

BY-LAW NO. 34-19

OF THE CORPORATION OF THE TOWN OF AYLMER

Being a By-Law to define the Corporation of the Town of Aylmer's policies and procedures for the procurement of goods and services.

WHEREAS Section 271(1) of The Municipal Act, S.O. 2001, provides that a municipality and a local board shall adopt policies with respect to its procurement of goods and services, including policies with respect to, the types of procurement processes that shall be used; the goals to be achieved by using each type of procurement process; the circumstances under which each type of procurement process shall be used; the circumstances under which a tendering process is not required; the circumstances under which in-house bids will be encouraged as part of a tendering process; how the integrity of each procurement process will be maintained; 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; how and when the procurement processes will be reviewed to evaluate their effectiveness; and any other prescribed matter.

AND WHEREAS Council has reviewed purchasing practices and now deems it desirable to adopt a comprehensive policy with respect to the procurement of goods and services to meet the requirements of Section 271(1) of The Municipal Act, S.O. 2001.

AND WHEREAS the Council of the Corporation of the Town of Aylmer hereby repeals By-Law No. 52-05 and replaces it with this by-law;

THEREFORE, BE IT RESOLVED THAT the Council of the Corporation of the Town of Aylmer enacts as follows:

1. THAT Schedule A attached to and forming part of this By-Law shall be the Procurement Policy of the Corporation of the Town of Aylmer
2. THAT this By-Law shall come into full force and effect upon passage of this by-law.

READ A First, Second, and Third time this 3rd day of June, 2019.

Original Signed by _____
MAYOR

Original Signed by _____
CLERK

SCHEDULE A to BY-LAW 34-19 Procurement Policy

1.0 DEFINITIONS

For the purposes of this by-law:

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

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

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

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

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

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

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

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

CETA shall mean the Canada-European Union Comprehensive Economic & Trade Agreement.

Chief Administrative Officer shall mean the Chief Administrative Officer for the Corporation of the Town of Aylmer.

Committee shall mean a committee as designated by the Council of the Corporation of the Town of Aylmer.

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

Corporation shall mean the Corporation of the Town of Aylmer.

Council shall mean the Council of the Corporation of the Town of Aylmer.

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

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

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

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

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

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

Formal Bid shall mean a sealed bid submission.

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

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

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.

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

Invitational Bid shall mean a competitive tender or request for proposal sent to a specific list of acceptable vendors

Invoice Approval Stamp shall mean a stamp prescribed by Treasury to ensure required approvals are applied to an invoice.

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 the vendor for all hazardous materials, including an index of chemical compounds with details of properties, handling details, precautions and first-aid procedures.

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

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

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

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

Purchase Order shall mean a written offer to purchase goods and services or a written acceptance of an offer where such offer has been made on forms prescribed by the Town.

Purchasing Designate shall mean a person designated by a Department Head to exercise any or all responsibilities of the Department Head with respect to this policy.

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

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

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

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

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

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

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

Town shall mean the Corporation of the Town of Aylmer.

Treasurer shall mean the Treasurer for the Corporation of the Town of Aylmer.

Vendor shall mean any person or enterprise supplying goods or services to the Corporation of the Town of Aylmer.

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

2.0 PURPOSES, GOALS AND OBJECTIVES

The purchasing principles of the Corporation of the Town of Aylmer 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 fair and 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 Town as a whole prior to determining the appropriate acquisition method;
- v. To maximize savings for taxpayers;
- vi. To minimize liability incurred by the Town of Aylmer as a result of procurement activities;
- vii. To monitor and report on the economic climate and legislative changes which may have an impact on the Town of Aylmer and to determine the appropriate actions to be taken through purchasing policies and procedures;
- viii. 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 supply goods incorporating recycled materials where practicable; and
- ix. To encourage the procurement of goods and services with due regard to the product being accessible to people with disabilities or be capable of being made accessible through the use of technology.

3.0 PURCHASING RESPONSIBILITIES

3.1 Expenditure Authorization

Council has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. This authority is exercised by the Treasurer, Chief Administrative Officer or Department Head as set out below. Treasury shall not pay for any item that has not been authorized by Council through budget appropriation or specific resolution.

3.2 Department Head Authorization and Responsibilities

- i. A Department Head shall be responsible for approval of accounts within the approved department budget. Unbudgeted capital expenditures require prior Council approval.
- ii. Resolutions approving non-budgeted items, capital expenditures or special appropriations shall contain the purpose of expenditure, cost estimates or expenditure limitation, and the fund in which an appropriation has been provided. All staff reports recommending such resolutions shall contain the Department Head's recommendation and the endorsement of the Chief Administrative Officer and Treasurer.
- iii. A Department Head may appoint a designate to exercise any or all responsibilities assigned to the Department Head by this policy.

4.0 PURCHASING MECHANISMS

The Department Head or his/her designate shall initiate a purchase order where applicable, in the following manner:

4.1 Small Item Purchases

The Department Head shall be authorized to make purchases up to \$1,000 by use of comparison shopping where practical. A purchase order will not be required for goods or services with a total cost under \$1,000.

4.2 Informal Quotation Purchases

The Department Head shall be authorized to make purchase of goods and services for estimated expenditures between \$1,000 and \$5,000 from such vendor and upon such terms and conditions as the Department Head deems appropriate, bearing in mind best value for item determined. At least three (3) verbal quotes must be obtained and documented whenever possible. Bid documents and specifications, as applicable, may be issued or received by email and/or fax transmission. A purchase order will not be required for goods and services with a total cost under \$5,000.

4.3 Formal Quotation Purchases

The Department Head shall be authorized to make formal quotation purchases for goods and services for estimated expenditures exceeding \$5,000 and less than \$50,000. For goods in excess of \$25,000, the Department Head shall obtain three (3) written quotes whenever possible or, if preferred, shall submit a request for tender for the goods in question. For the procurement of services, the Department Head shall request and obtain sealed tenders or Requests for Proposals (RFP). A purchase order or executed contract authorized by by-law will be required to complete the transaction.

4.4 Tender Purchases

- i. The Department Head shall not order goods or services exceeding \$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 bids must be obtained whenever possible.
- ii. 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.
 - a. Purchases for services for a program where services have been awarded to a firm on an on-going basis when clearly identified in the budget.
 - b. Purchase of replacement parts where the original equipment manufacturer is the sole provider of the equipment.
 - c. Sole source supply.
- iii. Requests for Tenders shall be posted for a minimum of 30 days unless the cost of goods, services or construction exceeds the CETA threshold for municipalities. If the anticipated costs exceed the threshold outlined in CETA, a minimum posting period of 40 days shall apply. Under CETA, this minimum posting period may be reduced if the following conditions are met:
 - a. The notice is posted electronically. If the notice is posted electronically, the posting period may be reduced by 5 days.
 - b. The tender document is made available at the same time as the procurement notice. If this condition is met, the posting period may be reduced by an additional 5 days.
 - c. Bids are accepted electronically. If bids are accepted electronically, the posting period may be further reduced by an additional 5 days.

4.5 Requests for Proposals

- i. The Department Head may use a Request for Proposal in place of a tender or quotation when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.
- ii. Requests for Proposals shall be posted for a minimum of 30 days unless the cost of goods, services or construction exceeds the CETA threshold for municipalities. If the anticipated costs exceed the threshold outlined in CETA, a minimum posting period of 40 days shall apply. Under CETA, this minimum posting period may be reduced if the following conditions are met:
 - a. The notice is posted electronically. If the notice is posted electronically, the posting period may be reduced by 5 days.
 - b. The tender document is made available at the same time as the procurement notice. If this condition is met, the posting period may be reduced by an additional 5 days.
 - c. Bids are accepted electronically. If bids are accepted electronically, the posting period may be further reduced by an additional 5 days.
- iii. When a preferred proposal exceeds the approved budget appropriation, the Department Head shall submit a report to Council for direction.

4.6 Blanket Orders

- i. The Department Head may establish blanket orders using the applicable bid mechanism based upon the estimated annual expenditure.
- ii. In the case of equipment repairs and equipment rentals, 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 obtaining quotations.
- iii. Blanket orders shall be issued with all ordering departments responsible for maintaining purchases within budget allocations.

4.7 Emergency Purchases

Notwithstanding the provisions of this policy, tender and quotation procedures shall be disregarded for goods or services that may be required in the event of an emergency situation provided the Department Head first obtained the approval of the Chief Administrative Officer. Any purchase of goods or services purchased in the event of an emergency shall be reported to the very next appropriate Committee and/or Council meeting.

4.8 Purchases by Negotiation

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

- i. When in the judgement of the Department Head, goods or services are determined to be in short supply due to market conditions;
- ii. Where there is only one source of supply;
- iii. When two or more identical bids have been received, the Department Head may negotiate with the lowest bidders, keeping all negotiations fair and ethical;

- iv. When the lowest bid meeting specifications exceeds the estimated costs and it is not practical to recall the tender or quotation;
- v. When no bids are received in a tender or quotation call;
- vi. When all bids received fail to meet the specifications or tender term and conditions and it is impractical to recall tenders or questions; and/or
- vii. Any negotiated purchase contract for \$50,000 or more in value, excluding taxes and freight, shall be subject to approval from Council.

4.9 Sole Source Purchases

- i. General Rules for Sole Source Purchasing:

That the procurement of materials, parts, supplies, equipment or services without competition is done under exceptional and limited circumstances.

- ii. Conditions Required for Sole Source Purchasing of Which One or More Must be Met:

- a. When the expertise or product of an individual organization or individual is deemed to be specifically required by the Corporation;
- b. When competition is precluded because of the existence of patent rights, copyrights, secret processes, control of raw material or other such conditions;
- c. When the procurement is for services related to electric power or energy, gas, water or other utility services and/or system where it would not be practical to allow a contractor other than the utility company itself to work upon the system;
- d. When the procurement is for technical supply and/or services in connection with the assembly, installation or servicing of equipment or software of a highly technical, electronic, or specialized nature;
- e. When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer; and/or
- f. When a contractor is already at work on the site based on an existing contract and it would not be practical to engage another contractor for additional work deemed to be necessary.

- iii. Process to be Followed Prior to Initiating a Sole Source Purchase:

- a. Sole source items require detailed documentation from the responsible department to justify the purchase and to ensure that the cost charged by the vendor is reasonable.
- b. Where a Department Head deems that a sole source purchase is necessary, a written report shall be submitted to the Chief Administrative Officer and Treasurer for approval.

4.10 In-House Bids

In-house bids may be used for the procurement of goods, services or construction in circumstances where the Chief Administrative Officer considers it appropriate to do so. The consideration of using an in-house bid must be stated in advance.

4.11 Methods of Procurement – Summary

The following are authorized procedures for the procurement of goods, services, and construction, not available from pre-existing agreements.

METHOD OF PROCUREMENT	TYPE OF QUOTATION	SOURCE OF BIDS	TYPE OF CONTRACT	REPORTING STATUS
1. GOODS AND SERVICES				
under \$1,000		Purchases made from the competitive marketplace where possible and practicable	Direct acquisition No Purchase Order required	Additional report and approval of Council not required
\$1,000 - \$5,000	Informal quotation required	3 quotes to be obtained where possible	No Purchase Order required	Additional report and approval of Council not required
\$5,000 – \$50,000	Formal quotation required or REQUEST FOR TENDER or REQUEST FOR PROPOSAL	3 written quotes to be obtained where possible	Purchase Order or Executed Contract	Additional report and approval of Council not required
over \$50,000	Formal quotation acquired by REQUEST FOR TENDER or REQUEST FOR PROPOSAL	Advertise in local and/or trade paper Advertise request for minimum of 30 days unless item exceeds CETA threshold for municipalities then minimum 40 day posting period applies	Purchase Order or Executed Contract	Further report and approval of Council required
2. REQUESTS FOR PROPOSALS (INCLUDING THE ENGAGEMENT OF PROFESSIONAL AND CONSULTING SERVICES)				
under \$25,000	Formal quotation acquired by Department Head		Purchase Order or agreement	Additional report or approval of Council not required
over \$25,000	Formal quotations through REQUEST FOR PROPOSAL	Advertise in local and/or trade paper May be advertised on website Advertise request for minimum of 30 days unless item exceeds CETA threshold for municipalities then minimum 40 day posting period applies	Purchase Order or agreement	Further report and approval of Council required

4.12 Goals of Procurement Processes

COMPETITIVE PROCESS SEEKING MULTIPLE BIDS OR PROPOSALS	
REQUEST FOR PROPOSALS	<ul style="list-style-type: none"> • To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution. • To select the proposal that earns the highest score and meets the requirements specified in the competition, based on qualitative, technical and pricing considerations.
REQUEST FOR TENDERS	<ul style="list-style-type: none"> • To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists. • To accept the lowest bid meeting the requirements specified in the competition.
REQUEST FOR QUOTATION	<ul style="list-style-type: none"> • Same as for Request for Tender, except that bid solicitation is done primarily on an invitational basis from a pre-determined bidders list but may be supplemented with public advertising of the procurement opportunity.
INFORMAL, LOW VALUE PROCUREMENT	<ul style="list-style-type: none"> • To obtain competitive pricing for a one-time procurement in an expeditious and cost-effective manner through phone, fax, e-mail, other similar communication method, vendor advertisements or vendor catalogues.
NON-COMPETITIVE PROCUREMENT	
NON-COMPETITIVE PROCUREMENT	<ul style="list-style-type: none"> • To allow for procurement in an efficient and timely manner without seeking competitive pricing. • To provide for exceptions to the procurement requirements of interprovincial trade agreements • To also provide for any additional exceptions stipulated in the municipality's or local board's purchasing by-law / resolution or policies, providing they are not in contravention of the interprovincial trade agreements.

5.0 CONDITIONS APPLICABLE TO ALL BID SUBMISSIONS

5.1 Bid Submission Conditions

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

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

5.2 Rejection of Bids

Bids shall be rejected for the following reasons:

- i. Bid is received after the specified deadline and closing date;
- ii. Bid is incomplete, conditional or obscure, or contains additions not called for, erasures, alterations or irregularities of any kind; and/or
- iii. Does not meet the requirements of the specifications.

5.3 Bid Openings

All bid openings will be open to the public. Opening details (date, time, location, etc.) shall be published in the Request for Tender or Request for Proposal document.

6.0 LOCAL PREFERENCE

With respect to local preference, the Town will endeavour to achieve best value in its commercial transactions and be in compliance with the Discriminatory Business Practices Act, R.S.O. 1990, Chapter D12.

7.0 ADVERTISING

Where effective in the opinion of the Department Head, information regarding the bid document shall be advertised in a newspaper and/or applicable publications necessary to comply with all existing statutory regulations. Bid documents may be posted on the Town's web site.

8.0 BID DEPOSITS

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

- i. Construction projects in excess of \$100,000.
- ii. Special contracts or scope of work as deemed appropriate by the Department Head.

8.1 Expenditures Less than \$100,000

For estimated expenditures less than \$100,000, the Department Head shall determine the amount of the bid deposit.

8.2 Expenditures Greater than \$100,000

For estimated expenditures greater than \$100,000, the minimum bid deposit required shall be 5%.

8.3 Bid Deposit Format

All bid deposits must be original documentation, signed and sealed as appropriate. Faxes, photocopies or electronic versions of bid deposits will not be accepted. Bid deposits must be provided in one of the following formats in order to be accepted by the Corporation of the Town of Aylmer:

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

8.4 Interest

The Corporation of the Town of Aylmer does not pay interest on any bid deposits.

8.5 Bid Deposits & Non-compliance of Bid Terms

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

9.0 EXCLUSION OF BIDDERS

- i. The Town may, in its absolute discretion, reject a bid if the bidder, or any officer or director of the bidder, is or has been engaged either directly or indirectly through another corporation, in legal action against the Town, its elected or appointed officials, officers and employees in relation to any other contract or service or any matter arising from the Town's exercise of its powers, duties, or functions.
- ii. In determining whether or not to reject a quotation, tender or proposal under this clause, the Town will consider whether the litigation is likely to affect the bidder's ability to work with the Town, its staff, consultants and representatives, and whether the Town's experience with the bidder indicates that the Town is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.
- iii. The Department Head shall document evidence where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions, or for Health and Safety violations.
- iv. The Town may prohibit an unsatisfactory supplier from bidding on future contracts where evidence has been documented under section 9.0-iii.

10.0 EXCEPTIONS FROM REQUIREMENT OF PURCHASING PROCESS

Purchasing processes are not required for the following items:

- i. 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
- ii. Employee Expenses
 - a. Meal allowances
 - b. Travel & Hotel accommodation
 - c. Entertainment
 - d. Miscellaneous – Non-Travel
- iii. Employer's General Expenses
 - a. Property rentals
 - b. Insurance premium payments
 - c. Grants and donations to agencies
 - d. Payments of damage claims
 - e. Charges to and from other government agencies
 - f. Real property including land, building, leasehold interest, easements, Encroachments and licenses
 - g. Catering
 - h. Office supplies
 - i. Maintenance of postage meter, telephone system and equipment service agreements
 - j. Property leases with other levels of Government
 - k. Supplies from the Registrar General

- l. Library books and materials
- iv. Professional and Special Services
 - a. Legal settlements
 - b. Witness fees
 - c. Committee fees
 - d. Arbitrator fees
 - e. Appraisal fees
 - f. Real estate fees
 - g. Legal fees and other professional services related to litigation or legal matters
 - h. Funeral and burial expenses
 - i. Insurance claims
 - j. Revenue collected on behalf of a third party
 - k. Employment contracts
 - l. General engineering and planning advice
- v. Utilities including postage, water, sewer, gas, hydro, telephone (basic services, cable television, and related billing services).
- vi. Advertising services required by the Town on or in, but not limited to radio, television, newspaper, professional associations and magazines.
- vii. Bailiff or collection agencies and/or tax sale services.
- viii. Expenses related to an event which will be recovered in full by a third party.
- ix. Amendments or renewals of existing agreements.
- x. When a general contractor or consulting firm has been engaged for a specific project that includes the procurement of sub-trades and suppliers, it shall be deemed permissible for the said contractor or firm to bring forward competitive quotations for Council's approval.

11.0 ADMINISTRATION

- i. Contracts or purchases shall not be divided to avoid any requirements of this policy.
- ii. In all purchases, price shall be the prime selection criteria prior to any special provisions or add/delete 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.
- iii. Goods or services shall not be purchased by an employee of the Town through the use of a personal credit card without first obtaining the approval of the Department Head in advance of the purchase except for purchases related to a conference or training course. Use of

personal credit cards is only allowed when there is not an account with a vendor and where the vendor will not invoice the Town.

- iv. Goods or services shall not be purchased from an employee of the Town or from any vendor associated with such employee, unless the extent of the interest of such employee has been fully disclosed and the vendor has been approved by the Chief Administrative Officer and Treasurer of the Town.
- v. The Town of Aylmer may participate with other units of government, their agencies or public authorities in co-operative purchase ventures when the best interest of the Town of Aylmer will be served. Where such participation is at variance with the Town of Aylmer's Purchasing policy, Council shall first authorize any participation.
- vi. Performance evaluations may be undertaken on suppliers and providers of service.
- vii. After the adoption of the budget, the Treasurer is authorized to pay the accounts approved by the appropriate Department Head as contained in the budget, upon receipt of evidence of value received and which have been approved by signature of the Department Head.
- viii. Notwithstanding the provisions of this procedure, the Corporation shall have the right to reject the lowest or any bid at its absolute discretion. The Corporation also reserves the right to reissue the bid document in its original format or modified as best suits the requirements of the Corporation.

11.1 Moneys and Accounts

- i. Moneys Paid Out

All moneys duly approved under this policy shall be so paid by cheque of the Municipality signed by the Treasurer and the Mayor, or any one of the Treasurer, Clerk or the Director of Corporate Services and either the Mayor or Deputy-Mayor. Bank drafts, money orders and electronic fund transfers may also be used. All payments will be made payable directly to the vendor, except where Section 11.0-iii may apply.

- ii. Approval of Accounts

Each invoice received shall be inspected, allocated to an account and approved by signature of the Department Head concerned, or authorized designate. Each invoice shall then be approved by the Treasurer and the Mayor or their alternate. This or any other rule shall not affect or interfere with the payment of salaries, or of sums authorized by By-law of the Council or payable under any Act of Parliament.

- iii. Payment of Accounts

- a. No payment shall be made by the Treasurer on account of the municipality for goods and/or services unless the invoice has been approved for payment by the Department Head or designate and an appropriation for same is included in the current budget or has been approved by Council resolution. The Treasurer shall approve by signature the approval for payment.
- b. Between the last regular meeting of Council in any year and the adoption of a budget for the next year, the Treasurer is authorized to pay the accounts of any ordinary business transactions of the Corporation that are required to maintain services. This shall

include the payment of operating accounts, previously approved capital items and projects and any specifically approved expenditure by Council.

12.0 GENERAL APPLICATION

- i. Notwithstanding the provisions, all previous purchasing transactions shall be herein confirmed as valid.
- ii. Where there is a conflict between the provisions of this by-law and those of any other by-law, the provisions of this by-law shall prevail.

13.0 RESOLUTION OF QUESTIONS OF POLICY

Any question involving the meaning or application of this policy is to be submitted to the Treasurer and Chief Administrative Officer who will resolve the question.

14.0 POLICY REVIEW

- i. This policy shall be reviewed every five years.
- ii. The review shall determine how effective this policy has been in achieving the purpose, goals and objectives set out in Section 2.0 of the By-law as well as the requirements of the Municipal Act, 2001.

APPENDIX 1

BID IRREGULARITIES

- i. 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.
- ii. For the purposes of this policy, bid irregularities are further classified as "major irregularities" or "minor irregularities".
- iii. A "major irregularity" is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. The Treasurer must reject any bid, which contains a major irregularity.
- iv. A "minor irregularity" is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The Treasurer may permit the bidder to correct a minor irregularity.

MATHEMATICAL ERRORS - RECTIFIED BY STAFF

- i. The Treasurer will correct errors in mathematical extensions and/or taxes, and the unit prices will govern. The responsibility for correcting mathematical errors may be delegated to the requisitioning department.
- ii. The Treasurer and Department Head will be responsible for all action taken in dealing with bid irregularities, and will act in accordance with the nature of the irregularity:
 - major irregularity (automatic rejection)
 - minor irregularity (bidder may rectify)
 - mathematical error (additions or extensions) as above
- iii. In the event that the vendor withdraws his bid due to the identification of a major irregularity, the Town may disqualify such vendor from participating in Town quotations/tenders/requests for proposals for a period of up to one year.

BID IRREGULARITIES - SUMMARY

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1.	Late bids (by any amount of time).	X		automatic rejection
2.	Bids completed in pencil.	X		automatic rejection
3.	Bid surety not submitted with the bid when the bid request (or any addenda) indicated that such surety is required.	X		automatic rejection
4.	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. Surety company not licensed to do business in Ontario.	X		automatic rejection
5.	EXECUTION OF BID BONDS: a. Corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing. b. Corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing.	X		automatic rejection
6.	OTHER BID SECURITY: Cheque which has not been certified.	X		automatic rejection
7.	Bidders not attending mandatory site meeting.	X		automatic rejection
8.	Unsealed tender envelopes.	X		automatic rejection
9.	Proper response envelope or label not used.		X	acceptable if officially received on time
10.	Pricing or signature pages missing.	X		automatic rejection
11.	Insufficient financial security (i.e.: no deposit or bid bond or insufficient deposit).	X or	X	where security is required & amount is not specified in request, automatic rejection unless insufficiency is de minimus (trivial or insignificant); where security is required and amount of security is specified in request, automatic rejection
12.	Bid received on documents other than those provided in request	X		not acceptable unless specified otherwise in the request
13.	EXECUTION OF BID DOCUMENT Proof of authority to bind is missing.	X		automatic rejection
14.	Part bids (all items not bid).	X or	X	acceptable unless complete bid has been specified in the request
15.	Bids containing minor clerical errors.		X	2 working days to correct initial errors; Town reserves the right to waive initialling and accept bid
16.	Uninitialed changes to the requested		X	2 working days to

	documents which are minor (i.e.; the bidder's address is amended by overwriting but not initialled).			correct initial errors; Town reserves the right to waive initialling and accept bid
17.	Alternate items bid in whole or in part.		X	available for further consideration unless specified otherwise in request
18.	Unit prices in the schedule of prices have been changed but not initialled.		X	2 working days to correct initial errors. Town reserves the right to waive initialling and accept bid
19.	Other mathematical errors which are not consistent with the unit prices.		X	2 working days to initial corrections; unit prices will govern
20.	Pages requiring completion of information by vendor are missing.	X		automatic rejection
21.	Bid documents which suggest that the bidder has made a major mistake in calculations or bid.			consultation with a Solicitor on a case-by-case basis and referenced within the staff report if applicable

NOTE: The above list of irregularities should not be considered all-inclusive. The Treasurer, in consultation with the requisitioning department will review minor irregularities not listed. The Treasurer may then accept the bid, or request that the bidder rectify the deviation.

APPENDIX 2

TENDER PROCESS

- i. Tenders will be called for all work, equipment, and materials with a value exceeding \$50,000 by way of public advertising or invitational bid, as outlined in the Town's Purchasing Policy
- ii. The Department Head will send a draft advertisement and tender documents to the Treasurer and Chief Administrative Officer for review, providing the following information:
 - a. Dollar value
 - b. Account number & Council authority
 - c. Description of work
 - d. Closing date
- iii. The Treasurer will assign a number and provide assistance with tender documents, if required.
- iv. The Department Head will advertise and distribute tenders, and book a suitable room for the tender opening.
- v. All public tenders shall be advertised in a local, regional, or construction newspaper or on website. *(2 days lead time required)*
- vi. 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.
- vii. Advertisements must include the following information (if applicable):
 - a. Site meeting time/date/location or contact to arrange site meeting;
 - b. Contacts names for technical and purchasing inquiries;
 - c. Document fee (if applicable); and
 - d. Location for pick up and drop off of bid documents
- viii. The closing date is usually 30 calendar days after date of issue. However, 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.
- ix. Advertised tender packages are available from the originating Department, Main Floor, Town Hall, 46 Talbot Street West. The tender fee (if applicable) is paid to Town of Aylmer and information is recorded from bidders as documents are picked up. A copy is available for viewing prior to purchase.
- x. All tender submissions must be addressed to the applicable Department Head of the Town of Aylmer, and returned in the envelope provided with the tender package. The Clerk's Department will receive all sealed tender submissions and issue a date and time-stamped receipt.

- xi. The Clerk's Department will refuse to accept any tender submission that is:
 - a. Not sealed;
 - b. Received after the closing deadline; or
 - c. Submitted after a tender has been cancelled.
- xii. 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 applicable department Head by letter or in person, by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract prior to the closing date and time.
- xiii. Tenders will close at the specified time on the appointed deadline date. Tenders are to be opened publicly at a specified time on the same day as the closing unless otherwise specified in the tender documents. The Treasurer and applicable Department Head or their designates are to attend the public opening.
- xiv. Each tender is reviewed to determine whether a bid irregularity exists. Should an irregularity exist, action will be taken according to the nature of the irregularity (see Appendix 1).
- xv. Tenders are tabulated and evaluated by the issuing department.
- xvi. A report initiated by the issuing Department Head and reviewed by the Chief Administrative Officer and Treasurer shall be prepared for Council consideration and approval.
- xvii. Following Council's approval, the Department Head shall either issue a purchase order, or ensure that a contract which legally binds the corporation is authorized by by-law and executed by the Mayor and Clerk.
- xviii. Tender results, if requested, shall be made public by the applicable Department Head.

APPENDIX 3

REQUEST FOR PROPOSAL PROCESS

- i. Requests for Proposals (RFP's) may be called instead of tenders, by way of public advertising or invitational bid, as outlined in the Town's Purchasing Policy:
 - a. When requirements or services cannot be definitively specified;
 - b. When the requirements or services are non standard or specialized in nature; or
 - c. The cost is only a minor component making up the award.
- ii. RFP's with a value over \$15,000 must be assigned a project number by the Treasurer. The following information must be provided:
 - a. Approximate dollar value
 - b. Account number and budget authority
 - c. Description of work
 - d. Closing date
- iii. The User Department will initiate the RFP process by preparing RFP documents, with input and assistance from the Treasurer if required.
- iv. Prior to printing, documents must be submitted to the Treasurer for review to ensure that all provisions other than specifications have been included in the proper format.
- v. The Department Head will advertise and distribute RFP packages.
- vi. All public RFP's are to be advertised in a local, regional, or construction newspaper or on the website (*2 days lead time required*). Advertisements must include the following information (if applicable):
 - a. Site meeting time/date/location or contact name to arrange site meeting;
 - b. Contacts name for technical and purchasing inquiries;
 - c. Document fee (if applicable); and
 - d. Location for pick up and drop off of bid documents.
- vii. The closing date is usually 30 calendar days after 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).
- viii. Public Request for Proposal document packages are available from the Clerk's Department, Main Floor, Town Hall, 46 Talbot Street West.
- ix. RFP's must be addressed to the Department Head, Town of Aylmer. The Clerk's Department will receive all sealed submissions and issue a date and time-stamped receipt.
- x. The Town of Aylmer will refuse to accept any submission that is:
 - a. Not sealed;

- b. Received after the specified closing deadline; and/or
 - c. Submitted after an RFP has been cancelled.
- xi. Requests for withdrawal of an 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 Department Head by letter or in person by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of an RFP does not disqualify a bidder from submitting another RFP on the same contract prior to the closing time and date.
 - xii. Proposals shall be opened by the Treasurer and applicable Department Head at the specified time on the appointed day for registration of bids or at such time as may be set out in the RFP. Only names of bidders will be made public.
 - xiii. Proposals received shall be evaluated on the basis of quantitative and qualitative criteria.
 - xiv. Once an award is made by Council, the report recommending an award shall be a matter of public record.
 - xv. RFP results, if requested, shall be made public by the applicable Department Head.