natural or otherwise.
  - b) The use of explosives for blasting.
  - c) The vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.
- 17.4** A WSIB certificate of clearance must be submitted to the CAO/Clerk-Treasurers office prior to the commencement period of the project and periodically as the work is completed.
  - a) For small contractors without employees and/or WSIB coverage, a WSIB Form 1158A Determining Worker/ Independent Operator Status form must be submitted prior to commencement of the contract/project that indicates that the contractor is an Independent Operator.
- 18. ADMINISTRATION**
  - 18.1** No contract or purchase shall be divided to avoid any requirements of this policy.
  - 18.2** In all purchases, price shall be the prime selection criteria prior to any special provisions or add/deleted calculated into the Bid price, providing that all specification requirements are met. Such specifications are to be Generic, or "as equivalent." All factors influencing the purchasing decision are to be included in the specifications.
  - 18.3** The Township of Chapple may participate with other units of government, their agencies, or public authorities in Cooperative Purchasing ventures when the best interest of Township of Chapple will be served.
  - 18.4** Performance evaluations may be undertaken on Suppliers and providers of service.
  - 18.5** All invoices and accounts from Vendors shall be authorized prior to payment. The CAO/Clerk-Treasurer is responsible for ensuring authorization, accuracy, budgetary or specific resolution approval and the Manager is responsible to indicate that goods and services were received for payment.
  - 18.6** Between the last regular meeting of Council in any year and the adoption of estimates for the next year, the CAO/Clerk-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.
  - 18.7** After the adoption of estimates, the CAO/Clerk-Treasurer is authorized to pay the accounts approved by the appropriate Manager and to pay contract accounts upon receipt of evidence of value received.
  - 18.8** 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.

**19. RETENTION OF DOCUMENTATION**

**19.1** All background information, information submitted by Vendors, purchase orders and other relevant information involved in obtaining prices for goods and services exceeding \$5,000 shall be retained in the department for the entire budget year and five (5) years in record's retention.

**20. PURCHASING PROCESS REVIEW**

**20.1** The CAO/Clerk-Treasurer and the Public Works Superintendent may randomly review departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence. And make recommendations for change to Council.

**21. PURCHASING PROCEDURES**

**21.1** Approved purchasing procedures are to be used as a guideline and for information on purchasing goods and services in compliance with this policy.