

**THE CORPORATION OF  
THE MUNICIPALITY OF TEMAGAMI**

**BY-LAW 09-865**

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**A BY-LAW TO ESTABLISH PURCHASING POLICIES  
AND PROCEDURES FOR THE MUNICIPALITY OF TEMAGAMI**

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**NOW THEREFORE BE IT RESOLVED THAT** the Council for the Corporation of the Municipality of Temagami enacts as follows:

**1.0 PURPOSE**

**1.1 LEGISLATIVE AUTHORITY:**

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

- a) The types of procurement processes that shall be used;
- b) The goals to be achieved by using each type of procurement process;
- c) The circumstances under which each type of procurement process shall be used;
- d) The circumstances under which a tendering process is not required;
- e) The circumstances under which in-house bids will be encouraged as part Of a tendering process;
- f) How the integrity of each procurement process will be maintained;
- g) How the interests of the municipality or local board, 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(a).

**1.2 PURPOSE OF PURCHASING POLICY**

1.2.1 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.

1.2.2 An open and honest process shall be maintained that is fair and impartial.

1.2.3 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.

**2.0 DEFINITIONS:** in this By-law,

<b>“Bid”</b>	shall mean a specific price for specific works.
<b>“Buyer”</b>	those individuals that are designated by Chief Administrative Officer to procure goods and services for the Corporation.
<b>“Consultant”</b>	shall mean a provider of architectural, engineering or consulting services.
<b>“Contract”</b>	shall mean a written agreement authorized or ratified by the appropriate authority and executed by the appropriate authority.
<b>“Emergency”</b>	shall mean a situation where serious delay may affect the life and health of the general public, prevention of serious damage, and the restoring of essential service levels to a minimum level.
<b>“Expanded Works”</b>	shall mean approved construction projects in which an unexpected problem arises during construction, which does not expand the scope of the project but is necessary in order to deliver the original approved work.
<b>“Expression of Interest”</b>	shall mean a call by the Municipality to suppliers to express interest for the provision of alternate options which cannot be fully defined or specified at the time of the request, and shall include development proposals.
<b>“Forms”</b>	shall mean the standard documents as provided as part of the purchasing procedure guideline.
<b>“Goods”</b>	shall include all supplies, materials, equipment, general maintenance and service construction contracts, construction maintenance, food, drugs and the procurement of professional services.
The word <b>“his”</b>	shall in all cases mean his or her and <b>“he”</b> shall in all cases mean he or she.
<b>“Inquiry”</b>	shall mean a formal request for a quotation.
<b>“Local supplier”</b>	shall mean a supplier located in the Municipality of Temagami for purposes of a Municipality of Temagami purchase.
<b>“Public Advertisement”</b>	shall mean advertisement conforming to the Municipal Notice By-law.
<b>“Purchase Order”</b>	shall mean a written offer to procure goods and services or a written acceptance of an offer, made on the Municipality’s numbered form, to acquire goods and services.
<b>“Quotation”</b>	shall mean a written request for vendor bids for the supply of goods or services, from the selected sources of supply, not opened in public.
<b>“Request for Proposal”</b>	shall mean 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 the request.
<b>“Sole Source”</b>	shall mean there is only one known source of supply of particular goods or services.

- “Standing Order”** shall mean an 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. This may be for a period not exceeding two (2) years.
- “Tender”** shall mean a formal request for sealed bids for the supply of goods or services in response to an advertised invitation, opened in public.
- “Time-sensitive Works”** shall mean works for which the timing to initiate and/or complete the works is paramount but the time available to follow normal procedures is insufficient.

### 3.0 POLICY STATEMENT

#### 3.1 General

All purchases of goods and services for the Municipality of Temagami shall be subject to the provisions of this By-law. Prices and Authority Levels as stated in this By-law are intended to be before tax amounts.

In the event that a Department chooses to ask a Consultant to coordinate the procurement of goods, works and services, then it shall be the responsibility of the respective Department head to ensure that all conditions of this by-law are adhered to.

- 3.2 Where an employee of the Municipality of Temagami will have any interest, directly or indirectly, in any contract for goods or services, they shall disclose the interest and the general nature thereof in writing to the approval authority, prior to the contract being considered or awarded. They shall not attempt in any way to influence the decision of the awarding of the contract. Where the employee is the one responsible for the decision making, and or the supervisory role after the contract is awarded, they shall notify their supervisor in writing prior to the awarding of the contract, in order that someone else may be delegated the decision making and/or the supervisory authority.

If a Department Head has a direct or indirect interest and is responsible for the quote or tender, the process shall be undertaken by a designate appointed by Council.

- 3.3 No purchase of goods and services shall be authorized unless it is in compliance with the Purchasing Policy and Procedures. 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.
- 3.4 Disputes, received in writing, shall be resolved as follows:
- i. Meeting between the bidder and Department Head responsible;
  - ii. If (i) does not lead to a resolution the decision can be appealed to the Treasurer or to the Chief Administrative Officer;
  - iii. If (ii) does not lead to a resolution, the decision can be appealed to the Council.

3.5 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.

#### 4.0 EXCEPTIONS

The purchasing methods described in this by-law do not apply to the following Goods and Services:

##### 4.1 Training and Education:

- 1) Registration and Tuition fees for conferences, conventions, courses and seminars
- 2) Magazines, books and periodicals unless the purchase of such magazine books and periodicals are subject to value-added services
- 3) Memberships

##### 4.2 Refundable Employee/Councillor Expenses

- 1) Advances
- 2) Meal allowances
- 3) Travel and entertainment
- 4) Miscellaneous – Non-Travel

##### 4.3 Employer's General Expenses

- 1) Payroll deductions remittances
- 2) Medical
- 3) Licenses (Vehicle, firearms, etc.)
- 4) Debenture payments
- 5) Grants to agencies
- 6) Damage claims
- 7) Petty cash replenishment
- 8) Tax remittances

##### 4.4 Professional and Special Services

- 1) Committee fees
- 2) Legal fees and other Professional Services necessary for receiving timely and accurate advice and assistance
- 3) Funeral and burial expenses
- 4) Witness fees
- 5) Contracts related to the provision of 'controlled acts' by persons "governed by a health profession Act", as those expressions are used in the *Regulated Health Professions Act*, S.O. 1991, c.18, as amended
- 6) Veterinary expenses

##### 4.5 Utilities

4.6 Advertising services required by the Municipality on or in but not limited to radio, television, newspaper and magazines

##### 4.7 Bailiff or collection agencies

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

## **5.0 ESTABLISHING PRICE RANGE**

- 5.1 Purchase prices shall be obtained as per the table in appendix A.
- 5.2 Two or more purchases shall not be issued for portions of any single item if the total amount of the purchase orders exceeds the amount authorized (see Approval Levels).
- 5.3 Notwithstanding the provisions of this By-law, emergency purchase of goods, works and services may be made by the Chief Administrative Officer or his delegate, in the case of an emergency. The immediate purchase must be essential to prevent delays in the work of any user group, which might involve additional costs or danger to life and damage to property. In all such cases, an information report to the Council shall be prepared by the respective Department Head, setting out the nature of the emergency and the necessity of the action taken pursuant to this clause.

## **6.0 APPROVALS – for items already approved in the budget**

- 6.1 Formal approval of the annual budget constitutes financial approval to proceed with the purchases subject to any scheduling or priority considerations as may be deemed necessary by Council and as outlined by the Purchasing Policies.
- 6.2 Prior to the passing of the annual operating budget, each Department shall be allowed an interim appropriation of thirty (30%) of the previous year's approved operating budget, and such interim appropriation shall be deemed to be for routine operating and recurring expenditures or statutory purposes unless otherwise directed by Council.

## **7.0 INVENTORY**

- 7.1 Each Department Head has the ability to establish inventories to ensure an efficient method of managing the delivery of goods. Minimum and maximum levels shall be established for each inventory item. Purchases in respect of inventory are subject to the provisions of this By-law.

## **8.0 TENDERING PROCEDURES**

The following purchasing procedures shall apply to the purchase of goods and services:

8.1 Those referenced in 6.3 are authorized to order goods and services provided that:

- i) the lowest bid received is accepted;
- ii) the bid amount is within the budget;
- iii) the lists of bids received are retained for inspection by the Municipal Auditors and appropriate Municipal Officials.

The lowest, or any bid, need not necessarily be accepted, but if anything other than the lowest bid is accepted, there must be a valid reason for doing so, which must be documented.

8.2 The Department Head shall be permitted to award contracts in excess of \$25,000 with written recommendation to Council and upon receipt of delegated authority of Council, subject to such conditions as may be imposed, and when all of the following criteria have been met:

- i) there is sufficient approved budget;
- ii) all procedures for the establishment of pricing in this By-law have been followed;
- iii) the lowest tender is accepted;
- iv) at least three tenders (where possible) have been received.

8.2.1 The Treasurer shall provide an information report to Council on a quarterly basis or as required, documenting the approval of tenders and the awarding of contracts for the period.

8.3 When identical low bids are received, the Treasurer or designate, shall determine the low bidder by checking three references for each bidder.

8.4 **(i) Tender Bid Process**

The following bidding procedures shall apply to the purchase of all types of goods, works and services as determined in Section 3.1 of this By-law - "by advertised tender":

In all cases, tenders shall be coordinated in conjunction with the Chief Administrative Officer. The Treasurer will ensure:

- 1) completeness of documentation;
- 2) advertisements are arranged;
- 3) closing dates and tender openings are scheduled;
- 4) vendors contact for information is appropriate.

From time to time based on the nature of the project work, and as directed by the responsible Department Head, a contractor prequalification may be required. When this prequalification applies, contractors must provide the necessary documentation on prescribed forms acceptable to the Municipality.

For construction tenders, the Municipality will look at acting as the general contractor when it would be in the best interest of the Municipality.

**A - Advertising**

Competitive Sealed bids (tenders) shall be called by Public Advertisement.

**B - Release of information to Bidders**

Upon the request of a prospective bidder, the Treasurer shall supply the following material for each contract:

- i) one copy of the Official Tender Bid form
- ii) one standard Tender Bid envelope
- iii) submission material, e.g. specifications, plans, profiles, etc.

When a fee for submission materials/documents is required, it shall be paid to the Municipality. When a fee is refundable it will be returned when submission materials/documents are returned in good order.

### **C - Recording and Control of Submission Material**

The Chief Administrative Officer shall maintain a list of Prospective bidders for issuing submission material/documents.

It is essential that names and addresses are recorded when Bids are released to facilitate distribution of addenda and when necessary, to extend or cancel a contract under call.

### **ii) Changes to Tenders Under Call**

### **D- Preparation of an Addendum**

Interpretations should be made in reply to queries from bidders only, in the form of a written addendum.

When it becomes necessary to revise, delete, substitute or add to specifications for a contract under call, the Treasurer shall coordinate the issuance of an addendum or cancel the contract.

### **E- Notification of Addenda to Contractors / Suppliers**

A copy of each addendum shall be forwarded to each contractor / supplier who obtained bid forms for the contract. A copy of the addendum notice shall also be stapled to each bid form not yet distributed.

### **F - Notification to Contractors / Supplies of Cancellation of Contract**

Each contractor / supplier who received bid documents shall be notified of the cancellation of the contract.

### **G - Return of Submissions on Cancellation of Contracts**

When a contract is cancelled, no bids will be accepted. Any submissions inadvertently received shall be returned unopened to the contractor / supplier by hand or by registered mail, with a covering letter.

### **H - Notification to Contractors / Suppliers of Extension of Time**

Each contractor / supplier who received documents shall be notified of the extension of time.

### **I - Disposition of Tender Bids When Closing Date has been Extended**

When the closing date for receiving bids has been extended, bids already received shall be handled as follows:

- (a) If the extension of time is four weeks or less, the contractor / supplier shall be advised that his bid will be returned upon request.
- (b) If the extension of time is more than four weeks, all bids shall be returned unopened.

For this section, all communications shall be by registered mail.

## **8.5 Submission Requirements**

### **A - Tender Bid Requirements**

All tender bids shall either be mailed or delivered in a sealed envelope to the Chief Administrative Officer or Treasurer. Email or facsimile submissions will not be accepted.

Tender Bids are required to conform to the conditions listed below:

- (a) The correct Tender Bid Form, as supplied by the Municipality, must be used and in the possession of the Chief Administrative Officer or Treasurer, on or before the Closing Date, and Time. TENDER BIDS RECEIVED AFTER CLOSING TIME WILL NOT BE CONSIDERED.
- (b) The tender bid must be legible, written in ink or typed, with the unit price for each item and other entries clearly shown, unless the bid form specifically permits otherwise.
- (c) The tender bid must not be restricted by a statement added to the tender bid form or a covering letter, or must not have alterations to the tender bid forms, unless requested by the Municipality.
- (d) Adjustments by telephone, facsimile, email or letter for a bid already received will not be considered. A Bidder desiring to make adjustments to a bid must withdraw the submission and/or supersede it with a later bid offer.
- (e) The submission form must be signed and initialled in the space(s) provided on the form, with the signature of the bidder, or of a responsible official of the contractor/supplier bidding. If a joint bid is submitted, it must be signed on behalf of each of the bidders, and if the signing authority for both bidders is vested in one individual, he shall sign separately on behalf of each bidder. In the case of an incorporated company, the corporate seal must be affixed on the bid form.
- (f) Erasures, overwriting or strike-outs must be initialled by the person signing on behalf



of the contractor/supplier bidding.

- (g) Tender bids must be accompanied by a certified cheque, bank draft, money order and/or bid bond made payable to the Corporation of the Municipality of Temagami, equal to or greater than the amount specified in the submission, AND MUST BE ENCLOSED IN THE SAME ENVELOPE AS THE TENDER BID. Proof of Bonding must be furnished before a contract is awarded, no later than 10 days following the award of the tender.
- (h) No tender deposit cheque is required for the supply of materials, nor for work or the supply of equipment.

**B - Deposit Requirements**

Unless otherwise specified, the refundable deposit requirements for submissions shall be as follows:

<u>TOTAL AMOUNT OF TENDER BID</u>	<u>MINIMUM DEPOSIT REQUIRED</u>
\$50,000 or less	15%
over \$50,000	25%

The form for bid deposits shall be certified cheque, bank draft, money order and/or bid bond issued by an approved Guarantee Company properly licensed in the province of Ontario, on Canadian Construction Documents Committee (CCDC) bond forms acceptable by the Municipality.

**C - Failure to Observe Tender Bid Requirements**

If any of the tender bid requirements (Section 8.5 A and B) have not been met, the bid shall be considered to be improper and dealt with as set out in Section 8.7 A.

**D - Submission Material**

The requirements of Sections 8.5 A and B shall be included as part of the submission material.

**E - Receiving of Tender Bids**

(a) Submission Box

A locked box shall be maintained under the control of the Chief Administrative Officer or Treasurer for the reception and safekeeping of tender bids.

(b) Time and Date Stamping and Recording of Tender Bids

When a tender bid is received, the envelope shall be time and date stamped. If a time stamp not available, the time received shall be noted in ink and initialled by the Chief Administrative Officer or Treasurer. Receipt of each bid shall be recorded.

Submissions shall be deposited unopened in the proper lock submission box. The bids shall be deemed received when the envelope has been stamped with the time and date of receipt by the Chief Administrative Officer or Treasurer or designate.

(c) Late Submissions

Regardless of the time a tender bid is received, the envelope shall be time and date stamped. If the tender bid is for a contract already closed, it shall be returned unopened to the bidder. If a tender bid is to be returned by mail, it shall be accompanied by a covering letter.

If a late tender bid is received without a return address on the envelope, it shall be opened, address obtained and then returned. The covering letter should state why the envelope could not be returned unopened.

(d) Action on Correspondence Pertaining to Adjustments, Corrections or Restrictions to a Tender Bid

Any correspondence, pertaining to adjustments, corrections or restrictions to a bid, which is received with a bid, but outside the submission envelope, or is received after a bid has been submitted, but prior to closing time, shall not be considered {see Section 8.5 A (d) }. Depending on the time available, the bidder shall be advised by mail or phone of the withdrawal procedures.

8.6 Withdrawal of Tender Bids

A - Withdrawal of Bids Prior to Opening

A contractor/supplier, who has submitted a tender bid, may request that it be withdrawn. Adjustments or corrections to a submission will not be allowed. The withdrawal shall be allowed if the request is made prior to the closing time for the contract to which it applies. Withdrawal requests must be directed to the Chief Administrative Officer or Treasurer by letter, facsimile or in person. Telephone requests shall not be considered.

When withdrawals are made in person, the Chief Administrative Officer or Treasurer shall obtain a signed withdrawal confirming the details. If the person is other than a Senior Official of the Company and for letter or facsimile withdrawals, the authenticity of the request must be confirmed by telephoning a responsible Official of the Company.

Withdrawal requests received after the contract closing time will not be allowed. The party concerned shall be informed that the withdrawal request arrived too late for consideration. However, when the bids are read out at the bid opening, and if it is the lowest bid on a contract, the bidder may then proceed in accordance with Section 8.6 C.

The withdrawal of a bid prior to the closing date does not disqualify a bidder from submitting another offer on the same contract.

B - Withdrawal of Submissions during the Opening

At the conclusion of the reading out of bids on a contract, a low bidder may withdraw any of his remaining bids on other contracts. Withdrawn bids under this procedure cannot be reinstated. If more than one bid is read out under the same name for the same contract and no withdrawal notice has been received, then Section 8.6 C. (g) shall apply.

### C - Opening of Submission

(a) Public Opening of Submissions

Opening shall be open to the public.

(b) Action to "Unknown" Bids at Opening

Any bid that does not have the contract number on the envelope shall be opened and placed with its appropriate group.

(c) Action on Correspondence found Enclosed in Submission Envelope

If correspondence is found enclosed with a bid in the envelope which, in the opinion of the Chief Administrative Officer or Treasurer, could qualify the bid in any way, that submission shall initially be considered improper and shall be so noted in the record. The correspondence and the bid shall be referred to the Chief Administrative Officer or Treasurer for decision as to the acceptance or rejection (See Section 8.7 A).

(d) All Bids Received Must be Accounted For

When bids have been opened and sorted, the Chief Administrative Officer or Treasurer shall check the Listing of Bids received, and the number opened to ensure that all submissions are accounted for. If a discrepancy occurs, the opening proceedings shall be delayed until all bids have been accounted for.

(e) Reading Out of Bid Amounts, and Listing of Information

When all bids have been accounted for, the Chief Administrative Officer and Treasurer or designate shall announce for each project, the bid number, and the number of bids received, the name of the bidder and total bid amount, simultaneously recording the name of each bidder, the bid amount and the deposit cheque amount on a bid opening form.

(f) Action When Correspondence Requesting Withdrawal Attached to the Bid

When, during the reading out of submissions, the Chief Administrative Officer or Treasurer receives a bid that has correspondence requesting withdrawal attached, he shall read out the bid number and the bidder's name and indicate to those in attendance that the bid is one previously announced as withdrawn at the request of the bidder, (see Section 8.6 B). The bidder's name for each withdrawn bid shall be recorded immediately following the names of the bidders whose submissions will be considered, noting the method and date of withdrawal.

(g) More Than One Submission Under Same Name

During the reading out of tenders, the Chief Administrative Officer or Treasurer shall check for more than one bid under the same name (without a notice of withdrawal). If this situation occurs, each bid shall be documented and referenced in a manner as "A", "B", "C", etc. and shall be dealt with as normal bids.

(h) Preparation of Notice of Withdrawal of Submission

A contractor/supplier (read out aloud as low bidder on a previous bid) who desires to withdraw a bid(s) during an opening shall attest in writing to his identity and state the contract(s) on which he desires to withdraw. The Notice of Withdrawal of the bid must be signed by the contractor/supplier. This notice must be handed to the Chief Administrative Officer or Treasurer before the reading out of the first bid on the contract(s) to which it applies (see Section 8.6 B). The Chief Administrative Officer or Treasurer shall attach it to the applicable submission.

The Chief Administrative Officer or Treasurer shall read out the bidder's name and announce that the bid has been withdrawn in accordance with established procedure.

The Chief Administrative Officer or Treasurer shall not read out the bid amount of a withdrawn submission.

**NOTE:** *A contractor/supplier who withdraws a bid on the strength of being read out as low bidder on a previous contract, does not have the right to reinstate the withdrawn bid if subsequent checking proves that his bid on the previous contract was not in fact, low.*

**D - Checking Bids**

The submissions will be checked to determine whether,

- (i) all requirements have been met,
- (ii) all unit prices have been correctly extended,
- (iii) the extensions have been correctly totalled.

**8.7 Award Process**

**A - Basis of Decisions on Acceptance or Rejection of Improper Tender Bids**

The decision as to whether an improper bid shall be accepted or rejected shall be based upon the following general consideration;

- (i) is the intention of the bidder clear?
- (ii) has the bidder made a conscientious attempt to comply with the submission requirements?

Care must be exercised by the Chief Administrative Officer or Treasurer and the Department Head involved, to ensure that improper bids are handled in a manner which is fair to other bidders as well as the public. The following are guidelines only intended to illustrate some of the discretion allowable:

The Treasurer will review each case.

(a) Late Tender Bids

must be rejected and will not be considered (Section 8.5 E).

Tender Bids Not Completed in Ink or Typed - must be rejected.

(b) Incomplete Tender Bids

Part tender bids must be rejected, except when the instructions clearly state that an award may be made for individual items (e.g. Contracts such as equipment rental or some material contracts which are in effect; several individual contracts combined).

(c) Qualified Tender Bid

If a bid is restricted by a statement added to the bid form or a covering letter, or alterations are made to the bid form, unless the change was requested by the Municipality (e.g. F.O.B. point changed, escalator clause, etc.), then the bid must be rejected.

(d) Tender Bid Not Signed

Tender Bids that are not properly signed and sealed must be rejected.

(e) Erasures, Overwriting or Strikeouts Not Initialled

Bids where erasures, overwriting or strikeouts have not been initialled must be rejected.

(f) Mathematical Errors

Tender Bids containing mathematical errors that have been corrected, may be accepted. Tender Bid unit prices shall ordinarily be used to correct extensions.

(g) Deposit Not Submitted or of Insufficient Amount

If a certified cheque, bank draft or money order deposit and/or bid bond (if required) is not submitted, the tender bid must be rejected.

(h) Agreement to Bond

If an agreement to bond is not submitted when required, the tender bid must be rejected.

**B - Notification of Acceptance of Submission**

Upon the award of the contract, the Treasurer shall inform the successful bidder that his bid has been accepted, and notify all other bidders of the award and the name of the successful bidder.

### **C - Disposition of Deposit Cheques**

Following the award of the contract, all deposit cheques and/or bid bonds, other than the low and second low bids, shall be returned to the applicable bidders by regular mail, by the Treasurer, and all original submission forms shall be retained on file.

### **D - Execution of Contract**

Where a Municipal contract is required, a contractor/supplier shall be allowed fifteen working days between the date of mailing the Form of Contract, and the date the executed contract must be returned to the Chief Administrative Officer or Treasurer. Copies of the executed contract will be distributed to the appropriate Senior Manager. No work shall proceed until the contract is executed by all parties and the necessary securities are filed with the Municipality's Treasurer.

### **E - Action on Acceptance of Contract**

When copies of the executed contract are returned and found acceptable to the Treasurer, the Tender Bid Deposit of the second low bidder shall be returned by registered mail.

The Tender Bid Deposit of the successful bidder will be returned by regular mail, once the necessary security documentation is received. This documentation includes, 50% Performance Bond and 50% Labour and Material Bond, or as otherwise stipulated in the contract, or 100% of the amount of the bid in cash or certified cheque, Certificate of Insurance, with coverage to a minimum of \$2 million and naming the Corporation of the Municipality of Temagami and its agents or sub-contractors as additional, insured's, and WSIB Clearance Certificate.

**NO WORK SHALL COMMENCE UNTIL THE ABOVE HAS BEEN SATISFIED.**

### **F - Bonding Requirements**

When stipulated in the contract, the Municipality typically requires a Performance Bond and a Labour and Materials Bond for 50% each, of the bid, or other amounts when conditions warrant, issued by an approved Guarantee Company properly licensed in the province of Ontario, on Canadian Construction Documents Committee (CCDC) bond forms acceptable to the Municipality, or 100% of the amount of the bid in cash or certified cheque. There may be instances where it is desirable to obtain bonding to the extent of 100% of the bid amount to be determined on the recommendation of the Department Head in consultation with the Treasurer. These securities must be furnished by the contractor before the contract can be executed.

### **G - Action When Successful Bidder Does Not Finalize Contract**

If a contract has been awarded and the successful bidder fails to sign the contract or to provide the necessary security within the specified time, (see Section 8.7 D) the Treasurer may grant additional time to fulfil the necessary requirements or may recommend to Council, in consultation with the Department Head involved, one of the following:

- (i) that the contract shall be awarded to the next lowest bidder
- (ii) that the contract shall be cancelled.

8.8 In the case of (i) and (ii) above, the Tender Bid Deposit of the low bidder shall be forfeited.  
**Procurement / Appointment of Professional Services**

### **A - Selection of Criteria**

In selecting a consultant, ability, experience in similar type projects, personnel available for the project, reputation and/or local knowledge shall be considered. The selection and weighting criteria shall be determined in advance, based on the scope of the service required. Although fees are a consideration, they may not be of prime importance. Selection on a basis of price rather than ability may not ensure the Municipality of the best or most economical overall solution.

Generally, there are two methods by which a consultant may be selected:

- a) by direct appointment; or
- b) through a more formal procedure.

### **B - Direct Appointment**

Direct appointment is an efficient manner of making a selection for normal or routine projects. By the use of a roster method, the Municipality is able to employ different consultants, thus matching particular talents to the project needs. This method gives an opportunity to compare services and fees. It also “keeps the consultant competitive”.

The following points shall be considered when appointing a consultant:

- a) Has the consultant served the Municipality well in the past?
- b) Is the consultant known to the Municipality?
- c) Has the consultant been recommended?
- d) Does the Municipality wish to maintain continuity on a project by appointing a particular consultant?

### **C - Formal Selection Procedure**

A formal selection procedure should be used for projects unique to the Municipality, or when the Municipality does not know of a suitable consultant, or needs additional information to make a decision. This procedure involves proposals and interviews with prospective consultants.

Guidelines to decide which consultant to appoint:

- a) **Project Definition**

A detailed definition of the project is required so that the consultants will interpret the requirements in a similar manner, making it easier for the Municipality to make an appropriate selection.

b) Prepare a Long List

Develop a list of 6-8 consultants from personal knowledge and/or experience of the Municipality, from recommendations of other municipalities, or obtain names of consultants from professional associations or may advertise in appropriate publications.

c) Request Letter of Interest

Consultants listed should be requested to submit a letter of interest in the project. This brief written submission should include: the consultant's ability and experience on similar projects, a list of key personnel and their résumés, the method of organisation if the project is complex.

d) Prepare a Short List

Short list 2 to 5 consulting firms from the responses received.

e) Request for Proposals

When requesting a detailed proposal, the Municipality must provide the consultants with the following:

- i) definition of the project
- ii) scope of services that are requested
- iii) Terms of reference

The Request for Proposal should ask the consultant to provide detailed information on:

- i) the name, size, location and description of firm
- ii) the staff or study team proposed for assignment on the project
- iii) résumés of key personnel
- iv) the consultant's previous experience
- v) project methodology
- vi) schedule or time frame for the project
- vii) basis for fees

f) Interview Candidate Consultants

This gives the Municipality the opportunity to assess the capabilities of the consultant's senior staff and how they interact with Municipal staff.

g) Select Preferred Consultant



Selection should be made on ability, qualifications and experience in similar projects, personnel assigned to the project, reputation, location, knowledge, work load and fees.

h) Meet with Preferred Consultant

The Municipality should meet with the preferred consultant to discuss the project in depth, update the terms of reference and agree on compensation for the project.

i) Approvals

Consulting fees exceeding \$25,000 require Council approval.

j) Execute Agreement

Where the formal selection procedure is used, a contract should be prepared for the protection of the Municipality and the consultant.

k) Notify Unsuccessful Consultants

Unsuccessful consultants will receive written notification of the decision.

## 9.0 REPEAL

9.1 The Municipality of Temagami Purchasing Policy No. 04-583 is hereby repealed.

BE TAKEN AS READ A FIRST time on this 13<sup>th</sup> day of August, 2009.

BE READ A SECOND time on this 27<sup>th</sup> day of August, 2009.

BE READ A THIRD TIME AND FINALLY PASSED on this 22<sup>nd</sup> day of October, 2009.

  
\_\_\_\_\_  
MAYOR

  
\_\_\_\_\_  
CAO/Clerk

Purchasing Level	Spending Authority	Method of Purchase	Method of Solicitation	Method Of Approval	Council
To \$2,000	Department Head	Catalogue *	Verbal quotes	Payment approved by Department Head	
\$2,000 to \$25,000	Treasurer / CAO	Purchase Order	Formal quotes, at least two	Payment approved by Treasurer / CAO	
\$25,000 to \$50,000	CAO	Purchase Order	Three written quotes	CAO – Memo to file with explanation if three quotes are not possible.	
Over \$50,000	CAO	Purchase Order	Tender or RFP	Any purchased items that are not tendered or RFP must go back to Council for approval (through Department Head).	
Emergency	CAO	As needed	Policy Bylaw 09-865 Section 5.3	Information Report to Council by Department Head, setting out the nature of the emergency.	

\* For any purchases other than those items contained in a Standing Order, when the amount is less than \$2,000, the buyer making the purchase shall obtain quotations from more than one supplier, or, they may purchase directly from catalogues, suppliers' lists or through negotiations, upon assuring themselves that all prices offered are fair and equitable.