

# CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN

<b>SUBJECT:</b>	<b>PURCHASING POLICY AND PROCEDURE</b>			
<b>TYPE:</b>	ADMINISTRATION	<b>POLICY NO. ADM-005-01</b>		
<b>DATE:</b>	<b>REVIEW DATE:</b>	<b>FREQUENCY:</b>	<b>REL. BY-LAW:</b>	<b>PAGE #:</b>
Mar 1, 2007	July 14, 2008	As Required	07-270/04-225	1 of 18
Revisions				
July 14, 2008 – Reformatted				
Mar 1, 2007 – Changes to s3, 4.3, 6.10c				
Dec 2, 2004 – New Policy				

## **I. Purpose**

The Corporation of the Township of South Algonquin deems it expedient to establish comprehensive purchasing policies and procedures, which shall be maintained by the Clerk-Treasurer and the Deputy Clerk, and which shall be subject to approval and periodic review by Council and updated as required.

Any change in the threshold values contained in the purchasing policies and procedures shall be approved by resolution of the Council.

## **II. Definitions:**

**Buyer(s)** shall mean those individuals as designated by Council for the purpose of purchasing goods & services for the Corporation.

**Clerk-Treasurer** shall mean the individual responsible for providing professional procurement expertise to the Corporation in support of the application and compliance of the purchasing By-law and procurement policies and procedures *and the word “his” shall in all cases mean his or her and “he” shall in all cases mean he or she.*

**Contract** shall mean a written agreement authorized or ratified by the appropriate authority and executed by the Mayor and the Clerk-Treasurer.

**Corporation** shall mean The Corporation of the Township of South Algonquin.

**Department** shall mean each department and their divisions of the Township of South Algonquin.

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**Emergency** shall mean a situation where delay may seriously affect the life and/or health of the general public, prevention of serious damage, and the restoring of essential service levels to a minimum level.

**Expanded Works** 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. Any expanded work beyond original project costs must receive Council approval.

**Expression of Interest** shall mean a call by the Township 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.

**Forms** shall mean the standard documents as provided as part of the purchasing guidelines for purchasing and contract administration purposes.

**Goods** shall include all supplies, materials, equipment, general maintenance and service construction contracts, construction maintenance, food, drugs and the procurement of professional services.

**Invitational Tender** shall mean a formal request for details on the supply of goods or services, greater than \$5,000 and less than \$20,000. Three or more written tenders must be obtained and opened in public. *When the estimated value of the works is in excess of \$20,000, this shall be administered as a "Public Tender."*

**Public Tender** shall mean a publicly advertised solicitation of bids opened in public. A public tender must be called for goods or services at a value of \$20,000 or greater and may be used for values less than \$20,000 when deemed appropriate by Council.

**Request for Proposals** shall mean a competitive procurement process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.

**Request for Quotation** shall mean a request for prices on specific goods and/or services less than \$5,000.

**Single Source** shall mean that 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** shall mean there is only one known source of supply of particular goods or services.

**Tender** shall mean a specific price for specific works.

**Time-Sensitive Works** shall mean works for which the timing to initiate and/or complete the works is of the essence in relation to the time available to follow normal procedures.

**Township** shall mean The Corporation of the Township of South Algonquin.

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### **III. Policy Statement:**

#### **1. General:**

All purchase of goods and services for the Township of South Algonquin 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 a Department wishes to engage 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 the By-law are adhered to and to bring the matter before Council for consideration.

All contractors/suppliers that will be performing work on Township property must provide evidence of liability insurance in the amount of \$2,000,000.00 and active Worker's Safety Insurance Board status to be eligible for specified works.

### **IV. Procedure:**

#### **1.0 Establishing Price Range:**

##### **1.1 Purchase prices shall be obtained as follows:**

- i) Any procurement of supplies or services that has not been authorized in the current budget must have Council approval prior to the purchase being made.
- ii) **Up to \$500** – For any purchase when the amount is \$500 or less, the authorized buyer making the purchase shall make a reasonable attempt to obtain the best price.
- iii) **\$500 to \$5,000** – For all purchases, when the amount is between \$500 and \$5,000, the Municipal Clerk or (his/her) designate making the purchase shall obtain prices from at least three suppliers whenever possible or provide documentation why this was not possible. Suppliers name and prices (*verbal and/or written*) shall be documented for reference purposes.
- iv) **\$5,000 to \$20,000** – For all purchases, when the amount is between \$5,000 and \$20,000, a Request for Invitation Tender shall be issued to two or more qualified suppliers. If the need arises a Public Tender can also be requested.
- v) **Over \$20,000** – By advertised Public Tender.
- vi) **All Vehicles** – By advertised Public Tender.

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## **2.0 Approval Levels:**

- 2.1** Formal approval of the annual budget constitutes financial approval to proceed with the purchase subject to any scheduling or priority considerations as may be deemed necessary by Council and as outlined by the Purchasing Policies.
- 2.2** Prior to the passing of the annual operating budget, each Department Head shall be allowed an interim appropriation of thirty-three and one-third percent (33 1/3 %) 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.
- 2.3** Approval Levels:
- i) **Up to \$500** – Department Heads or others as designated by Council.
  - ii) **\$500to \$5,000** – Clerk Treasurer or (his/her) designate.
  - iii) **Over \$5,000** – Council approval.

## **3.0 Inventory:**

- 3.1** Each Department may establish inventories as an efficient method of managing the delivery of goods. Minimum and maximum levels shall be established where possible. Purchasing practices for inventories are subject to the provisions of this By-law.

## **4.0 Purchasing Procedures:**

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

- 4.1** Subject to any direction that may be given, the Buyer(s) shall decide the method of source selection which shall be employed to obtain the most favourable price, having regard to the nature or importance of the contemplated work, the urgency of the requirement, and general trade practice and market conditions.
- 4.2** The Buyer(s) is authorized to place orders on behalf of Departments for goods and services from such suppliers and upon such terms and conditions as deemed appropriate by Council, subject to the approvals listed in Section 4.3. In the awarding of a contract, the Buyer(s) shall not be bound to accept the lowest tender and may award to another tenderer if,

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in his discretion, having regard for delivery time, service and quality of goods, it would be in the best interest of the Corporation to do so. If delivery time, service and quality of goods are equivalent however, the lowest tender shall be accepted.

- 4.3** When identical low tenders are received, the Department Head or designate, shall, along with at least one member of Council, determine the low tenderer on the basis of a coin toss, conducted in the presence of the tied tenderers.
- 4.4** Notwithstanding the provisions of this By-law, purchase of goods, works and service may be made at the approval of Council by a Department Head or his/her designate, 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 cost or danger to life and damage to property. In all such cases, an Information Report to 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.

**4.5 (i) Tender Process**

The following tendering 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 Tenders”:

For all tenders the initiating Department shall be coordinated with the Clerk-Treasurer to ensure and confirm:

- completeness of documentation;
- advertisement arrangements;
- closing dates and tender opening schedule; and
- vendor contacts for information;
- the appointment of at least one member of Council for the opening of a Tender.

**A - Establishment of File**

A file shall be created for all tenders that shall be maintained and include the following:

- the tender name and number;
- a copy of the “Tenders Received” list;
- a photocopy of the tender security deposit;
- a copy of the liability insurance documentation and WSIB status;
- a copy of the newspaper ad and invoice;
- a copy of the tender documents including any plans and specifications;

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- attendance, an analysis of the tenders opened and a prepared motion for the consideration of Council;
- a copy of the letter notifying all tenders of the award and any other correspondence to the tenderers;
- a true copy of the motion to award the tender; and
- a copy of any inspection reports.

#### B - Advertising

Public Tenders shall be publicly advertised in at least one newspaper that has distribution in the municipality.

Requests for Quotations may be publicly advertised.

#### C – Release of Information to Tenderers

Upon the request of a prospective Tenderer, the Clerk shall supply the following material for each contract:

- i) One copy of the Official Form of Tender; and
- ii) Return envelope identification label, submission material, e.g. specification, plans, profiles, etc.

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

#### D – Recording and Control of Submission Material

The Clerk shall maintain a list of Prospective tenderers for issuing submission material/documents.

**NOTE:** *Names and addresses must be recorded when procurement documents are released to facilitate distribution of addenda and when necessary, to extend or cancel a tender call.*

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

#### E – Preparation of Addenda

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

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

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#### F – Notification of Addenda to Contractors/Suppliers

A copy of each addendum shall be forwarded to each contractor/supplier who obtained tender forms for the contract. A copy of the addendum notice shall also be stapled to each tender form not yet distributed. In the case of those who have already submitted a tender, they will be informed and given a chance to adjust their tender where time permits.

#### G – Notification to Contractors/Suppliers of Cancellation of Tender Call

Each contractor/supplier who received tender documents shall be notified by the Clerk of the cancellation of the Tender Call

#### H – Return of Submissions on Cancellation of a Tender Call

When a tender call is cancelled, no tenders will be accepted. Any submissions inadvertently received shall be returned unopened to the contractor/supplier by hand or by registered mail, with a cover letter of explanation.

#### I – Notification to Contractors/Suppliers of Extension of Time

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

#### J – Disposition of Tenders when Closing Date has been Extended

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

If the extension of time is four weeks or less, the contractor/supplier shall be advised that his/her tender will be returned upon request.

If the extension of time is greater than four weeks, all tenders shall be returned unopened.

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

### **4.6 Submission Requirements**

#### A – Tender Requirements

All Tenders shall either be mailed or delivered to the Clerk-Treasurer or his/her designate.

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Tenders are required to conform to the conditions listed below:

- a) The correct Form of Tender, as supplied by the Township must be used and in the possession of the Clerk-Treasurer or his/her designate, on or before the Closing Date and Time. **TENDERS RECEIVED AFTER CLOSING TIME WILL NOT BE CONSIDERED.** (Additionally, facsimile submissions will not be considered unless otherwise stated).
- b) The Tender must be legible, written in ink or typed, with the unit price for each item and other entries clearly shown, unless the form of tender specifically permits otherwise.
- c) The Tender must not be restricted by any statement added to the Form of Tender or a covering letter, or must not have alterations to the Form of Tender, unless requested by the Township.
- d) Adjustments by telephone, facsimile or letter for a tender already received will not be considered. A Tenderer desiring to make adjustments to a tender must withdraw the submission and/or supersede it with a later tender.
- e) The submission form must be signed and initialed in the space(s) provided on the form, with the signature of the tenderer, or of an authorized official of the contractor/supplier submitting the Tender. If a joint tender is submitted, it must be signed on behalf of each of the tenderers, and if the signing authority for both tenderers is vested in one individual, he/she shall sign separately on behalf of each tenderer. In the case of an incorporated company, the corporate seal must be affixed on the Form of Tender.
- f) Erasures, overwriting or strike-outs will render the tender null and void.
- g) Tenders must be accompanied by a certified cheque, bank draft, money order or bid bond made payable in the amount of 10% of the Total Tender price to The Corporation of the Township of South Algonquin, or equal to or greater than the amount specified in the submission, AND MUST BE ENCLOSED IN THE SAME ENVELOPE AS THE FORM OF TENDER. Proof of Bonding must be furnished before a contract is awarded, no later than 10 days following the award of the tender.

#### B – Failure to Observe Tender Requirements

If any of the Tender requirements (Sections 6.7 A) have not been met, the tender shall be considered to be improper and dealt with as set out in Section 6.7 A.

#### C – Submission Material

The requirements of Sections 6.7 A shall be included as part of the submission material.

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#### D – Receiving of Tenders

##### a) Submission Box

A locked box shall be maintained under the control of the Clerk-Treasurer or his/her designate, for the reception and safekeeping of the Tenders.

##### b) Time and Date Stamping and Recording of Tenders Submitted

When a Tender is received, the envelope shall be time and date stamped. If a time stamp is not available, the time received shall be noted in ink and initialed by the Clerk-Treasurer or his/her designate. Receipt of each tender shall be recorded. Submissions shall be deposited unopened in the proper locked submission box. The tenders shall be deemed to have been received when the envelope has been stamped with the time and date of receipt by the Clerk-Treasurer or his/her designate.

##### c) Late Submissions

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

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

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

Any correspondence, pertaining to adjustments, corrections or restrictions to a tender, which is received with a tender, but outside the submission envelope, or is received after a tender has been submitted, but prior to closing time, shall not be considered [see Section 6.7 A (d)]. Depending on the time available the tenderer shall be advised by mail or phone of the withdrawal procedures.

#### **4.7 Withdrawal of Tenders**

##### A – Withdrawal of Tenders Prior to Opening

A contractor/supplier who has submitted a Tender, 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 Clerk-Treasurer or his/her designate by letter, facsimile or in person. Telephone requests shall not be considered.

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When withdrawals are made in person, the Clerk-Treasurer or his/her designate shall obtain a signed withdrawal confirming the details. If the person is other than an authorized Official of the Company and for withdrawals by facsimile, the authenticity of the request must be confirmed by telephoning an authorized Official of the company.

Withdrawal requests received after the Tender closing time will not be allowed. The party concerned shall be informed that the withdrawal request arrived too late for consideration. However, when the tenders are read out at the tender opening, and if it is the lowest tender on the contract, the tenderer may then proceed in accordance with Section 6.8 C.

**NOTE:** *Withdrawal of a Tender prior to the closing date does not disqualify a tenderer from submitting another tender on the same contract.*

#### B – Withdrawal of Submissions during the Opening

At the conclusion of the reading out of tenders on a contract, a low tenderer may withdraw any of his/her remaining tenders on other contracts. Withdrawn tenders under this procedure cannot be reinstated. If more than one tender is read out under the same name for the same contract and no withdrawal notice has been received, then Section 6.7 C (g) shall apply.

#### C – Opening of Submissions

##### a) Public Opening of Submissions

Opening shall be open to the public.

##### b) Tender Award Committee

All tenders shall be opened in the presence of the Tender Award Committee comprised of at least three members including; the Clerk-Treasurer or his/her designate, a member of Council and a recording secretary.

##### c) Action to “Unknown” Tenders at Opening

Any tender that does not have the proper documentation on the envelope shall be returned.

##### d) Action on Correspondence found Enclosed in Submission Envelope

If correspondence is found enclosed with a tender in the envelope, which in the opinion of the Clerk-Treasurer or his/her designate could qualify the tender in any way that submission shall initially be considered improper and shall be so noted in the record. The correspondence and the tender shall be referred to the Council for a decision as to its acceptance or rejection (See Section 6.9 A).

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e) All Tenders Received Must be Accounted For

When tenders have been opened and sorted, the Clerk-Treasurer or his/her designate shall check the Listing of tenders 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 tenders have been accounted for.

f) Reading Out of Tenders Amounts, and Listing of Information

When all tenders have been accounted for, the Clerk-Treasurer or his/her designate shall announce for each project, the tender number, and the number of tenders received, the name of the tenderer and total tender amount, simultaneously recording the name of each tenderer, the tender amount and the deposit cheque amount on a tender opening form.

g) Action When Correspondence Requesting Withdrawal Attached to Tender

When, during the reading out of submissions, the Clerk-Treasurer or his/her designate receives a tender that has correspondence requesting withdrawal attached, he/she shall read out the tender number and the tender's name and indicate to those in attendance that the tender is one previously announced as withdrawn at the request of the tenderer, (see Section 6.7 B). The tenderer's name for each withdrawn tender shall be recorded immediately following the names of the tenderers whose submissions will be considered, noting the method and date of withdrawal.

h) More Than One Submission Under Same Name

During the reading out of tenders the Clerk-Treasurer or his/her designate shall check for more than one tender under the same name (without a notice of withdrawal). If this situation occurs, each tender shall be documented and referenced in a manner as "A", "B", "C", etc., and shall be dealt with as normal tenders.

i) Preparation of Notice of Withdrawal of Submission

A contractor/supplier (read out aloud as low tenderer on a previous tender) who desires to withdraw a tender(s) during an opening, shall attest in writing to his/her identity and state the contract(s) on which he/she desires to withdraw. The withdrawal of a tender must be signed by the contractor/supplier. This notice must be handed to the Clerk-Treasurer or his/her designate before the reading out of the first tender on the contract(s) to which it applies (see Section 6.7 B). The Clerk-Treasurer or his/her designate shall attach it to the applicable submission.

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The Clerk-Treasurer or his/her designate shall read out the tenderer's name and announce that the tender has been withdrawn in accordance with established procedure.

The Clerk-Treasurer or his/her designate shall not read out the tender amount of a withdrawn submission.

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

#### D – Checking Tenders

The submissions will be checked to determine whether;

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

#### **4.8 Award Process**

##### A – Basis of Decisions on Acceptance or Rejection of Improper Tenders

Tenders, which fall within the following categories, shall be rejected.

##### a) Late Tenders

Must be rejected and will not be considered.

##### b) Incomplete Tenders

Part tenders 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) Tender Not Signed

Tenders that are not signed and sealed (if required) must be rejected.

##### d) Erasures, Overwriting or Strikeouts

Tenders where erasures, overwriting or strikeouts are present, must be rejected.

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e) 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 must be rejected.

B – Notifications of Acceptance of Submission

Upon the award of the Tender, the Clerk Treasurer or (his/her) designate shall inform the successful tenderer that the tender has been accepted, and notify all other tenderers of the award and the name of the successful tenderer. Where a contract is required the Clerk shall coordinate the preparation of the contract terms with the Legal Division and inform the successful contractor of the process.

C – Disposition of Deposit Cheques

Following the award of the Tender, all deposit cheques and/or bid bonds, other than the low and second low tenders, shall be returned to the applicable tenderers by regular mail, upon notification by the Clerk and all original submission forms shall be retained on file.

D – Execution of Contract

Where a Township contract is required, a contractor/supplier shall be allowed ten working days between the date of mailing the Contract, and the date the executed contract must be returned to the Township. Copies of the executed contract will be distributed to the appropriate Department Head. No work shall proceed until the contract is executed by all parties and the necessary securities are filed.

E – Action on Acceptance of Contract

When copies of the executed contract are returned and are acceptable to the Township, the Tender Deposit(s) of the second low tenderer shall be returned by registered mail.

F – Action When Successful Bidder Does Not Finalize Contract

If a contract is required, and the successful tenderer fails to sign the contract or to provide the necessary security within the specified time, (see Section 6.9 D) the Council may grant additional time to fulfill the necessary requirements or decide one of the following:

- (i) that the contract shall be awarded to the next lowest tenderer; or
- (ii) that the offer of award be revoked.

In the case of (i) and (ii) above, the Tender Deposit of the low tenderer shall be forfeited.

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#### **4.9 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 familiarity with the project shall be considered. The selection and weighting criteria shall be determined in advance, based on the scope of the service required. The criteria shall form part of the Tender document. Although fees are a consideration, they may not be the prime importance. Selection on a basis of price rather than ability may not ensure the Corporation of the best or most economical overall solution.

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

- i) by direct appointment; or
- ii) 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 Corporation is able to employ different consultants, thus matching particular talents to 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:

- i) Has the consultant served the Corporation well in the past?
- ii) Is the consultant known to the Corporation?
- iii) Has the consultant been recommended?
- iv) Does the Corporation 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 Corporation, or when the Corporation does not know of a suitable consultant, or needs additional information to make a selection. This procedure may require the facilitation of an Expression of Interest in addition to 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 Corporation to make an appropriate selection.

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b) Prepare a Long List

Develop a list of 6 – 8 consultants from an Expression of Interest, personal knowledge and/or experience of the Corporation, from recommendations of other municipalities, or obtain names of consultants from professional associations.

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:

- i) The consultant's ability and experience on similar projects;
- ii) A list of key personnel and their resumes; and
- iii) The method of organization 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 Corporation must provide the consultants with the following:

- i) Definition of the project;
- ii) Scope of services that are requested;
- iii) Terms of Reference;
- iv) The Request for Proposal should ask the consultant to provide detailed information on:
  - The name, size, location and description of firm
  - The staff or study team proposed for assignment on the project
  - Resumes of key personnel
  - The consultant's previous experience
  - Project methodology
  - Schedule or time frame for the project
  - Basis of fees.

f) Interview Candidate Consultants

This gives the Township an opportunity to assess the capabilities of the consultant's senior staff and how they interact with Corporation 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, workload and fees.

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h) Meet with Preferred Consultant

The Corporation 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 \$5,000 are subject to Section 3.1 of this By-law.

j) Execute Agreement

A contract shall be prepared for the protection of the Corporation and the consultant.

k) Notify Unsuccessful Consultants

Unsuccessful tenderers shall receive written notification of the award from the initiating Department.

**4.10 Payments**

a) payments shall be made according to the terms of the tender document.

b) 10% of the total tender amount will be held back for forty-five days after substantial completion of the contract as per the Construction Lien Act.

c) Progress payments shall be made upon request according to the following schedule:

- 40% upon 50% completion;
- an additional 25% upon 75% completion; and
- a final 25% upon completion.

d) completion progress shall be substantiated by an Inspection Report completed by the supervisor of the works and no progress payment shall be made without this report.

**7.0 Code of Ethics**

All Township staff associated with purchasing subscribes to and practices his/her purchasing duties according to the Ontario Public Buyers Association's Code of Ethics, which is based on the following tenets:

7.1 Open and honest dealing with everyone who is involved in the purchasing process. This includes all businesses with which the Township contracts or from which it purchases goods and services, as well as all members of staff and of the public who utilize the services of purchasing.

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- 7.2 Fair and impartial award recommendations for all contracts and tenders. This means that we do not extend preferential treatment to any vendor, including local companies. Not only is it against the law, it is not good business practice, since it limits fair and open competition for all vendors and is therefore a detriment to obtaining the best possible value for each tax dollar.
- 7.3 An irreproachable standard of personal integrity. Staff and Council members associated with, the purchasing process, do not publicly endorse any company in order to give that company an advantage over others.
- 7.4 Co-operation with other public agencies in order to obtain the best possible value for every tax dollar.
- 7.5 Continuous development of purchasing excellence.
- 7.6 Abide by the Township's Conflict of Interest Policy.

**8.0 Any other by-law inconsistent with or antedating this By-law is hereby repealed.**

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APPENDIX "A"

**ESTABLISHMENT OF FILE**

A file shall be created for all tenders that shall be maintained and include the following:

- the tender name and number
- a copy of the "Tenders Received" list
- photocopy of the tender security deposit
- a copy of the liability insurance documentation and WSIB status
- a copy of the newspaper add and invoice
- a copy of the tender documents including any plans and specifications
- attendance, an analysis of the tenders opened and a prepared motion for the consideration of Council/Committee
- a copy of the letter notifying all tenderers of the award and any other correspondence to the tenderers
- a true copy of the motion to award the tender
- a copy of any inspection reports