

THE CORPORATION OF THE CITY OF DRYDEN

BY-LAW NUMBER 3194-2005

BEING A BY-LAW TO AMEND THE MUNICIPAL CODE OF THE CORPORATION OF THE CITY OF DRYDEN BY ADDING A NEW CHAPTER 170 - PROCUREMENT.

WHEREAS Section 271 of the Municipal Act, S.O. 2001, c. 25, as amended, provides that before January 1, 2005, a municipality and a local board shall adopt policies with respect to its procurement of goods and services 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 processes will be reviewed to evaluate their effectiveness; and,
- (i) any other prescribed matter; and,

WHEREAS The Corporation of The City of Dryden deems it expedient to establish comprehensive purchasing policies and procedures;

NOW THEREFORE The Council of The Corporation of The City of Dryden enacts as follows:

1. THAT the Municipal Code of The Corporation of The City of Dryden is hereby amended by adding a new Chapter 170, Procurement, to read as follows:

§ 170.1. Title.

The Chapter maybe cited as the "Procurement By-law".

§ 170.2. Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

ACQUISITION AUTHORITY – The authority to approve requests for the acquisition of goods or services.

ACQUISITION DOCUMENTATION – The documents used to request the acquisition of goods or services.

ACQUISITION METHOD – the process by which goods or services are procured, of which the following four (4) methods are acceptable:

- A. **Competitive Method** – Vendors are given an equal opportunity to submit bids in accordance with City of Dryden Policy and Procedures.
- B. **Emergency Method** – The usual competitive acquisition rules are suspended due to the prevailing emergency circumstances.
- C. **Discretionary Method** – The usual competitive acquisition rules are suspended due to the limited value or the unique nature of the acquisition when such purchases are judged to be in the best interests of the City of Dryden.
- D. **Other Method** – If there are any deviations from these methods the Treasurer shall authorize a purchase if he/she is satisfied the circumstances are warranted.

§ 170.2. Definitions. (Cont'd.)

BID – An offer or submission received from a vendor, contractor or consultant in response to one of the four (4) acceptable acquisition methods and may be subject to acceptance or rejection.

BID IRREGULARITY - Is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in the bid response.

BID REQUEST – A written request to a vendor, contractor or consultant for bids, which may be in the form of a Quotation, Tender or Request for Proposal as per *Schedule “A” – Purchasing Authorities and Responsibilities*.

CHAPTER – Chapter 170 – Procurement of the Municipal Code of The Corporation of The City of Dryden.

CHEQUE REQUISITION – A Written request to pay for goods or services on an approved form, not covered by Purchase Order, Contract or other direct methods.

CITY – The Corporation of The City of Dryden.

COMMITMENT AUTHORITY – The authority to sign/issue purchase orders, contracts or agreements.

COMMITMENT DOCUMENTATION – The documents used to acquire goods or services from vendors.

CONTINGENCY CONTRACT – An agreement to deliver goods or services at a price to be determined either by the actual costs incurred while performing the service or producing the product or by the measured value realized after the service has been performed or the product has been used.

CONTRACT – A formal written legal agreement between two (2) or more parties, or a purchase order with binding legal and moral implications authorized or ratified by the appropriate authority and executed by the appropriate authority.

COUNCIL – The Council of the Corporation of The City of Dryden.

COUNCIL REPORT – A written report for presentation to Council, subject to review by the City Manager, requesting authority to proceed with the acquisition of goods or services.

DEPARTMENT MANAGER – The Department Manager or their designate.

DIRECTOR – For the purposes of this Chapter “Director” refers to City Manager, Director of Corporate Services, Director of Community Services, Director of Engineering and Public Works Services, Police Chief, Fire Chief, Telephone Manager, City Clerk, Library CEO, or their designate.

EMERGENCY – A situation or threat of an impending situation, where the immediate acquisition of goods or services is essential to provide community service; prevent serious delays, injury or further damage; or restore or maintain minimum essential services.

FAMILY – Includes a parent, spouse, same sex partner, child, all as defined in the Municipal Conflict of Interest Act.

LOWEST ACCEPTABLE BID – The most cost efficient and effective bid and shall be the sum of all costs, including but not limited to, purchase price, all taxes, delivery, installation, warranty, life cycle cost, operating and disposal costs incurred for determining the lowest acceptable bid meeting the specifications.

§ 170.2. Definitions. (Cont'd.)

MAJOR BID IRREGULARITY- 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 shall reject any bid, which contains a major irregularity.

MINOR BID IRREGULARITY - A “minor irregularity” is a deviation from the bid request, which affects form, rather than substance. The affect 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.

PRIVILEGE CLAUSE – The standard clause used in bid request documents and advertising that reads, in part, “the lowest or any tender not necessarily accepted”.

PROCURE – To acquire by purchase, rental, lease or trade.

PURCHASE ORDER – A written offer to procure goods and services or a written acceptance of an offer, made on the City’s numbered form, to acquire goods and services.

QUOTATION – A request for prices for the supply of specific goods and services from selected vendors, which is submitted verbally, in writing or transmitted by facsimile as specified as per *Schedule A – Purchasing Authorities and Responsibilities*.

RESPONSIBLE VENDOR – A vendor 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 (RFP) – A formal request for details on the supply of goods or the provision of services, which cannot be fully defined or specified at the time of request and includes a Request for Information or a Request for Quotation as per *Schedule A – Purchasing Authorities and Responsibilities*.

SINGLE SOURCE – There may be more than one source in the open market but for reasons of function or service only one vendor is recommended for consideration of the particular goods and/or services.

SOLE SOURCE – There is only one known source of supply of particular goods or services.

STANDING PURCHASE ORDER – 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 or services to the purchaser upon the purchaser’s demand.

SURETY – A specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and material bond, irrevocable letter of credit or any other form as deemed necessary and stated in any quotation, tender or request for proposal document issued by the City.

TENDER – A formal request for sealed bids for the supply of goods or services in response to a publicly advertised bid request and opened in public as per *Schedule A – Purchasing Authorities and Responsibilities*.

TREASURER – For the purposes of this Chapter “Treasurer” refers to the Director of Corporate Services or their designate.

§ 170.3. Principles and Goals.

The principles and goals of this Chapter are:

- A. To procure by purchase, rental or lease the necessary quality and quantity of goods and/or services, including professional and consulting services in an efficient, timely and cost effective manner.
- B. To encourage open competitive bidding for the acquisition and disposal of goods and services where practical and to ensure equitable treatment of all vendors.
- C. 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.
- D. To give full consideration to 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 City as a whole prior to determining the appropriate acquisition method.
- E. To encourage the procurement of goods or 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 applicable.
- F. To have regard to the accessibility for persons with disabilities for all goods, services and construction purchased by the City.

§ 170.4. General Conditions.

- A. Unless otherwise provided in accordance with this Chapter, the purchase of all goods and services shall be authorized in accordance with the provisions of *Schedule "A" – Purchasing Authorities and Responsibilities* of this Chapter.
- B. No goods shall be received or services commenced, greater than \$1,000.00, without the issuance of a Purchase Order or other form of contract.
- C. In the absence of the Treasurer or their designate, the City Clerk shall act as the authorized designate for this Chapter.
- D. Where a Director is authorized to undertake any act pursuant to this Chapter, such act may be undertaken by the Director's authorized designate.
- E. Any commitments being made where it is recommended that a contract be executed by the Mayor and Clerk must first be approved by Council.
- F. No expenditure or commitment shall be incurred or made and no account shall be paid by the City for goods or services, except as approved by Council or as otherwise authorized within the Chapter.
- G. The Treasurer, in consultation with the Director or Department Manager of the requisitioning Department may remove a vendor's name from the list of bidders for a period of two (2) years on the basis of documented poor performance, non-performance, or conflict of interest. A written notice of decision will be provided to the vendor by the Treasurer.
- H. Material Safety Data Sheets (MSDS) shall be maintained on file by the Departments for all relevant products acquired through the procurement process.

§ 170.4. General Conditions. (Cont'd.)

- I. When using the privilege clause which in part discloses that , “the lowest or any tender may not necessarily be “accepted”, the specific reasons must be stated why the bids may not be accepted and under what circumstances, in accordance with this Chapter.
- J. The Treasurer shall assist in developing evaluation criteria and submission analysis for all procurement needs.
- K. Prior to awarding any procurement of goods and/or services, the requisitioning Department may be required to forward recommendations to the Treasurer for final review and comments.
- L. All petty cash purchases shall exclude tendered goods and services unless approved by the Treasurer.
- M. A Director shall not award a contract where the Treasurer has determined that the provisions of this Chapter have not been adhered to and has so advised the Director.
- N. This Chapter does not apply to the sale, acquisition or disposal of Real Property.
- O. In addition to other reporting requirements set out in this Chapter, a report shall be submitted to Council by the requisitioning Department with the approval of the appropriate Director, prior to issuing a Tender/RFP or prior to an expenditure for the following circumstances:
 - (1) The lowest acceptable bid is not being recommended;
 - (2) When single source or sole sourcing of an acquisition is to be used;
 - (3) When the negotiation method of acquisition is used to secure an acceptable bid; or,
 - (4) For a non-budgeted expenditure.
- P. The following local boards are bound by this Chapter and reference to Council shall mean the governing body of each of the following local boards:
 - (1) Dryden Police Services Board.
 - (2) Dryden Library Board.

§ 170.5. Prohibitions.

The following activities are prohibited:

- A. The division of contracts to avoid the requirements of this Chapter by any method.
- B. The purchase by the City of any goods or services for personal use by or on behalf of any elected official, appointed officers, employees of the City or their family, for purposes other than the bona fide requirements of the City.
- C. No Council member, officer or employee of the City or their family shall personally obtain any goods that have been declared surplus unless through a public process.

§ 170.6. Responsibilities and Authorities.

A. Corporate Services Division.

- (1) To be responsible for the administration of the Corporate Procurement Chapter, and its associated policies, procedures and guidelines, and to continually review the corporate use of goods and/or services to ensure the City is receiving the best quality, quantity, service, price, etc.
- (2) To ensure that business transactions are conducted ethically and professionally.
- (3) The Treasurer may advise and assist in the preparation of Tenders, Request for Proposals and contracts over \$25,000.00.
- (4) The Treasurer shall provide support to City staff and act as the City's agent authorized to form contractual agreements with vendors for purchases over \$25,000.00.
- (5) The Treasurer shall have the authority to establish in any Department a Petty Cash Fund for such amount as the Treasurer may determine from time to time to be sufficient to make change and to pay small accounts, having regard to the requirements of the Department.
- (6) The Corporate Services Division is responsible for the Corporate Card Program outlined in the City of Dryden's Corporate Purchasing Card Policy and Procedures.
- (7) The Division shall also maintain records of business transactions as required.

B. Directors.

Directors are responsible for:

- (1) Ensuring all purchases of goods or services for the purposes of their Departments and for the purpose of those other entities on behalf of which the City is responsible by contract or otherwise for acquiring goods and services is performed in accordance with this Chapter.
- (2) Delegate acquisition authority to the appropriate levels in accordance with this Chapter. The Director shall set the appropriate limits within which Department Managers can approve acquisitions.
- (3) Ensure that responsible and qualified vendors receive requests for Tender, Request for Proposals, Quotations or Prices.
- (4) Dispose of all assets, as required, including surplus and scrap as per § 170.13.
- (5) Ensure that all business transactions are conducted ethically and professionally.
- (6) To advise and assist Departments in the preparation of Tenders, Request for Proposals and contracts for all purchases and approve the related documents prior to being issued.
- (7) Authorize the issuance of purchase orders/contracts as per *Schedule A – Purchasing Authorities and Responsibilities*.

§ 170.7. Acquisition Process.

A. General Acquisitions.

- (1) The Treasurer shall have the authority to establish policies and procedures for the issuance of all purchase orders or standing purchase orders for goods and services, for Corporate Purchasing Cards, non-standard items, and consulting and professional services provided that proper authorization has been obtained from Council, and/or the appropriate Director, as applicable.
- (2) Subject to all applicable City policies and procedures a purchase order is not required for the goods and services referred to in *Schedule "B" – Exemptions*.

B. Tenders/Request for Proposals.

Tenders/Request for Proposals shall be called for all goods and services with an estimated value exceeding \$25,000.00 and for Consultant Contracts with an estimated value exceeding \$5,000.00 by way of a public Tender or Request for Proposal, as outlined in *Schedule "A" – Purchasing Authorities and Responsibilities*.

(1) Acquisition Documentation.

- (a) The requisitioning Department shall initiate the procurement process by preparing the required documents, with input and final approval of the documents from the Treasurer, if required.
- (b) The requisitioning Department shall be responsible for the preparation and approval of all specifications to be used in the acquisition of such goods and services.
- (c) Bid Bonds and Performance and Labour bonding are required for all purchases over \$100,000.00. Purchases of lesser value may include bonding requirements such as security deposits as determined by the Director if it is deemed in the best interest of the City.

(2) Notification of Procurement Opportunities.

- (a) Public Tenders/Request for Proposals are to be advertised on the City of Dryden website, in the local and regional newspapers and through electronic advertising, as appropriate.
- (b) Pre-Qualification.

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

- (c) The Director shall send a draft advertisement for the Tender/ Request for Proposal and associated documents to the Clerk's Office for review, to ensure that all provisions other than specifications have been included in the proper format.

§ 170.7. Acquisition Process. (Cont'd.)

B. Tenders/Request for Proposals. (Cont'd.)

(3) Bid Submissions.

- (a) All bid submissions shall be clearly addressed to the City Clerk, 30 Van Horne Avenue, Dryden, Ontario, P8N 2A7, and returned in a sealed envelope.
- (b) The City Clerk's office shall receive all sealed bid submissions and mark with a date and time-stamped receipt.

(4) Withdrawal.

Requests for the withdrawal of a bid shall be allowed if the request is made before the closing deadline for the bid request to which it applies. All requests to withdraw shall be made to the City Clerk by letter or in person, by a Representative of the company, with a signed withdrawal letter confirming the details. Telephone requests will not be considered. The withdrawal of the bid does not disqualify a bidder from submitting another bid on the same contract.

(5) Cancellation.

When in the opinion of the City it is advisable to cancel a Tender/Request for Proposal call, an advertisement shall be inserted in the same media originally used stating that the tender has been cancelled, the reason for such cancellation and whether or not the Tender/Request for Proposal will be recalled. Each person who obtained tender documents shall be mailed written notice of the cancellation of the tender and all tenders received shall be returned unopened to the bidder.

(6) Tender/Request for Proposal Opening.

- (a) Bids received by the City Clerk's office shall be opened by the City Clerk or designate at the time and location specified in the Bid Request. The names and proponents of the bids shall be read out. The prices contained in bids only, where appropriate in the discretion of the City Clerk, shall also be read out. The prices contained in Request for Proposals shall not be read out. All bidders and other interested members of the public shall be entitled to be present when the information is read out.
- (b) The City Clerk shall record and maintain a record of each tender opening and distribute as appropriate.

(7) Evaluation and Award of Tender/Request for Proposal.

- (a) Tenders/Request for Proposals shall be tabulated and evaluated by the requisitioning Department.
- (b) Each Tender/Request for Proposal shall be reviewed to determine whether a bid irregularity exists, and action shall be taken according to the nature of the irregularity as set out in *Schedule "C" – Bid Irregularities*.
- (c) The Treasurer shall 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 Manager.
- (d) The Treasurer, a Solicitor, and/or a Director shall be responsible for all actions taken in dealing with bid irregularities, and acts in accordance with the nature of the irregularity:

§ 170.7. Acquisition Process. (Cont'd.)

B. Tenders/Request for Proposals. (Cont'd.)

(7) Evaluation and Award of Tender/Request for Proposal. (Cont'd.)

- (e) In the event that the vendor withdraws their bid due to the identification of a major irregularity, the City may disqualify such vendor from participating in City Quotations/Tenders/Requests for Proposals for a period of up to one (1) year.

(8) Commitment Documentation.

A Council Report may be required to be prepared for Council consideration and approval of the tender by the requisitioning Department Manager as per *Schedule A – Purchasing Authorities and Responsibilities*.

(9) Commitment Authority.

Following Council's approval to award the Tender/Request for Proposal, the Director shall issue either a purchase order or ensure that a contract, which commits the City, is forwarded to the City Clerk for Council approval by by-law as outlined in *Schedule "A" – Purchasing Authorities and Responsibilities*.

§ 170.8. Contingency Contracts.

All contingency contracts must be approved by the Treasurer.

§ 170.9. Cooperative Ventures.

The City may participate with other government agencies or public authorities in cooperative acquisition ventures where it is in the best interests of the City to do so. The policies and procedures set out by the agency responsible for the venture shall be followed and not those detailed in *Schedule A – Purchasing Authorities and Responsibilities* unless the City is the lead agency.

§ 170.10. Emergency Procurement.

- A. When an emergency occurs, the Director has the authority to issue a purchase order upon receiving a written or verbal request from the Department Manager concerned, for goods or services required. The Director shall notify the Treasurer, as soon as possible of the emergency purchase of goods or services.
- B. After the emergency is over, any expenditure over and above this Chapter's authorization shall be reported in accordance with this Chapter.
- C. Where the emergency falls within the scope of By-law 2947-2004 – Emergency Plan – City of Dryden, the terms of that By-law shall apply.

§ 170.11 In-House Bids.

In-house bids may be used for the procurement of goods or services when it is determined by Council that a good or service can be most effectively provided by existing City resources.

§ 170.12. Lease Financing.

In certain circumstances, it may be economically advisable for the City to enter into a financing lease to acquire the rights to use capital property and equipment rather than an outright purchase. The requirements and details for leasing opportunities are outlined in *Schedule "A" – Purchasing Authorities and Responsibilities* and in City Policy.

§ 170.13. Disposal of Surplus Goods.

- A. The Director shall notify the Treasurer once any item has been deemed as surplus goods for sale or disposal. If the value of the goods is greater than \$5,000.00, the Director shall obtain the approval of the City Manager prior to the sale or disposition of the surplus goods.
- B. The Director shall circulate a list of surplus goods available to all Departments, prior to the sale or disposition of such items. Distribution of surplus goods to other Departments shall be at no charge.
- C. Surplus goods not required by any other Department shall be sold or disposed of by the Director via formal auction, tender, quotation or trade-in. Any remaining surplus goods may be awarded to a non-profit entity by approval of Council. The disposition shall be documented with a Sales Invoice. Revenue generated from the sale of surplus goods shall be credited to the appropriate equipment replacement reserve for future allocation.

§ 170.14. Conflict of Interest.

All consultants retained by the City shall disclose to the City prior to accepting an assignment, any potential conflict of interest. If such conflict of interest does exist, the City as directed by the Director may, at its discretion, withhold the assignment from the consultant until the matter is resolved. And furthermore, if during the conduct of a City assignment, a consultant is retained by another client giving rise to a potential conflict of interest, the consultant shall then so inform the City.

§ 170.15 Guarantee of Contract Execution and Performance.

- A. The City may require that a bid be accompanied by a Bid Bond or other similar security to guarantee entry into a Contract.
- B. Prior to the commencement of the work, the successful bidder may be required to provide the following security in addition to the security referred to in A:
 - (1) A performance bond to guarantee the performance of a Contract;
 - (2) A payment bond to guarantee the payment of labour and materials to be supplied in connection with the contract.
 - (3) The bidder shall select the appropriate means to guarantee execution and performance of the contract. Means may include one or more of, but are not limited to, certified cheque, bank draft, irrevocable letter of credit, money order, and where appropriate, a bid bond issued by an approved guarantee company properly licensed in the province of Ontario, on bond forms acceptable to the City.
 - (4) Prior to the commencement of work, evidence of insurance coverage satisfactory to the City must be obtained, ensuring indemnification of the City from any and all claims, demands, losses, costs or damages resulting from the performance of a Bidder's obligations under the contract and from any other risk determined by the City as requiring coverage.
 - (5) All successful bidders performing work on City property shall provide evidence from the Workplace Safety and Insurance Board showing all premiums or levies have been paid to the WSIB to the date of payment to be eligible for specified works.

§ 170.16. Performance Evaluation.

- A. At the completion of every contract for goods and/or services over \$10,000.00, the requisitioning Department Manager shall be responsible to complete a Performance Evaluation Form. All requisitioning Departments are encouraged to follow this practice for all contracts regardless of dollar amount especially where valuable performance appraisals need to be shared with other divisions.
- B Documented poor performance or non-performance on City contracts shall be used to determine the eligibility of a bidder as “lowest acceptable bid”, and their eligibility to remain on the Vendor List.

§ 170.17. Access to Information.

The disclosure of information received relevant to the issue of Bids or the award of contracts emanating from Bid Requests shall be in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56, as amended and the Personal Information Protection and Electronic Documents Act, 2000, c.5.

§ 170.18. Review.

This Chapter shall be reviewed every five (5) years or earlier to evaluate its effectiveness in achieving the goals and objectives set out in subsection 170.3 of this Chapter, as well as the requirements of the Municipal Act, 2001, as amended.

- 2. THAT City of Dryden Policy FI-PR-01 – Procurement is hereby rescinded.
- 3. THAT this By-law shall come into force and take effect on the final passage hereof.

ENACTED AND PASSED THIS 3RD DAY OF OCTOBER 2005 A.D. as witnessed by the Corporate Seal of The Corporation of The City of Dryden and the hands of its proper Officers duly authorized in that behalf.

THE CORPORATION OF THE CITY OF DRYDEN

Mayor

Clerk

READ A FIRST AND SECOND TIME THIS 3RD DAY OF OCTOBER 2005 A.D.

READ A THIRD TIME AND PASSED AS READ THIS 3RD DAY OF OCTOBER 2005 A.D.

SCHEDULE “A” – Purchasing Authorities and Responsibilities

1	Acquisition Authority	2	Acquisitions Documentation	3	Acquisition Method	4	Commitment Authority	5	Commitment Documentation
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Purchases Types / Values		Up to \$5,000.00	\$5,001.00 to \$25,000.00	\$25,001.00 to \$100,000.00		Over \$100,000.00
General Purchases	1	Director or as delegated	Director or as delegated	Director or as delegated		Council or delegated to Director
	2	As within Departmental Budget	Interoffice Memorandum	Council Report		Council Report
	3	Min. 3 Verbal/Written Quotations	Min. 3 Written Quotations	Tender/Request for Proposal		Tender/Request for Proposal
	4	Director or as delegated	Director or as delegated	Director or as Delegated	Mayor and City Clerk	Mayor and City Clerk
	5	Purchase Order required for all purchases greater than \$1,000.00	Purchase Order	Purchase Order	Contract	Contract
Construction Contracts	1	Director or as delegated	Director or as delegated	Director or as delegated		Council or as delegated to Director
	2	As within Departmental Budget	Council Report	Council Report		Council Report
	3	Min. 3 Verbal/Written Quotations	Min. 3 Written Quotations	Tender/Request for Proposal		Tender/Request for Proposal
	4	Director or as delegated	Mayor and City Clerk	Mayor and City Clerk		Mayor and City Clerk
	5	Purchase Order required for all purchases greater than \$1,000.00	Contract	Contract		Contract
Consultant Contracts	1	Director or as delegated	Director or as delegated	Director or as delegated		Council or as delegated to Director
	2	As within Departmental Budget	Council Report	Council Report		Council Report
	3	Discretionary	Request for Proposal	Request for Proposal		Request for Proposal
	4	Director or as delegated	Mayor and City Clerk	Mayor and City Clerk		Mayor and City Clerk
	5	Purchase Order required for all purchases greater than \$1,000.00	Contract	Contract		Contract
Term & Service Agreements	1	Director or as delegated	Director or as delegated	Director or as delegated		Council or as delegated to Director
	2	As within Departmental Budget	Council Report	Council Report		Council Report
	3	Discretionary	Min. 3 Written Quotations	Tender/Request for Proposal		Tender/Request for Proposal
	4	Director or as delegated	Mayor and City Clerk	Mayor and City Clerk		Mayor and City Clerk
	5	Purchase Order required for all purchases greater than \$1,000.00	Contract	Contract		Contract
Operating/Rev. Agreements	1	Director or as delegated	Director or as delegated	Director or as delegated		Council or as delegated to Director
	2	As within Departmental Budget	Council Report	Council Report		Council Report
	3	Discretionary	Min. 3 Written Quotations	Tender/Request for Proposal		Tender/Request for Proposal
	4	Director or as delegated	Mayor and City Clerk	Mayor and City Clerk		Mayor and City Clerk
	5	Purchase Order required for all purchases greater than \$1,000.00	Contract	Contract		Contract
Rental & Lease Agreements (TOTAL AMOUNT)	1	Director or as delegated	Director or as delegated	Director or as delegated		Council or as delegated to Director
	2	As within Departmental Budget	As within Departmental Budget	As within Departmental Budget		Council Report
	3	Discretionary	Discretionary	Discretionary		Discretionary
	4	Director or as delegated	Director or as delegated	Director or as delegated		Director or as delegated
	5	Purchase Order required for all purchases greater than \$1,000.00	Purchase Order	Purchase Order		Purchase Order
Recurring or Non – Competitive Expenditures	1	Director or as delegated	Director or as delegated	Director or as delegated		Council or as delegated to Director
	2	As within Departmental Budget	As within Departmental Budget	As within Departmental Budget		Council Report
	3	Discretionary	Discretionary	Discretionary		Discretionary
	4	Director or as delegated	Director or as delegated	Director or as delegated		Director or as delegated
	5	Purchase Order required for all purchases greater than \$1,000.00	Purchase Order	Purchase Order		Purchase Order
“Schedule B”						

SCHEDULE “B” – Exemptions.

Part I

Subject to all applicable City policies and procedures a purchase order is not required for the following goods or services:

- A. (Reimbursement From) Petty Cash.
- B. Training and Education.
 - (1) Conferences;
 - (2) Courses;
 - (3) Conventions;
 - (4) Memberships;
 - (5) Seminars;
 - (6) Periodicals/Magazines/Subscriptions; and,
 - (7) Staff Training/Development/Workshops.
- C. Refundable Employee Expenses.
 - (1) Advances;
 - (2) Meal Allowances;
 - (3) Travel Expenses;
 - (4) Entertainment;
 - (5) Miscellaneous – Non Travel;
 - (6) Hotel Accommodation; and,
 - (7) Mileage Allowance – Vehicle.
- D. City’s General Expenses.
 - (1) Payroll Deduction Remittances;
 - (2) Medical and Dental Expenses;
 - (3) Licenses (vehicles, elevators, radios, etc.);
 - (4) Debt Payments;
 - (5) Grants to Agencies;
 - (6) Payments of Damages;
 - (7) Petty Cash Replenishment;
 - (8) Tax Remittances;
 - (9) Charges to or from other Government bodies or Crown Corporations; and,
 - (10) Real Property payments including Land, Buildings, Leasehold Interests, Easements, Encroachments and Licenses, or the like.
- E. Professional and Special Services.
 - (1) Committee Fees;
 - (2) Witness Fees;
 - (3) Appraisers; and,
 - (4) Legal Settlements.
- F. Utilities.
 - (1) Postage;
 - (2) Charges to other Government bodies;
 - (3) Hydro;
 - (4) Gas;
 - (5) Telephone Service Charges; and,
 - (6) Cable Television Charges.

SCHEDULE “C” – Bid Irregularities.

For the purposes of the Chapter, bid irregularities are further classified as “major irregularities” or “minor irregularities”.

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 <u>deminimus</u> (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 otherwise specified in the request
13.	EXECUTION OF BID DOCUMENT Proof of authority to bind is missing	X		Automatic rejection

SCHEDULE C – Bid Irregularities (Cont’d)

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
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	Two (2) working days to correct initial errors. City reserves the right to waive initialing and accept bid
16.	Uninitiated changes to the request documents which are minor (ie; the bidder’s address is amended by overwriting but not initialed)		X	Two (2) working days to correct initial errors. City reserves the right to waive initialing 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 initialed		X	Two (2) working days to correct initial errors. City reserves the right to waive initialing and accept bid
19.	Other mathematical errors which are not consistent with the unit prices		X	Two (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 Manager will review minor irregularities not listed. The Treasurer may then accept the bid, or request that the bidder rectify the deviation.