

The Corporation of The Township of Lake of Bays

BY-LAW NO. 2014-135

BEING A BY-LAW TO ADOPT A PROCUREMENT POLICY

WHEREAS pursuant to section 270(1)(3) of the Municipal Act, 2001, municipalities are required to adopt policies with respect to procurement, by the municipality, of goods and services;

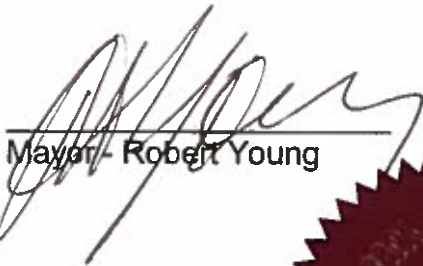
AND WHEREAS the Township of Lake of Bays wishes to procure goods and services in the most efficient and cost effective manner possible;

AND WHEREAS the Township of Lake of Bays is committed to ensuring that its procurement policies and procedures are fair, open and transparent;

NOW THEREFORE the Council of the Township of Lake of Bays hereby enacts as follows:

1. THAT Procurement Policy AD-5.2 attached be adopted.
2. THAT By-law 09-91 and all by-laws or provisions in other by-laws found to be inconsistent with this new by-law are hereby deemed to be repealed

READ a FIRST, SECOND and a THIRD time and finally passed this 14th day of October, 2014.



Mayor - Robert Young



Clerk - Carrie Sykes



TOWNSHIP OF LAKE OF BAYS PROCEDURE MANUAL			
Chapter:	Administration	Index No.	AD-5.2
Section:	Purchasing	Effective Date:	Jan 1/05
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1.0 PURPOSE

- 1.01 The purpose of this policy is to provide guidelines for the procurement of goods and services and to ensure that the Township of Lake of Bays:
- a) encourage open, transparent and fair competition during the procurement process;
 - b) promote and maintain the integrity of the purchasing process;
 - c) procure in a cost effective manner thus maintaining budgetary control;
 - d) staff use ethical purchasing practices; and
 - e) obtain the highest quality goods and services at the lowest cost if possible.

2.0 POLICY

- 2.01 This policy has been developed to comply with the Municipal Act, 2001, Section 270 (1)(3), as amended that states a municipality and local boards shall adopt policies with respect to its procurement of goods and services.

2.02 DEFINITIONS

- a) **AGREEMENT** means a legal document that binds the Township and all other parties, subject to the provisions of the contract.
- b) **APPROVAL** means authorization to proceed with the purchase or disposal of goods and/or services.
- c) **BID** means an offer or submission received in response to a request for proposal or tender which is subject to acceptance or rejection.
- d) **BUDGETED ACQUISITION** means net departmental expenditures that have been authorized by Council by way of operating or capital budget approval or otherwise.
- e) **BY-LAW** means By-law 2014-135 being a by-law to adopt a procurement policy.
- f) **COUNCIL** means the Council of the Corporation of the Township of Lake of Bays.
- g) **DIRECT PURCHASE** is where goods and/or services are acquired directly from a services supplier, retailer, wholesaler or by ordering through a catalogue or product guide. Wherever possible, three (3) quotes should be obtained.
- h) **EMERGENCY** includes:
 - i) an imminent or actual danger to the life, health or safety of an official or an employee while acting on the Township of Lake of Bays' behalf;
 - ii) an imminent or actual danger of injury to or destruction of real or personal property belonging to the Township;
 - iii) an unexpected interruption of a public service;
 - iv) an emergency as defined by the Emergency Management and Civil Protection Act, R.S.O., 1990, and/or the emergency plan formulated thereunder by the Township of Lake of Bays;
 - v) a spill of a pollutant as contemplated by Part X of the Environmental Protection Act, R.S.O. 1990; and
 - vi) issuance of a non-compliance or directory order under a statute by a Provincial or Federal authority.
- i) **FIXTURES** means items of personal property which, through its attachment to, or association with, real estate, loses its identity as personal property and becomes real property. An example might be desks, chairs, or filing cabinets.

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- j) **STANDING SUPPLIER ARRANGEMENT** means a contract under which the Township may purchase goods and/or services which will be required on an ongoing basis but where the exact types or quantities of goods and services required may not be precisely known or the time period during which the goods and services are to be delivered may not be precisely determined.
- k) **GOODS AND/OR SERVICES** includes services, supplies, materials, equipment and infrastructure of every kind that may be required to carry out the operations of the Township.
- l) **IRREGULARITY** is when any of the following has occurred or is likely to occur:
- i) all potential suppliers in a procurement procedure have submitted non-compliant tenders or proposals;
 - ii) the lowest compliant tender or proposal exceeds the estimated cost or budget allocation;
 - iii) for any reason the award of the contract to or the purchase from the lowest compliant potential supplier is procedurally inappropriate or not in the best interests of the Township; or
 - iv) the specifications of a request for tender or request for proposal cannot be met by potential suppliers;
- m) **INVITATION TO TENDER** means an invitation made either generally or to selected potential suppliers to submit a tender for the goods and/or services specified in the tender documentation.
- n) **IN HOUSE BIDS** means bids prepared and submitted by internal departments of the Township.
- o) **NON-BUDGETED ACQUISITION** means the purchase of goods and services that are deemed to be necessary but are not in the budget.
- p) **PETTY CASH** is a small discretionary fund in the form of cash used for small expenditures where it is not sensible to make the disbursement by cheque or purchasing card.
- q) **PURCHASING CARD** means the corporate credit card used by select authorized purchasers for procuring both goods and services for the Township.
- r) **REQUEST FOR PROPOSAL** means a request made either generally or to selected potential suppliers for undefined goods or services including a request to propose solutions or methods to arrive at the desired result.
- s) **REQUEST FOR TENDER** means a competitive procurement process for obtaining bids based on precisely defined requirements for which a clear or single solution exists.
- t) **RESPONSE** includes:
- i) a tender submitted in response to an invitation to tender; and
 - ii) a proposal issued in response to a request for a proposal.
- u) **SUPPLIER** means any individual or organization providing goods and/or services to the Township including but not limited to contractors, consultants, vendors and service suppliers.
- v) **TOWNSHIP** means the Corporation of the Township of Lake of Bays.

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2.03 APPLICATION

- 1) This policy shall apply to the purchase of goods, services or construction for the purposes of all municipal departments
- 2) This policy shall not apply to the acquisition or disposal of any real property or fixtures or to any lease, right or permission relating to the use or occupation of real property.
- 3) Each Department Manager shall have the responsibility and authority for the procurement of goods, services or construction for his or her department, provided that:
 - a) No expenditure, purchase or commitment shall be incurred or made, and no account shall be paid by the Township for goods, services or construction, except as provided in this policy or otherwise approved by Council; and
 - b) no contract shall be entered into and no expenditure shall be authorized or incurred unless Council has provided or incurred in excess of the funds for such purpose in the annual budget or otherwise agreed to the provision of such funds; and
 - c) no expenditure shall be authorized or incurred in excess of the funds provided unless otherwise authorized under this policy; and
 - d) no expenditure, purchase or commitment shall be incurred or made out without serious consideration of the effects of said procurement in relation to the health and safety of the Township of Lake of Bays employees.
- 4) The CAO shall be responsible for:
 - a) providing procurement advice including preparing procurement documentation;
 - b) administering this policy;
 - c) the development of co-operative purchasing plans with other levels of government, municipalities, boards, agencies, commissions or private sector entities where such plans are determined to be in the best interest of the Township;
 - d) the standardization of all procurement procedures;
 - e) the disposal of surplus stock; and
 - f) the preparation of reports to Council in accordance to this policy.
- 5) The policies herein shall not apply to the goods and services set out in Schedule "A".
- 6) The CAO shall review compliance of this procurement policy to current legislation at least every five years.
- 7) No procurement of goods and/or services shall be divided to avoid any requirements of this policy.
- 8) Unsolicited proposals received by the Township shall be rejected but may be retained on file for future reference.
- 9) Any question involving the meaning or application of this policy is to be submitted to the CAO.

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2.04 DELEGATION OF SPENDING AUTHORITY

- 1) For the purpose of this policy, procurement is considered either a:

a) Budgeted Acquisitions

Net departmental expenditures shall be authorized by Council each year as part of either the Operating or Capital budget process. Upon approval of these budgets Department Managers have the authority to purchase goods and services, but are not authorized to overrun net departmental operating budgets, except in accordance with this policy.

b) Non-Budgeted Acquisitions

For goods and services over \$15,000 that are deemed to be necessary but are **not** in the budget, the Department Manager, upon the authorization of the CAO, shall obtain Council approval prior to procurement of goods and/or services.

When the actual cost of goods and services exceeds the amount budgeted the Department Manager, upon the authorization of the CAO, shall obtain Council approval before the acquisition process may proceed.

- 2) Within the expenditure limits and the policies and procedures set out herein, staff shall be and are hereby authorized and empowered to procure goods and/or services in the name of the Township and/or initiate procurement processes as may be necessary to carry out the duties and operations of the Township.
- 3) Agreements/Contracts that do not comply with one of the approved contract templates of the Township (or at the discretion of the CAO) may be reviewed by the Township solicitor and authorized by Council.
- 4) Notwithstanding the above, all agreements/contracts authorized by Council By-law shall be executed by the Mayor and Clerk.
- 5) Department Managers shall report all bids for solicitation in the Quarterly Summary of Delegation of Powers Council Report.
- 6) All bids for solicitation must be approved by the CAO and Treasurer prior to issuance.

2.05 METHODS OF PROCUREMENT

Subject to the provisions of the by-law and the provisions of this policy, goods and/or services may be acquired by one or more of the following methods:

- a) Direct Purchase (DP);
- b) Request for Proposal (RFP); or
- c) Request for Tender.

a) Direct Purchase (DP)

Direct Purchase for non-competitive purchases by staff within their assigned expenditure limits may be used in the following circumstances:

- i) The goods or services are readily available at retail outlets or from service providers;
- ii) Are required on an item by item basis;
- iii) The total price is less than \$15,000.00.

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Direct Purchases should be made using one of the following methods and in accordance with the policies associated with each:

- iv) A pre-arranged method whereby the supplier has agreed to invoice the Township; (preferred method)
- v) A purchasing card;
- vi) Petty cash

b) Request for Proposal (RFP)

Request for Proposal procedures, as set out in Section 2.07, may be used where:

- i) The requirement is best described in a general performance specification;
- ii) Innovative solutions are sought; and
- iii) To achieve best value, the award selection must be based at least in part on subjective evaluations.

The successful bidder shall meet all the Contractor Health and Safety requirements as set out in Section 2.07(9).

c) Request for Tender

Invitation to Tender procedures, as set out in Section 2.07, may be used where:

- i) The estimated price is greater than \$15,000.00.
- ii) The requirement can be fully defined; and
- iii) Best value for the Township can be achieved by an award selection made on the basis of the lowest tender that meets the specifications.

The successful bidder shall meet all the Contractor Health and Safety requirements as set out in Section 2.07(9).

d) In House Bids

During the procurement process, in house bids will not be considered.

2.06 Exceptions to Methods of Procurement

1) Non-Competitive Purchases

The requirement for competitive bid solicitation for goods and/or services may be waived under joint authority of the CAO and appropriate Department Manager and replaced with direct negotiations with a particular potential supplier under the following circumstances:

- a) Where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material;
- b) Where due to abnormal market conditions, the goods and/or services required are in short supply;
- c) Where only one source of supply would be acceptable and cost effective;
- d) Where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists;
- e) Where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidentiality matters;
- f) Where in the event of an "Emergency" as defined by this Policy, a requirement exists;
- g) Where the requirement is for a utility for which there exists a monopoly.

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2) Standing Supplier Arrangements

A standing supplier arrangement may be used where:

- a) The same goods and/or services will be required on a repetitive basis over a period of time and the actual demand is not known in advance; or
- b) A need is anticipated for a range of goods and services for specific purpose such as office supplies or snowplowing services, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.

Selection of a standing supplier or suppliers shall be made in accordance with the provisions contained in this Policy.

More than one standing supplier may be selected where it is in the best interests of the Township and the procurement documentation allows for more than one.

Existing standing supplier arrangements shall be utilized unless the proposed procurement is related to an emergency in accordance with Section 2.06(5).

In the procurement documentation for a standing supplier arrangement, the expected quantity of the specified goods and/or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.

3) Exclusion of Suppliers in Litigation

- a) The Township may, in its absolute discretion, reject a tender or proposal if the potential supplier, or any officer or director of the potential supplier is or has been engaged, either directly or indirectly through another corporation, in a legal action against the Township, its elected or appointed officers and employees in relation to:
 - i) Any other contract or services; or
 - ii) Any matter arising from the Townships' exercise of its powers, duties or functions.
- b) In determining whether or not to reject a tender or proposal under this clause, the Township will consider whether the litigation is likely to affect the potential supplier's ability to work with the Township, its consultants and representatives and whether the Townships' experience with the potential supplier indicates that the Township is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the potential supplier.

4) Exclusion of Supplier Due to Poor Performance

- a) All Department Managers shall document evidence and keep record 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.
- b) Council may prohibit by resolution an unsatisfactory supplier from participating in future contracts for a period of up to three years.

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5) Procurement in Emergencies

Where, in the opinion of the CAO, an emergency has occurred,

- a) The CAO may undertake procurement in excess of the preauthorized expenditure limits herein up to a maximum of \$250,000; and
- b) Any expenditures made under such conditions together with a source of financing shall be reported at the next meeting of Council following the date of expenditure by the Department Manager.

6) Co-Operative Purchasing

- a) The Township may participate with other governments or public authorities in co-operative purchasing where it is in the best interests of the Township to do so.
- b) The Township shall adhere to the policies of the government or public authorities calling the co-operative bid.

2.07 GENERAL PROCUREMENT PROCESS

When required by this policy, the issuing staff member shall obtain a procurement bid number from the Clerk's Department.

In all cases, the procuring Department Manager and any other affected department shall coordinate the procurements.

The Department Manager will ensure:

- a) Completeness of documentation, ensuring that the procurement bid number is clearly noted;
- b) Advertisements are arranged and submitted to the Clerk's Department at least one week before its expected publication;
- c) Bid closing and opening date, time and location have been booked with the Clerk's Department;
- d) Bid opening subcommittee has been established; and
- e) Vendor contact information is appropriate.

1) Procurement Documentation Preparation

The procurement document will consist of a number of sections. When considered in its entirety, the document must contain the appropriate information so that staff evaluating the bids can determine that:

- a) the bidder understands the full scope of the procurement for which bids have been invited, and
- b) the bidder is capable and willing to perform all of the required work or provide all of the required goods and/or services; and
- c) the bidder is capable and willing to enter into a legal agreement with the Township for the provision of the required goods and/or services; and
- d) the bidder offers performance guarantees (i.e. certified cheque, irrevocable letter of credit, or bond) that a formal agreement will be executed, and that all goods and/or services will be provided following the terms of the executed agreement.

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2) Contents of the Procurement Document

Procurement documents will contain at least the following:

- a) A **cover sheet** indicating the bid number, the name of the procurement, the closing date and time, and issuer or contact person within the issuing department.
- b) **Information to bidders** containing non-technical information that advises the bidders of the general terms and conditions that apply to the tender of goods and/or services.
- c) **Specifications** – that provide details to describe accurately and precisely the nature, scope and extent of the goods and/or services required. Specifications may not be structured to exclude certain vendors or manufacturers unless there is documented evidence to warrant exclusion.

Or

Scope of Work – that defines the objectives of the project and the scope of the services required. Used in preparation of Requests for Proposal (RFP).

- d) **Performance Guarantee** – to ensure proper execution of the work, a performance guarantee in the form of certified cheque, irrevocable letter of credit, or bond (performance, labour and/or materials) may be required. All requirements must be clearly outlined in the information to bidders.
- e) **Form of Tender** – when properly completed and signed, is a legal offer by the bidder to carry out the tendered work. The Tender Form should include an acknowledgment from the bidder that he/she has reviewed and understands all of the tender documents, and that he/she is prepared and capable of fulfilling the proposed requirements for the supply of goods and/or services. Proper and clear identification of the bidder as well as clear bid prices must appear on the completed Tender Form.
- f) **Bid Envelope** – containing the bid number, the name of the procurement, the closing date and time, with a section to be initialed by the receiving party and date stamped upon submission.

3) Advertising

Procurements shall be advertised in compliance with the Township's Provision of Notice Policy and shall include:

- i) The bid number;
- ii) A description of the goods and/or services sought;
- iii) Date and time of closing; and
- iv) How to obtain a copy of the procurement documentation.

Interested parties can request a specific copy of the procurement documentation and any related material. A record of the interested parties receiving a copy of the procurement documentation will be kept by the Corporate Services Department.

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4) Amendments/Revisions to Procurement Documents

Addenda will be issued under the following circumstances:

- a) Interpretation of bid documents as a result of queries from prospective bidders.
- b) Revisions, deletions, additions or substitutions of any portion of the bid document.

The Department Manager or designate shall approve the issuance of any addenda.

Notification of Addenda to Prospective Bidders

A copy of all addenda shall be sent by registered mail, or by fax confirmed by a telephone call or by email when appropriate, to each prospective bidder who obtained procurement documents. All remaining procurement documents not yet distributed shall have the addenda appended.

Where an addendum must be issued within two days of the specified closing date, the closing date may be extended to allow four working days between the issuance of the addendum and the revised closing date. This extension is optional and shall be used as required.

Closing Date Extension or Cancellation

When it becomes necessary to extend the closing date or to cancel the tender, all prospective bidders who received procurement documents shall be notified of the cancellation using the method for notification of addenda detailed above.

When a tender is canceled, no bid will be accepted. All bids shall be returned unopened to the bidders by hand or by registered mail with a covering letter signed by the Department Manager or designate.

5) Submission Requirements

All bids shall be received at the Township Municipal Office by 4:00 p.m. of the closing date in the following form:

- a) Initialed by receiving party, time and date stamped;
- b) Receipt of the bid shall be recorded on the Bid Recording Form, as set out in Schedule "I" and placed in the Bid Lock Box located in the office vault until after the bid closing time.
- c) The bid must be submitted in a sealed envelope identified with the bid number, the name of the procurement, the closing date and time with a section to be initialed by the receiving party and date stamped upon submission;
- d) The correct bid form, as supplied by the Township, must be used;
- e) The bid must be legible, completed in a non-erasable ink and all items must be bid unless the tender specifically permits otherwise;
- f) Adjustments by telephone, letter, facsimile, or email to a bid already submitted will not be considered. A bidder desiring to make adjustments to a bid must withdraw the bid and resubmit.

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- g) Following the closing date, bids will be opened the following business day unless there are extenuating circumstances.

Any bids received after the closing time and date will not be accepted and will be returned unopened.

If any of the procurement documents have not been met, the bid shall be considered to be an "Improper Bid" and dealt with as set out in Schedule "B" entitled "Acceptance or Rejection of Improper Bids."

6) Withdrawal of Bids

a) Prior to Opening

The withdrawal shall be allowed if the request is made before closing time for the bid. The withdrawal request must be directed to the Clerk in writing. Withdrawal requests over the telephone shall not be considered. The withdrawal of a bid does not disqualify a bidder from submitting another bid for the proposed procurement.

b) During the Opening

During a bid opening a bidder may withdraw a bid prior to the opening of bids thereon. The bidder shall attest in writing to her/his identity and state the bid he/she desires to withdraw. The Department Manager shall attach the withdrawal to the applicable bid and read out the bidder's name and announce that the bid has been withdrawn in accordance with established procedure. The Department Manager shall not open the withdrawn bid. Bids withdrawn under this procedure shall not be reinstated.

7) Opening of Proposals and Tenders

- a) The bids submitted shall be publicly opened by a subcommittee consisting of:
- i) Manager or designate of issuing department;
 - ii) Municipal Clerk or designate; and
 - iii) One staff member (if possible).
- b) The Municipal Clerk or designate of issuing department shall check the Bid Recording Form with the number of bids to be opened to ensure that all bids received are accounted for.

If a discrepancy occurs, the bid opening proceeding shall be delayed until all bids have been accounted for.

- c) Each bid will be opened one at a time, and read aloud. After the opening the Department Manager will analyze for compliance to determine that:
- i) All procurement requirements have been met as stated in the procurement documents and this policy; and
 - ii) All unit prices have been correctly extended and totaled.

Bids which do not conform to the procurement requirements or which require mathematical corrections shall be deemed "Improper Bids" and shall be dealt with as set out in Schedule "B" entitled "Acceptance or Rejection of Improper Bids."

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8) One or No Acceptable Bids Received

No Acceptable Bids Received

- a) Where the bids received in a procurement process exceed budget, are not responsive to the requirement, or do not represent fair value, a revised solicitation may be issued in an effort to obtain an acceptable response unless Section 2.07(8) applies.
- b) The applicable Department Manager and the CAO jointly may waive the need for a revised bid solicitation and enter into negotiations with the lowest responsive bidder, or the highest responsive bidder for a revenue-driven bid selection emanating from a bid solicitation under the following circumstances:
 - i) The total cost of the lowest responsive bid is in excess of the funds budgeted by Council for the project or the highest responsive bid revenue is less than that made; and
 - ii) The Department Manager and the CAO agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.
- c) Negotiations undertaken in Section 2.07(8) shall be undertaken to ensure that all ethical public procurement practices are followed.
- d) The Township has the right to cease negotiations and reject any offer at any time.

Two Equal Bids Received

- e) The Township will offer an opportunity for suppliers to re-submit. Should a tie persist the equal bidders shall draw straws.

9) Awarding Bid

The bid form will be the binding contract for the supply of the tendered goods and/or services.

The Department Manager of the issuing department shall in writing notify each of the unsuccessful bidders of the awarded successful bid and shall be responsible for providing the following documents when securing the contract for services:

- Health and Safety Rules and Regulations; and
- Equipment Lockout Procedures.

The successful bidder shall provide the following documents prior to commencing the project and/or service:

- Goods/Materials
 - ✓ Material Safety Data Sheets for any WHMIS controlled products.
- Services
 - ✓ Signed Contractor Health & Safety Responsibility Agreement
 - ✓ WSIB Clearance Certificate (no more than 60 days old)
 - ✓ Liability Insurance Certificate (Township of Lake of Bays listed as certificate holder with a minimum of \$2 million coverage or at the discretion of Department Manager)
 - ✓ Applicable licences and certificates of contractor employees.

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10) Disposition of Deposit Cheques

Following the execution of the contract, the deposits of all of the unsuccessful bidders will be returned.

11) Successful Bidder Does Not Finalize Contract

If the contract has been awarded and the successful bidder fails to sign the contract or provide the necessary security within the time specified in the procurement documents, the Department Manager may grant additional time to fulfill the necessary requirements or may recommend the following:

- a) that the contract shall be awarded to the next acceptable bidder; or
- b) that the contract be cancelled.

In either case, the tender bid deposit of the successful bidder shall be forfeited and forwarded to the Treasury Department for deposit.

12) Custody of Documents

The Corporate Services Department shall be responsible for the safeguarding of original purchasing and contract documentation for the procurement of goods and services.

2.08 OTHER

1) Access to Information

The disclosure of information received relevant to the issue of bid solicitations or the award of contracts emanating from bid solicitations shall only be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended.

2) Employee Code of Conduct Regarding the Procurement Process

Employee Responsibility

Employees of the Township must follow the highest standards of ethical behaviour in the course of their work to ensure that public confidence and trust is maintained.

This code of conduct applies to each employee of the Township. Each employees is responsible for understanding and complying with the principles of conduct, all related policies, and any applicable laws, regulations, government guidelines and internal compliance. Any suspected fraud, breach of trust and other wrongdoing must be immediately reported to the Municipal Clerk. Every effort will be made to protect the confidentiality of such information

Corporate Conflict

A corporate conflict occurs when, in the course of an employee's duties, the employees is called upon to deal with, or has been involved in a matter in which the employee has a direct or indirect personal interest.

A **direct** conflict arises when an employee may derive, or be seen to derive, some personal benefit or avoid personal loss. An **indirect** conflict arises when the potential benefit or loss

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would be experienced by another person or corporation having a relationship with the employee. These benefits, losses, interests and relationships are generally financial in nature but are not limited to such.

A conflict arises when any employee participates in activities, which advance personal interest at the expense of the Township's interests, which include public trust and confidence. Any behaviour, which is, or could be perceived as, a conflict is strictly prohibited and subject to disciplinary action.

Any employee must make a prompt and full disclosure in writing to the applicable Department Manager or Municipal Clerk of any actual or potential corporate conflict including:

- A description of the corporate conflict,
- The nature of the direct or indirect personal interest,
- The identity of any persons or corporations in which there is a personal interest.

Upon receiving disclosure of a corporate conflict, the Department Manager shall take reasonable steps to ensure the employee is removed from the conflict situation.

An actual or potential corporate conflict can arise without any intentional wrongdoing or improper conduct on the part of the employee. Therefore, employees will not be disciplined or treated adversely for making prompt and full disclosure of the circumstances.

Employees are expected to use sound judgment and the corporate conflict guidelines in a proactive fashion in order to maintain the public's trust in the Township's objectivity and integrity. Failure to disclose conflicts of interest will be treated as a serious matter and may result in disciplinary action.

Principles of Conduct

An employee shall not:

- Engage in any business or transaction or have a financial or other personal interest that is incompatible with the discharge of the employee's official duties, or corporate interests.
- Be under an obligation to any person who might benefit from special consideration or favour from the employee or who might seek, in any way, preferential treatment.
- Give, in the performance of official duties, preferential treatment to relatives or friends or to organizations in which relatives or friends have an interest, financial or otherwise.
- Deal with an application to the Township for a loan, grant, award, or other benefit which involves themselves or immediate relatives.
- Be in a position where the employee could derive any direct or indirect benefit or interest from any contracts about which the employee can influence the decisions.
- Benefit from the use of information acquired during the course of official duties that is not generally available to the public.
- Engage in any outside work or activity or business undertaking:
 - That interferes or appears to interfere with the employee's duties;
 - In which the employee has an advantage or appears to have an advantage derived from employment at the Township;
 - In a professional capacity that will or might appear to influence or affect the carrying out of duties as a Township employee;

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- Use Township property, equipment, supplies or services for activities not associated with the discharge of official duties;
- Employee's external business activities must not compete with the Township services;
- Employees shall not engage in any business or transaction or have a financial or other personal interest that is incompatible with the employee's official duties and the Township's interests.

Professional Behaviour

Municipal employees interact with clients, community agencies, municipalities, contractors, suppliers, and the public on a daily basis. Employees must be professional, courteous and objective in all of these interactions.

The Municipality's employees are ambassadors of the Municipality. Thus, each employee must be conscious of the Municipality's public duty and their part in the discharge of that duty. They are expected to conduct themselves with the highest degree of ethical behaviour and integrity.

3) Disposal of Surplus Equipment

All departments shall notify the CAO when items become obsolete or surplus to their requirements.

The CAO shall be responsible for ascertaining if the items can be of use to another department rather than disposed of.

Items that are not claimed for use by another department may be offered for sealed bids, public auction or other public sale, depending on the opinion of the CAO of which method is most suitable for the equipment or material involved.

The revenue from the sale of obsolete material shall be credited to the appropriate account.

2.09 PURCHASING CARD PROGRAM

Objectives

The Township objectives are to:

- a) reduce the costs of procuring and paying for low dollar value goods, services, and travel expenses by reducing the number of small orders and invoices processed and number of cheques issued;
- b) eliminate the issuance of travel and cash advances in addition to separate payments for registration fees, transportation costs, and accommodations;
- c) maintain the existing levels of discounts negotiated with suppliers for prompt payment, by providing a more efficient payment process;
- d) streamline administrative functions and reduce the time spent by departments processing payments; and
- e) maintain an acceptable level of accountability and safekeeping of the Township assets by setting appropriate limits and restrictions on the use of cards.

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Purchasing Card Administration

The purchasing card may be used by select authorized purchasers for procuring both goods and services for the Township. Each purchasing card has a transaction limit which is set by the Township to meet the cardholder requirements. These limits are defined as: the maximum authorization limit for a purchase and the maximum amount of purchases that can be charged during one month billing cycle.

Under no circumstances shall a transaction be split into two or more separate receipts to bypass the transaction dollar limit.

The purchasing card may not be used to purchase or pay for:

- a) Personal purchases; or
- b) Cash advances

All credits must be processed against the Card. Under no circumstances shall cash refunds be permitted.

The Treasurer is responsible for the issuance and cancellation of purchasing cards based on a request by a Department Manager. The card shall be issued in the name of the Township and the individual designated by the Treasurer. The designated individual will be guided in the usage of the card based on the Purchasing Cardholder Agreement, as set out in Schedule "G". The limit will be consistent with all purchasing card unless the CAO and Treasurer deem a higher or lower limit is required.

The Treasurer will maintain a master list of all cardholders.

Overview

Orders, reservations, and registrations may be placed either by internet, facsimile, telephone or in person. The monthly processing can be summarized as follows:

1. Authorized cardholder makes purchases in the normal course of business and maintains a record of all card transactions.
2. Finance receives and payment is subject to a Pre-Authorized Payment.
3. Cardholders verify monthly statements against their receipts and provide expense and cost centre account distribution coding. This will serve as authorization that the goods purchased have been received in good order.
4. Disputed items that do not accurately reflect the transactions made by the cardholder (i.e. wrong amount, incorrect account number, multiple postings, etc.) will be investigated by the cardholder through the bank and any applicable correspondence will be copied to the Treasurer. In the event goods are to be returned to the supplier, the cardholder shall request a Return Authorization Number and return instructions from the supplier and forward the merchandise back as per the instructions.
5. Cardholder's Manager approves statement for payment and forwards to the Treasury Department.
6. Treasury Department allocates expenses according to expense and cost centre account coding provided.

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4. REVISION CONTROL

Revision Date	Revision	Effective Date
Jan 2008 Aug 2009 Sept 2014	<ul style="list-style-type: none"> • Repeal of policy • Repeal of policy • Repeal of policy 	Jan 15/08 Aug 11/09 Oct 14/14

5. ATTACHMENTS

- Health and Safety Contractor Package
- Purchasing Card Cardholder Agreement
- Procurement Document Template
Bid Recording Form

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SCHEDULE "A" - GOODS AND SERVICES EXEMPT FROM PROVISIONS OF THE POLICY

1. Petty Cash Items
2. Training and Education including:
 - i. Conferences
 - ii. Courses
 - iii. Conventions
 - iv. Magazines
 - v. Memberships
 - vi. Periodicals
 - vii. Seminars
 - viii. Staff Development
 - ix. Staff Workshops
 - x. Staff Relations
3. Refundable Employee/Council Expenses including:
 - i. Cash advances
 - ii. Meal allowances
 - iii. Travel expenses
 - iv. Accommodation
4. Employer's General Expenses including:
 - i. Payroll deduction remittances
 - ii. Medicals
 - iii. Insurance premiums
 - iv. Tax remittances
 - v. Vehicles, etc.
 - vi. General Operating Expenses (i.e. advertising, supplies, utilities, etc.)
5. Licences, certificates and other approval required.
6. The following Professional and Special Services:
 - i. Additional non-recurring Accounting and Auditing Services
 - ii. Legal Fees (Engaging of Outside Counsel)
 - iii. Banking Services where covered by agreements
 - iv. Public Debenture Sales
 - v. Group Benefits
 - vi. Realty Services regarding the Lease, Acquisition, Demolition, Sale and Other Disposition of Land and Appraisal of Land
 - vii. Veterinarian
7. Real Property acquisitions, including the leasing of property.

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SCHEDULE "B" - ACCEPTANCE OR REJECTION OF IMPROPER BIDS

Extreme care shall be exercised to ensure that improper bids are handled in a manner, which is fair to the other bidders as well as the public. The decision as to whether an improper bid shall be accepted or rejected shall be based upon the following considerations:

- i) is the intention of the bidder clear?
- ii) has the bidder made a conscientious attempt to comply with the submission requirements?
- iii) the following are guidelines only and are intended to illustrate some of the discretion allowed. The Department Manager will review each case.

	IRREGULARITY	RESPONSE
1	Late Bids	Automatic rejection
2	Not completed in a non-erasable medium	Automatic rejection
3	Incomplete bids – part bids – all items no bid	Automatic rejection except where the bid form clearly states that an award may be made for individual items or where in the opinion of the Department Manager the incomplete nature is trivial or insignificant
4	Restrictions or Conditions placed on the bid submitted	Automatic rejection except where the change is requested by the Township or where, in the opinion of the Department Manager, the change is trivial or insignificant.
5	Financial security not submitted or insufficient	Automatic rejection
6	Mathematical errors	
	a) If the amount tendered for a unit price item does not agree with the extension of the estimated quantity and the tendered unit price, or if the extension has not been made.	a) The bid will be clarified with the bidder and the unit price shall govern and the total price shall be corrected accordingly
	b) If both the unit price and the total price is left blank, the bid will be rejected as incomplete. If the unit price is left blank but a total price is shown for the item.	b) The bid will be rejected as incomplete.
	c) If the total price is left blank for a lump sum item	c) The bid will be rejected as incomplete.
	d) If the bid contains an error in addition and/or subtraction in the approved procurement documentation format requested.	d) The bid will be clarified with the bidder and the error shall be corrected and the corrected total contract price shall govern
	e) Bids containing prices which appear to be so unbalanced as to likely affect the interests of the Township adversely	e) The bid will be clarified with the bidder and may be rejected.
7	Agreement to bond insufficient or not submitted	Automatic rejection
8	Bids received on documents other than those provided by the Township	Automatic rejection unless, in the opinion of the Department Manager, the matter is trivial or insignificant.
9	Illegible or obscure bids	Automatic rejection

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10	Bids containing additions, erasures, alterations, errors or irregularities of any kind	May be accepted, as long as the bidder initials the changes within the time limit given
11	Failure to include signature of the person authorized to bind the bidder in the space provided in the procurement documentation	Automatic rejection