

# P O L I C Y

**POLICY NO.:** GG.2.17

**SECTION:** GENERAL GOVERNMENT – TREASURY

**TITLE/SUBJECT:** PURCHASING AND PROCUREMENT

**ADOPTED DATE:** December 1, 2004

**REVISION DATE:** December 19, 2007  
September 7, 2011  
June 19, 2013

## 1.0 POLICY STATEMENT

This policy is intended to provide guidelines for the acquisition of goods and services. The policy also authorizes staff of the Municipality of Kincardine in the acquisition and payment for these goods and services.

## 2.0 DEFINITIONS

**“Advertising”** means both a notice posted on the Municipality of Kincardine website or in any print media having public circulation on either a daily or weekly basis.

**“Approved Budget”** means a budget approved by the Council for the current fiscal year.

**“Authority”** means the legal right to conduct the tasks outlined in this By-Law.

**“Blanket Purchase Orders”** means agreements between the Municipality and one or more suppliers under which the supplier agrees to supply a certain class of items for an agreed period of time. The purpose of a blanket purchase order is to allow an authorized requisitioner to deal directly with a supplier.

**“Chief Administrative Officer”** means the Chief Administrative Officer (CAO) of the Corporation of the Municipality of Kincardine.

**“Contract”** means a written binding agreement between the Municipality and the party providing the goods and services at a specified price.

**“Council”** means the Council of the Corporation of the Municipality of Kincardine.

**“Department”** means any department within the Municipality, including any board for which the Municipality provides purchasing services.

**“Department Head”** means the senior manager of a department within the Municipality of Kincardine or designate.

**“Emergency”** means a situation where immediate purchase of goods or services is essential to prevent serious delays, further damage, to restore minimum services, or maintain essential safety services.

**“Firms”** means the company, group, business or individuals conducting business and supplying goods and services.

**“Goods and Services”** means supplies, work, equipment, property, construction, etc. which the Municipality is intending to obtain, including the services of consultants.

**“Municipality”** means the Corporation of the Municipality of Kincardine

**“Professional and Consulting Service”** means a person or firm, who by virtue of particular expertise is hired by the Municipality to undertake a specific task or assignment that may include designing specifications and preparing plans or programs.

**“Purchases”** means the acquisition of goods or services for which the Municipality will undertake to pay, regardless of the cost being funded or subsidized by other levels of government.

**“Purchase Order”** means a written contract, on a form provided by the Treasurer, to purchase goods and services.

**“Quotation”** means a written offer received from a supplier to sell or buy goods and services in response to a direct request.

**“Tender”** means a written offer received from a supplier of goods and services in response to a public advertisement or to an invitation to bid requesting sealed tenders for work estimated to cost \$40,000 or more.

**“Treasurer”** shall mean the Treasurer of the Municipality of Kincardine (or designate.)

**“Total Acquisition Cost”** means the cost which results in the lowest cost of ownership, operation or purchase or lease to the Municipality. This cost is arrived at after considering all factors such as price, quality, services, terms and conditions and warranties, including taxes and discounts.

Any reference herein to male gender shall be construed to include the female gender as well, and any reference to singular or plural shall be interpreted as the opposite number where the context so requires.

### **3.0 GENERAL PROVISIONS**

- 3.1 During the purchasing process, in-house bids will not be considered.
- 3.2 No purchase of goods and services shall be authorized unless it complies with the Purchasing and Procurement Policy. Goods and services that are obtained without following the provisions of this policy will not be accepted and any invoices received will not be processed for payment.
- 3.3 Exceptions to this policy are identified in Appendix A.
- 3.4 No contract or purchase shall be divided into two or more parts for the purpose of avoiding the application of this policy.
- 3.5 Any form of communication, lobbying or any other attempt at influencing the results of the procurement processes by a Bidder with an employee and/or Council of the Municipality will result in disqualification of that Bidder.
- 3.6 Where the Municipality is pursuing a claim against a Supplier in contract or tort, or where a Supplier is pursuing a similar claim against the Municipality, the Supplier shall not be eligible to respond to any call for bids of Goods or Services, unless the CAO determines that it is in the best interest of the Municipality to do so.

### **4.0 RESPONSIBILITIES AND AUTHORITIES**

- 4.1 Each Department Head shall have the responsibility and authority for the procurement of Goods and Services for his department provided that:
  - (a) No expenditure, purchase or commitment is incurred or made, and no account is paid by the Municipality for Goods or Services, except as provided in this policy or otherwise approved by Council; and,
  - (b) No Contract is entered into and no expenditure is authorized or incurred unless Council has provided funds for such purpose in the annual budget or otherwise agreed to the provision of such funds and no expenditure is authorized or incurred in excess of the funds provided unless otherwise authorized under this policy.
- 4.2 Each Department Head shall have the responsibility and authority for the procurement of Goods and Services for his department including, preparing reports to Council where such reports are required to be submitted to Council under this policy

## **5.0 SPECIAL PROVISION-BEC**

Pursuant to an agreement dated August 12, 2012 between The Municipality, Bruce Power and LIUNA the Municipality must only use companies in contractual relations with Laborer's International Union of North America/United Association (LIUNA) when undertaking any construction work relating to the Bruce Energy Center (BEC) sewage treatment plant or water tower. Contractors hired to do any work on these facilities must have a Collective Agreement with LIUNA and use LIUNA or affiliated Industrial, Commercial and Institutional (ICI) associates and use union members for the work.

## **6.0 PURCHASING PRINCIPLES**

The purchasing principles of the Corporation of the Municipality of Kincardine shall be:

- 6.1 To purchase, rent or lease goods and services of a quality and quantity required by the Municipality in an efficient and cost-effective manner.
- 6.2 To encourage open competitive bidding on all acquisitions of goods and services where practicable.
- 6.3 To ensure that local suppliers are included in the competitive bidding process.
- 6.4 To consider the total acquisition costs, including life-cycle costs, operating, training, maintenance, quality, warranty, payment terms, disposal costs, rather than only the lowest price received.
- 6.5 To ensure compliance with all health and safety regulations.
- 6.6 To recognize the authority of the annual operating and capital budgets approved by Council as providing a framework to Department Heads for the determination of the goods and services to be purchased.
- 6.7 To encourage standardization of goods and services to allow for:
  - Increased volume on common goods
  - Providing economies of scale
  - Reducing handling, training and storage costs
  - Cooperative purchasing opportunities
- 6.8 These purchasing principles shall be adhered to by any other agency purchasing goods and services on behalf of the Municipality.
- 6.9 Where a Department Head wishes to undertake a capital project after the approval of the current years' capital budget which is not in that budget, he must first provide a report to Council and obtain their approval in the form of either a pre-

budget amendment motion and/or an amendment to the current year's budget by-law.

- 6.10 When procuring goods, services and facilities, the Municipality will incorporate accessibility criteria and features. Where applicable, procurement documents will specify the desired accessibility criteria to be met and provide guidelines for the evaluation of proposals in respect of those criteria. Where it is impractical for the Municipality to incorporate accessibility criteria and features when procuring or acquiring specific goods, services or facilities, the Department Head will provide a written explanation, on request.

## **7.0 GOALS TO BE ACHIEVED BY USING EACH TYPE OF PROCUREMENT PROCESS**

- 7.1 The goals and objectives of all departments in the purchasing of goods and services are as follows:
- a. Establish clear objective specifications for all purchases.
  - b. Identify potential sources for purchases.
  - c. Recommend sole source justification in accordance with the policies.
  - d. Select successful bidders and suppliers in accordance with this policy.
  - e. Make recommendations to the Council with respect to the award of tenders as required by the policies and procedures.
  - f. Designate persons authorized to approve expenditures and their expenditure limits within their departments.
  - g. Review purchases upon delivery to ensure compliance with specifications.
  - h. Comply with the approved purchasing policies and procedures of the Municipality.

## **8.0 PURCHASING POLICIES**

- 8.1 The Municipality shall acquire its goods, services and works through the application of the highest standards of business ethics.
- 8.2 Acceptance of any supplier will be based on the following considerations: service, guarantee, reputation, availability, quality, expertise, qualifications, expedience, as well as price.
- 8.3 All things being equal, preference will be given, when appropriate, to local firms, Ontario firms and Canadian firms, in that order.
- 8.4 Every effort shall be made wherever and whenever possible, to purchase centrally those goods and services that are of a common nature to Departments concerned, so as to promote lower ultimate costs of goods and services.
- 8.5 The contracts on the basis of the lowest acceptable overall tender when the best interest of the Municipality would be served thereby, and in keeping with the provisions of the policy.

- 8.6 The process by which all purchases of goods and services are made will be on a competitive basis utilizing quotations, tenders, or proposals where practical.
- 8.7 The inclusion of any item in a department's operating budget or capital budget shall confer to the Department Head the authority to incur such expenditures in accordance with this policy.
- 8.8 Prior to the Council adopting the operating and capital budgets, each Department Head may commit up to 50% of his previous year's operating budget and up to 25% of his previous year's capital budget. The capital commitment of 25% applies only to projects that were approved in prior years or in cases where pre-budget approval has been obtained.

## **9.0 METHODS OF PURCHASING**

### **9.1 Direct Purchase from Supplier**

This method of purchase refers to the direct ordering and purchase of goods and services from a supplier with or without negotiation. This method of purchase will be used primarily for the purchase of low value goods where the cost and administrative burden of other methods may be equal to or greater than the price or value of the goods purchased.

### **9.2 Negotiated Method**

This method of purchase refers to the negotiation of an agreement for the purchase of goods and services from a supplier where there is no open competition. It is used in the case where the conditions listed in Section 17, Purchase by Negotiation are present.

### **9.3 Requests for Quotation/Informal Quotation**

This method of purchase is a competitive method. The specifications for the goods and services and terms of purchase will be established with sufficient detail to permit comparable quotations to be made by suppliers. A sufficient number of suppliers shall be requested to submit quotations on the specifications and terms of purchase so that at least three responsive quotations are received, where practical.

### **9.4 Requests for Tender**

This is a competitive method of purchase which may include supplier or contractor pre-qualification. The tender process follows the general procedures set out below.

- Contractor and Supplier Qualification (if applicable)
- Development of Specifications and Contract Terms
- Publication and Solicitation of Tenders
- Receiving and Opening of Bids
- Bid Evaluation and Selection

The specifications and contract terms are detailed within the tender documents in such a degree that there is no prospect of negotiations between the parties. It is intended to accept the highest ranked compliant bid, as all the terms, conditions and specifications must be met by the bidders.

**9.5 Requests for Proposals**

This method of purchase involves the solicitation of proposals. It may or may not include pre-qualification. In this method of purchase, some or all of the specifications and contract terms may not be finally determined with sufficient certainty to form the basis of a final contract before proposals are solicited and submitted. It may be expected there will be some variation in the final specification and contract terms among and between responsive proponents. The process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms and price.

**9.6 Request for Information (RFI)**

This method is a pre-purchase activity that may be taken to gather general supplier/consultant or product information. It may be used when the Municipality is researching a contemplated need and has not yet determined what characteristics the ideal solution would have. Responses to RFI questions normally contribute to the final version of a subsequent call for bid document and may include targeted questions about the required output/acquisition, seeking combinations or industry leading practices, suggestions, expertise and even concerns and additional questions from the proponents.

Responses to an RFI will not pre-qualify a potential supplier/consultant and will not influence their chances of being the successful proponent on any subsequent opportunity. An RFI submission does not create any contractual obligation between the Municipality and the interested respondent.

**10.0 PURCHASING PROCESS**

10.1 Subject to any direction that may be given from time to time by Council, the Department Head shall determine the method 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, general trade practice and market conditions.

10.2 Petty Cash items – Up to and Including \$300

Petty cash items are exempt from the provisions of the Purchasing Policy as per Appendix A. Purchase Orders shall not be required for purchases under \$300, although a Department Head may determine that a Purchase Order is a mandatory practice for all purchases within his department.

10.3 Best Value – Purchases Exceeding \$300 but not Exceeding \$5,000

It is understood that any purchase under \$5,000 does not require formal tendering or written quotations, but it is understood that the Department Head will attempt to obtain competitive prices.

- 10.4 Informal Quotation - Purchases Exceeding \$5,000 but not Exceeding \$15,000  
The Department Head (or designate) shall have authority to purchase such goods and/or services, provided the item was included in the annual budget, and that more than one informal price quotation is obtained. Informal Quotations may be accepted by e-mail, fax or hand delivered.

Informal Quotations do not involve advertising whereas it is a requirement for Formal Quotations.

- 10.5 Formal Quotation – Purchases Exceeding \$15,000 but not Exceeding \$40,000  
The Department Head (or designate) shall have authority to purchase such goods and/or services, provided that the proposed purchase was budgeted for, and at least three (3) formal quotations have been obtained in accordance with provisions of this policy.

- 10.6 Request for Tender (RFT) – Purchases Exceeding \$40,000  
The Department Head shall issue a formal tender call in accordance with the provisions of this policy. This is a competitive method of purchase which may include supplier or contractor pre-qualification.

The specifications and contract terms are detailed within the tender documents in such a degree that there is no prospect of negotiations between the parties. It is intended to accept the highest ranked compliant bid, as all the terms, conditions and specifications must be met by the bidders.

- 10.7 Request for Proposals (RFP) – Purchases Exceeding \$40,000  
The Department Head shall issue a request for proposal in accordance with the provisions of this policy. This method of purchase involves the solicitation of proposals and may or may not include pre-qualification. In this method of purchase, some or all of the specifications and contract terms may not be finally determined with sufficient certainty to form the basis of a final contract before proposals are solicited and submitted. It may be expected there will be some variation in the final specification and contract terms among and between responsive proponents. The process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms and price.

## **11.0 EMERGENCY PROCEDURES**

- 11.1 Notwithstanding, the provisions of this policy shall be disregarded for goods and services that may be required in the event of an emergency situation. Where the expenditure relating to the emergency is anticipated to exceed \$15,000, the Department Head must first obtain the approval of the Chief Administrative Officer or the Mayor.

- 11.2 The CAO shall advise Council of the nature of the emergency and the budgetary impact of the purchase and if necessary the appropriate budget amendment process shall be initiated.



## **12.0 AUTHORITIES (Transfer of Expenditures)**

Where it appears additional funds will be required to complete a project approved in the budget and where funds appear to be available within the budget appropriation for the department, the transfer of funds may be made if the transfer does not conflict with Council's policies and objectives

- 12.1 Department Head – The Department Head may authorize the transfer to a limit of \$15,000 and report same to the CAO and the Treasurer
- 12.2 Treasurer – The Treasurer may authorize the transfer to a limit of \$40,000 and report same to the CAO
- 12.3 Council – Council may authorize any transfers in excess of \$40,000 following the required budget amendment.
- 12.4 Transfers and over expenditures which would affect the total limit of the departmental operating or capital budget must follow the budget amendment process and be recommended for Council approval by the respective Department Head and the Treasurer.

## **13.0 PAYMENTS AND PAYMENT REPORTING**

- 13.1 Each Department shall approve payment of all invoices charges to that department indicating the account distribution of the expenditure. The Department Head or designate before approving the payment, shall ensure that the following have been checked and found correct:
  - Quantity and quality of goods received are as invoiced
  - Pricing is correct
  - Calculations are correct
- 13.2 The Treasurer is authorized to pay all accounts for routine purchases of goods and services within the limit of authority of the Department Head including those listed in Appendix A.
- 13.3 Invoices should come to the Treasury department documenting the following:
  - a) Initials of the person that received the items
  - b) Vendor number
  - c) The amount authorized after taxes
  - d) The amount authorized for payment
  - e) Authorization of the Department Head or designate
  - f) The Purchase order is attached or for items in Appendix A, the Resolution or By-Law # should be noted if applicable
  - g) Invoices for ads should have the page on which ad appears attached so that the ad and the date of publication are visible

- 13.4 The Treasurer shall provide to Council the financial statements on a monthly basis, upon completion of the annual budget. A detailed variance report with accompanying analysis will be provided on a bi-monthly basis commencing June 30th of each year.

#### **14.0 QUOTATION/TENDERING PROCESS AND REPORTING**

##### **14.1 Formal Quotation Process: Budgeted limit of \$15,000 to \$40,000**

Quotations shall be requested for goods and services (excluding professional or consulting services) in the following manner:

All formal quotations must be posted on the Municipality of Kincardine website and may be advertised in written media at the discretion of the Department Head.

- .1 At least three (3) firms supplying the goods or services shall be contacted and provided with all the information available, and shall be requested to submit a quotation. Firms may either contact the municipality or be contacted by the municipality at its discretion. All firms expressing an interest in the project shall be provided with complete written specifications and shall be requested to submit a written quotation.

This requirement shall be exempted in writing by the Treasurer in the case of goods or services that can only be provided by one or two suppliers because of detailed specifications or specialized services.

- .2 All requests for quotation shall include a day and time by which the quotation must be submitted to the Department Head.
- .3 All firms requested to submit a quotation shall be allowed at least five (5) working days before the deadline of submitting their quotation. All Formal Quotations shall be submitted clearly marked in a sealed envelope. Faxed or e-mailed Formal Quotations will not be accepted.
- .4 The Quotation Package shall include all of the following items unless it is for the supply of goods and materials only in which case items d) and e) are not required:
- a) copy of the advertisement
  - b) the official Quotation forms supplied by the Municipality
  - c) quotation material, i.e. specifications etc.
  - d) The Municipality's "Notice to Contractors" respecting the Corporate Statement on Occupational Health and Safety (Appendix E)
  - e) Notice that the Municipality will be required to receive the information contained in Appendix F before final awarding of the quotation.
  - f) The Quotation Package shall include the criteria and the method of evaluation if the purchase is to be evaluated on the basis of other than lowest price alone.
- .5 The document requesting a quotation shall include the following statement: "the lowest or any quotation not necessarily accepted."

- .6 When quotations are received, they shall be initialed and dated, and the time shall be noted thereon using the telephone clock. They shall be logged on a master quotation list for that quotation.
- .7 Any quotation received at the office of the Department after the deadline shall be initialed, dated including the time, using the telephone clock in the department, and returned unopened. A covering letter advising that the quotation was received after the deadline shall accompany the return.
- .8 At a time established, as soon as possible after the deadline of submitting quotations, all quotations shall be opened and read and the amount announced.
- .9 Quotations shall be opened in the presence of the Department Head and one other person. All quotations must be opened in the presence of two people and they must sign the Results Form (Appendix H)
- .10 Any Quotation which is illegible or incomplete or unsigned, contains restrictions or alterations by the bidder in the form requested, shall be rejected. A covering letter advising that the quotation was rejected providing the justification shall be sent to the bidder.
- .11 The appropriate Department Head may award the quotation and sign any associated contract or agreement necessary to complete the purchase provided the goods and services were:
  - a) included in the current year budget
  - b) the actual amount of the purchase is \$40,000 or less, and
  - c) the actual amount of the purchase falls within the limits of the purchasing method utilized.
- .12 If a purchase method was utilized, based on the budgeted amount, that is no longer appropriate based on the actual amount (i.e. the purchase limit required an informal quote but best buy method was used or the limit required a formal quote but an informal quote method was used) the Department Head shall write a memo and obtain the written approval of the Treasurer prior to issuing the purchase order and signing of any contracts.
- .13 Keeping the purchasing principles in mind, if the bids were not ranked using a preset criteria and the lowest quotation is not recommended, a report shall be submitted to the Council detailing the reasons.
- .14 Information respecting all bidders will be made available upon request, only after the quotations have been opened.
- .15 The Quotation Checklist, Appendix C, is to be used to document compliance with the policy.

## **15. Tender Process: Budgeted limit of more than \$40,000**

Tenders shall be requested for goods and services (excluding professional or consulting services) in the following manner.

.1 In addition to providing notice on the Municipality's website, tenders shall be called by one of the following methods:

- Advertised in at least one major construction/trade publication
- Advertised in a newspaper having general circulation in the Municipality. Tenders may be advertised in more than one (1) newspaper.

This requirement shall be waived in the case of goods or services that can only be provided by fewer than five (5) suppliers because of detailed specifications or specialized services. The Department Head shall require the permission of Council to move to an invited Formal Quotation method. The Municipality shall maintain a bidders list, periodically updated, for this purpose.

.2 All tender advertisements shall contain the following information, where applicable:

- the name of the municipality
- the contract number, if any
- the type of good, service, or project
- the name of the Department Head designated to receive the tender
- the date and time of the closing of the tender
- the location where plans, specifications, or other details may be obtained
- the fee, if any, for contract documents
- a description of any security which must accompany the tender
- the time and place at which the tenders will be opened
- only sealed tenders will be accepted – no faxed or e-mailed tenders accepted
- the following statement “the lowest or any tender not necessarily accepted”

.3 All advertisements for tenders shall provide for at least two (2) full weeks from the latest of the date posted to the Municipal website or date of issuance of written media, if used, before the deadline of submitting the tenders.

.4 A list of prospective bidders shall be maintained by the Department. The name, address and telephone or fax number of prospective bidders/plan takers shall be recorded when tender documents are released.

- .5 The Tender package shall include all of the following items unless it is for the supply of goods and materials only, in which case items d) and e) are not required:
- a) copy of the advertisement
  - b) the official tender forms supplied by the municipality
  - c) tendering material, i.e. specifications etc.
  - d) The Municipality's "Notice to Contractors" respecting the Corporate Statement on Occupational Health and Safety (Appendix E)
  - e) Notice that the Municipality will be required to receive the information contained in Appendix F before final awarding of the tender.
  - f) The criteria and the method of evaluation if the purchase is to be evaluated on the basis of other than lowest price alone.
- .6 Where the tender is for the supply of services and/or services and materials the following shall be obtained:
- a) a bid deposit preferably in the form of a certified cheque or in the form of a bid bond as follows:
    - 1) tenders of less than \$200,000, 5% of the budgeted value of the tendered work
    - 2) tenders of \$200,000 or more, 3% of the budgeted value of the tendered work
  - b) security for 100% of the awarded value of the work in the form of a performance bond or irrevocable letter of credit
  - c) where the tender involves complex materials or where there is a large amount of subcontract labour, security for 100% of the awarded value of the work in the form of a labour and material bond

Holdbacks shall be, at a minimum, pursuant to the Construction Lien Act. Any additional holdback/warranty which is deemed appropriate shall be specified in the tender documents.

- .7 All tenders received shall be sealed in the envelope provided with the tender and shall be:
- initialled by the employee receiving the tender
  - dated, including the time at which the tender was received using the telephone clock in the department office,
  - logged on a master list for that tender, and
  - placed unopened in a secured location immediately
- .8 Any tender received after the deadline shall be initialled, dated including the time, using the telephone clock, and returned unopened immediately after the tender opening. A covering letter advising that the tender was received after the deadline shall accompany the return.

- .9 Notwithstanding the provisions of this policy, illegible, incomplete, unsigned, contain restrictions or alterations by the bidder, contain insufficient deposit, or insufficient or no performance bond or security in the form requested, shall be rejected. A covering letter advising that the tender was rejected with the justification shall be sent to the bidder.
- .10 Tenders may be withdrawn, provided such withdrawal is done in writing, and provided it is requested before the closing date and time. Tenders confirmed as withdrawn will be returned unopened to the bidder after the opening of tenders has been completed. Withdrawal notices will be read at the time the tenders are opened.

The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same project.

If more than one tender is received from the same bidder, and no withdrawal notice has been filed, the tender contained in the envelope bearing the time closest to the competition closing time shall be considered the intended bid. Any other tenders received from that bidder shall be considered withdrawn, and shall be returned in the prescribed manner.

- .11 All tenders shall be opened in the presence of the Department Head or designate, and Treasurer or designate and one of the following:
- Mayor
  - Council Member or Policy Chair
  - Chief Administrative Officer

Each tender shall be read and the amount announced and recorded on the Results Form, (Appendix H). This form must be signed by at least 3 attendees, two of whom shall be the Department Head or designate and the Treasurer or designate.

- .12 For contracts where a performance bond is required, the deposit cheque of the first, second and third ranked bidders shall be retained by the Municipality until such time as the said performance bond has been supplied in a form satisfactory to the Municipality, and the contract agreement has been executed.

For contracts that do not require a performance bond, the deposit cheque of the successful bidder shall be retained by the Municipality until such time as the goods or services have been received, or completed to the satisfaction of the Municipality. The cheque of the second and third ranked bidders shall be retained until the agreement has been executed.

The deposit cheques of unsuccessful bidders shall be returned to the bidders address as shown on the tender form as soon as is practical after the acceptance of the tenders.

- .13 If a purchase method was utilized based on the budgeted amount that is no longer appropriate based on the actual amount of the goods and/or services to be purchased (i.e. the purchase exceeds the limit for the tender method) the Department Head shall write a report and obtain the approval of Council by resolution prior to awarding of a tender and signing of any contracts.
- .14 A report shall be submitted to Council prior to a tender being awarded to inform Council of:
- the amount that was budgeted for the tendered goods, services or project
  - the firm and the amount of the tender which is being recommended to be awarded the tender
  - a full explanation if the tender is not awarded to the firm that was ranked the highest, or if the tender is not awarded, and
  - comparison to previous year, if appropriate
- .15 No tender shall be awarded without budget approval. All costs associated with a project in advance of such approval shall be borne by the operating budget.
- .16 Council shall award all tenders.
- .17 Where a contract is appropriate for a tendered purchase, it will require the signature of the Mayor and CAO and will therefore require the approval of the Municipality's Council. The appropriate Department Head shall make a written recommendation to Council on the award of the contract.
- .18 If the successful bidder fails to enter into a contract, or fails to perform the contract, or fails to provide the goods and/or services, the Department Head and/or the Chief Administrative Officer may recommend one of the following to Council:
- that the tender shall be awarded to the second ranked bidder, or
  - that the competition shall be cancelled

In either case, the deposit of the successful bidder shall be forfeited and cashed by the municipality.

- .19 The Tender Checklist, (Appendix E) is to be used to document compliance with this policy.

## **16.0 PROFESSIONAL AND CONSULTING SERVICES REQUESTS FOR PROPOSALS \$40,000 and above**

16.1 Professional consulting services shall be secured through a competitive Request for Proposals (RFP) process as follows:

- .1 Request for Proposals (RFP's) shall be posted on the Municipality of Kincardine website. In addition it is strongly suggested that at least three (3) firms be contacted by the municipality. All firms expressing an interest in the project shall be provided with complete written specifications and shall be requested to submit a written proposal.
- .2 Where fewer than three (3) qualified firms can be identified, the Chief Administrative Officer may nevertheless approve distribution of the RFP's.
- .3 Where a large number of qualified firms can be identified, the firms may be asked to submit a letter of interest which summarizes their qualifications. RFP's would then be sent to a limited number, at least three (3) of the most qualified firms.

16.2 All RFP's shall include:

- description of service required
- a date and time by which proposals are to be submitted
- the location to which proposals are to be submitted
- address, phone number and fax number of the initiating Department,
- the Municipality's "Notice to Contractors" respecting the Corporate Statement on Occupational Health and Safety (Appendix E).
- Notice that the successful bidder will be required to show proof of registration with the Workplace Safety Insurance Board (WSIB) before the final awarding of the contract takes place.
- the ranking criteria to be used in evaluating the proposals

16.3 All proposals received shall be in a sealed envelope and shall be:

- initialled by the employee receiving the proposal
- dated, including the time at which the proposal was received, the main clock in the department office shall be used to determine the exact time, and
- placed unopened in a secured location immediately

16.4 Any proposal received after the deadline shall be initialled, dated including the time, using the main clock in the department, and returned unopened immediately after the proposal opening. A covering letter advising that the proposal was received after the deadline shall accompany the return.

16.5 Notwithstanding the provisions of this policy, illegible, incomplete or unsigned proposals shall be rejected. A covering letter advising that the proposal was rejected with the justification shall be sent to the bidder.



- 16.6 All tenders shall be opened in the presence of the Department Head or designate, and Treasurer or designate, and at least one of the following:
- Mayor
  - Council Member or Policy Chair
  - Chief Administrative Officer

Each proposal shall be read and the amount announced and recorded on the Results Form, Appendix H. This form must be signed by at least 3 attendees, two of whom shall be the Department Head or designate, and the Treasurer or designate.

- 16.7 Proposals shall be evaluated according to the following criteria. Specific variations or elaborations may be employed depending on the Department and the nature of the services requested. The criteria are:

- experience of the firm doing similar projects
- qualifications of personnel assigned to the work
- approach to the work and methodology
- commitment of firm's resources to the work
- total fees, upset limits, per diem or hourly fees, and disbursements

- 16.8 If a purchase method was utilized based on the budgeted amount that is no longer appropriate based on the actual amount of the goods/or services to be purchased (i.e. the purchase exceeds the limit for the tender method) the Department Head shall write a report and obtain the approval of Council by resolution prior to awarding of a proposal and signing of any contracts.

- 16.9 A report shall be submitted to Council for selection of the consultant that contains:

- the name of the selected firm
- the criteria used in the selection process
- the amount budgeted for the project
- the total fee for the project
- the purpose of the project, and
- the names of the firms that submitted proposals

- 16.10 No proposal shall be awarded without budget approval. All costs associated with a project in advance of such approval shall be borne by the operating budget.

- 16.11 Council shall award all proposals.

- 16.12 Where a contract is appropriate for a purchase based on a proposal, it will require the signature of the Mayor and CAO and will therefore require the approval of the Municipality's Council. The appropriate Department Head shall make a written recommendation to Council on the award of the contract.

16.13 The Tender Checklist, (Appendix D) is to be used to document compliance with this policy.

## **17.0 NEGOTIATED PURCHASES**

The provisions of this policy may be suspended in whole or in part only by the Treasurer for purchases up to \$40,000 and by Council for purchases of \$40,000 or more to allow the Department Head to purchase by negotiation when any of the following conditions apply:

- 17.1 When due to market conditions and in the judgement of the Treasurer, the goods and services required are in short supply.
- 17.2 Where there is only one source of supply for the goods and services to be purchased.
- 17.3 When no bids are received in a call for bid process
- 17.4 When only one bid is received in a call for bid process
- 17.5 When the extension of an existing contract would prove more cost effective or beneficial.
- 17.6 Where the ranking of two or more bids have been determined to be identical
- 17.7 Where the highest ranked bid meeting specifications or tender terms and conditions substantially exceeds the estimated cost of the goods or service.
- 17.8 When all bids received fail to comply with the specifications or tender terms and conditions and it is impractical to recall tenders or quotations.
- 17.9 The justification for the use of the negotiated method as a result of circumstances in Sections 17.6 to 17.8 shall be documented by way of Council resolution prior to commencement of negotiations.

## **18.0 ON-GOING SERVICES AND CONTRACTS**

This section is intended to deal with on-going services and contracts the Municipality has with various suppliers. Examples include the following:

- Audit & Accounting services;
- Banking services;
- Investment services
- Provision of insurance;
- Employee benefits services
- Engineering & Technical services;
- Legal Services

- 18.1 Some of the above services have fixed annual or multi-year renewals while others have no fixed renewal date. Prior to the renewal date or where there is no fixed renewal date at least every four years, the Department Head shall recommend to Council that the service be continued, or that it be tendered or quotations obtained.
- 18.2 All final recommendations must be approved by Council.

## **19.0 FINANCE LEASING**

- 19.1 General Policies governing purchase of the goods and services shall also apply to lease and rental agreements.
- 19.2 Following the completion of the Tender of Request for Proposal process, the respective Department Head shall follow the steps as defined in the Statement of Lease Financing Policies and Goals, attached to this policy as Appendix B.

## **20.0 PURCHASE ORDERS**

- 20.1 The purchase of all goods and services shall be through the use of an approved purchase order with the exception of those goods and services listed on Appendix A or which were previously approved by Council resolution.

The purchase order would include the following:

- a) Vendor's full name, address and postal code
- b) What department the item is for
- c) What budget account number is being used to pay for the item
- d) The name and part number of the item being purchased
- e) The approved amount being expended – a maximum amount approved may be used in lieu of actual known prices
- f) The authorization of the Department Head or designate

The purchase order has three copies, the 1<sup>st</sup> is to be given to the supplier, the 2<sup>nd</sup> is to be attached to the invoice prior to submission to the Treasury department and the 3<sup>rd</sup> is to be kept by the department authorizing the purchase.

- 20.2 Blanket purchase orders are issued by the Department Head or designate to cover the purchase of estimated requirements for various goods and services for a specified period of time and a specified dollar limit. All blanket purchase orders are to expire on December 31st of each calendar year, and must be within the approved budget limit.
- 20.3 The user department is authorized to purchase from the assigned vendors, goods and services covered on the blanket purchase order, subject to any terms and conditions listed on the blanket purchase order.

- 20.4 If the purchasing pattern changes (ie frequency or fee change) for Goods and Services for which a blanket P.O. was issued, then a new P.O. will need to be issued stating the changes, a copy provided to the vendor and attached to the first invoice that reflects the change.
- 20.5 The vendor is to be requested to show the P.O. # on all invoices. Payment is likely to be delayed if the P.O. # is not on the invoice.

## **21.0 CONFLICT OF INTEREST**

No purchase of goods or services shall be made from any employee of the Municipality, or from any company in which an employee of the Municipality has an interest. A contract for goods or services placed with a relative of an employee of the Municipality shall be declared and that employee shall not be placed in a position to supervise or approve the execution of that contract.

## **22.0 ULTRA VIRES**

Any Provincial Statutes or Regulations thereof will supersede and take precedence over this policy.

## **POLICY GG.2.17**

### ***APPENDIX A***

#### **MUNICIPALITY OF KINCARDINE**

The items listed in this Appendix are those for which a purchase order is not required unless specifically requested by the requisitioner and for which other purchasing procedures of this Policy are waived where their application is impractical.

1. Petty Cash Purchases
2. Training and Education
  - Books
  - Magazines
  - Conferences
  - Courses
  - Conventions
  - Memberships
  - Periodicals
  - Seminars
  - Staff Development
  - Staff Workshops
  - Staff Training
  - Subscriptions
3. Refundable Employee Expenses
  - Advances
  - Meal Allowances
  - Miscellaneous - Non-Travel
  - Travel & Hotel Expenses
  - Entertainment Expenses
4. Employer's General Expenses,
  - Payroll Deduction Remittances
  - Medicals
  - Licenses (Vehicles etc.)
  - Debenture Payments
  - Sinking Fund Payments
  - Grants to Agencies
  - Damage Claims
  - Petty Cash Replenishment
  - Building Lease Payments
  - Tax Remittances

- Newspaper Advertising and Public Notices
5. Professional and Special Services
    - Municipality's Auditors and Accountants
    - Banking and Underwriting Services, where covered by Agreements
    - Insurance
    - Engineering Services
    - Legal Fees
    - Laboratory Services
    - Elevator Services
    - Temporary Help
    - Municipality's Agent of Record (Health Benefits)
    - borrowing and investing of money
    - Real Estate Services
  6. Utilities
    - Postage
    - Water
    - Hydro
    - Gas
    - Telephone
    - Fuel Oil
    - Propane
  7. Road construction and maintenance projects, if tendered.
  8. Special items and circumstance on a case-by-case basis as approved by the CAO.

## **POLICY GG.2.17**

### ***APPENDIX B***

## **MUNICIPALITY OF KINCARDINE**

### **Statement of Lease Financing Policies and Goals**

#### **INTRODUCTION**

In certain circumstances, it may be economically advisable for the Municipality to enter into a financing lease to acquire the rights to use capital property and equipment rather than an outright purchase. This policy establishes the procedures regarding the evaluation of potential financing lease agreements and the requirements for reporting the results of those procedures to Municipal Council as required under the Municipal Act, 2001, as amended, and Ontario Regulation 46/94, as amended, more particularly by Ontario Regulation 266/02. Annual reporting of financing lease agreements and transactions is also included.

#### **STATEMENT OF POLICY AND GOALS**

In accordance with the Municipality's procurement policy, a procurement decision must always ensure that the prices paid for goods and services make optimum use of Municipality resources. When staff considers the option of a financing lease agreement, their evaluation of the option must ensure that this goal is achieved.

Adherence to the policies and procedures herein will result in a report presented to Municipal Council which clearly gives an opinion as follows:

- a. whether or not the costs of the financing lease agreement are lower than other methods of financing available to the Municipality and
- b. whether the risks associated with the financing lease are reasonable.

#### **SCOPE**

This policy applies to all Financing Leases for Municipal Capital Facilities.

#### **DEFINITIONS**

In this Policy:

**Financing lease** means a lease allowing for the provision of municipal capital facilities if the lease may or will require payment by the municipality beyond the term for which the municipal council was elected. Financing leases include both material leases and non-material leases.

**Material lease** means a financing lease which would result in a material impact for the municipality, which is hereinafter defined as a financing lease in excess of \$100,000.

**Non-material lease** means a financing lease which would not result in a material impact or a combined material impact for the municipality.

**Material impact** means costs or risks that significantly affect, or would reasonably be expected to have a significant effect on, the debt and financial obligation limit prescribed under Ontario Regulation 799/94, as amended.

**Combined material impact** means the costs or risks of a proposed non-material lease which, when combined with all other non-material leases entered into or proposed to be entered into in a particular year by the municipality, would result in a material impact.

**Municipal capital facilities** include land, works, equipment, machinery and related systems and infrastructures.

### **PROCESS FOR APPROVAL OF A MATERIAL LEASE**

A financing lease agreement must include a schedule of all fixed amount of payment, if any, required under the lease and that may be required under any possible extensions or renewals of the lease.

### **TREASURER'S REPORT**

Before entering into a material lease, the Municipal Treasurer must present a report to Municipal Council which:

- evaluates the financial costs of the lease, and
- evaluates the potential risks of the lease

### **Evaluating the Financial Costs of the Lease**

#### **A. Summary of Financing Lease Payments**

The Treasurer's report to Municipal Council must include an evaluation of the Schedule of Financing Lease Payments included in the Financing Lease Agreement. This report must include:

- A summary of all fixed amounts of payment, if any, required under the lease and that may be required under any possible extensions or renewals of the lease,
- a comparison between the fixed and estimated costs and the risks associated with the proposed lease and those associated with other methods of financing,
- A summary of any contingent payment obligations under the lease that, in the opinion of the Treasurer would result in a material impact for the Municipality, including lease termination provisions, equipment loss, equipment replacement options and guarantees and indemnities,
- A summary, as may be applicable, of the effective rate or rates of financing for the lease, the ability for lease payment amounts to vary, and the methods or calculations, including possible financing rate changes, that may be used to establish that variance under the lease,
- A summary of the assumptions applicable to any possible variations in the lease payment and contingent payment obligations, and
- any other matters that the Treasurer or Council consider advisable



## **B Evaluating the Payment Schedule**

To evaluate the Payment Schedule, the total costs must be compared to the costs of other methods of financing. This comparison may include an estimation of the costs of borrowing funds to finance an outright purchase or the cost of interest income foregone as a result of purchase. Assumptions made in preparing this comparison must be stated in the report to Council.

If circumstances exist which indicate that a financing lease is the only method of financing available, the Treasurer must indicate this fact in his evaluation and state the reasons that this is the case.

### **Evaluating the risks of the lease**

The report must include an assessment and recommendation indicating whether the risks associated with the financing lease are reasonable. The risks evaluated may include:

- effective interest rate implicit in the lease (as compared to current and estimated future market interest rate fluctuations)
- risk of obsolescence, rapidly changing technology may cause an asset to become obsolete before the lease expires. A lease may provide options to permit exchanges for more advanced equipment as it becomes available.
- residual value If an asset is expected to have a residual value at the end of the lease term, any future benefit of this residual value is lost if the asset is lease.
- the lease is a contractual agreement and generally non-cancelable prior to its expiration.
- the risks associated with the proposed lease as compared to those associated with other methods of financing.

The costs and risks associated with a proposed financing lease in the report shall be assessed as of the date the report is made. The summary of information in the report shall include all information required for the entire term of the financing lease, including any possible extensions or renewals.

### **Legal Advice**

The report shall include legal advice from the Municipality's Solicitor on the provisions of the proposed financing lease agreement. In addition, if, in the opinion of the Municipality's Solicitor, the scope of the proposed transaction warrants obtaining legal advice independent of the Corporation, the report should recommend the same to Municipal Council.

### **Change in Circumstances**

At any time after a report regarding a potential financing lease agreement has been made, but before the agreement is entered into, if the Treasurer becomes of the opinion that a changed circumstance with respect to the proposed lease may result in a material impact for the municipality, the Treasurer shall as soon as is reasonably possible update the report and present the updated report to Council.

## **COUNCIL'S ROLE**

Council is responsible for determining whether the costs of financing for the proposed financing lease agreement are lower than other methods of financing available to the municipality, and whether the risks associated with the financing lease agreement are reasonable.

Council is responsible for ensuring that legal and financial advice has been obtained, and must consider whether the scope of the proposed lease warrants further legal or financial advice from an independent source.

## **ANNUAL REPORTING REQUIREMENTS**

In addition to the aforementioned reporting requirements for new financing lease agreements, an annual report shall be prepared by the Treasurer and presented to Council if the Municipality has any financing leases subsisting in the fiscal year.

The report shall contain the following:

1. A description of the estimated proportion of the total financing arrangements of the municipality that have been undertaken through financing leases to the total long-term debt of the municipality .
2. A description of the change, if any, in that estimated proportion since the previous year's report.
3. A statement by the Treasurer as to whether, in his opinion, all financing leases were made in accordance with this Statement of Leasing Policies and Goals.
4. Any other information that Council may require or that, in the opinion of the Treasurer should be recorded.

## **EXEMPTIONS - NON- MATERIAL LEASES**

A financing lease agreement is exempted from the requirements of this policy if it will not result in a material impact for the Municipality and is therefore a non-material lease.

This includes the following types of leases:

1. Any lease entered into in accordance with the Municipality's Procurement Policy, including, but not limited to, leases of: office equipment; automobiles; communications equipment; machinery and equipment
2. Any building or property lease entered into in accordance with approved policies and procedures;
3. Any leases in place at the time of Council approval of this policy.

### **Process for Approval of a Non-Material Lease**

Prior to entering into a financing lease in this category, all Department Heads shall advise the Treasurer that they intend to enter into a lease and request the Treasurer's opinion and approval that the proposed lease is within the exemption category and its costs and risks, in combination with all other leases of that category entered into or proposed to be entered into in that year by the municipality, would not result in a material impact or combined material impact, as defined in this policy.

Although the reporting requirements differ, the staff process of evaluating the financial costs and the risks of the lease (vs. other methods of financing) should still be utilized. See pages 3 and 4 of this Statement for guidance.

**POLICY GG.2.17**

***APPENDIX C***

**MUNICIPALITY OF KINCARDINE**

**Quotation Checklist**

(Purchases between \$5,000 and \$40,000)

1. Quotation Name and identification \_\_\_\_\_
2. Budgeted Amount: \_\_\_\_\_
3. Please circle one: Informal Quote (\$5,000 to \$15,000) Formal Quote (\$15,001 to \$40,000)
4. Quotation documents/plans prepared by : \_\_\_\_\_
5. Quotation specifications attached (initial): \_\_\_\_\_
6. Quotation advertisement attached (N/A if informal quote)(initial): \_\_\_\_\_
7. List of prospective bidders/plan takers attached (initial):  
\_\_\_\_\_
8. Quotations Close at: \_\_\_\_\_
9. Date and Time of Quotation opening: \_\_\_\_\_
10. Successful Quote:

_____	_____
Company Name	Tender Amount

Quote Results form attached (initial): \_\_\_\_\_

11. Letters mailed to	Company Name	Date	Initial
Highest ranked Quote	_____	_____	_____
Second highest ranked Quote	_____	_____	_____
Third highest ranked Quote	_____	_____	_____
Balance	_____	_____	_____

\_\_\_\_\_  
\_\_\_\_\_

Date Initial

12. per section Report provided to Committee \_\_\_\_\_

Report #: \_\_\_\_\_

Committee Meeting Date: \_\_\_\_\_

14. Clearance Certificate or Letter of Independent Contract Status from WSIB

Date valid \_\_\_\_\_  
beginning ending \_\_\_\_\_

Received: \_\_\_\_\_

Sent to Engineer/Consultant: \_\_\_\_\_

Approved by Engineer/Consultant/Department Head \_\_\_\_\_

Additional Certificates obtained (must be current certificate on file throughout entire period work being performed)

Date valid \_\_\_\_\_  
beginning ending \_\_\_\_\_

Date valid \_\_\_\_\_  
beginning ending \_\_\_\_\_

Date valid \_\_\_\_\_  
beginning ending \_\_\_\_\_

15. Certificate of Insurance from Broker/Insurer (Liability coverage)

Received: \_\_\_\_\_

Sent to Engineer/Consultant/Treasurer \_\_\_\_\_

Approved by Engineer/Consultant/Treasurer \_\_\_\_\_

Additional Certificates obtained (must be current certificate on file throughout entire period work being performed)

Date valid \_\_\_\_\_  
beginning ending \_\_\_\_\_

16. Municipality of Kincardine Occupational Health & Safety  
Compliance Form

Received: \_\_\_\_\_

Sent to Engineer/Consultant: \_\_\_\_\_

Approved by Engineer/Consultant/Department Head \_\_\_\_\_

17. Contract signed by Municipality \_\_\_\_\_

**POLICY GG.2.17**

***APPENDIX D***

**MUNICIPALITY OF KINCARDINE**

**Tender/Proposal Checklist**

(Purchases of \$40,000 and above)

1. Tender/proposal Name and identification

\_\_\_\_\_

2. Budgeted Amount: \_\_\_\_\_

3. Tender/Proposal documents/plans prepared by :

\_\_\_\_\_

4. Tender/Proposal specifications attached (initial):

\_\_\_\_\_

5. Tender advertisement attached (initial): \_\_\_\_\_

6. List of prospective bidders/plan takers attached (initial):

\_\_\_\_\_

7. Tender/Proposal Closes at:

\_\_\_\_\_

8. Date and Time of Tender/Proposal opening:

\_\_\_\_\_

9. Successful Tender/Proposal:

\_\_\_\_\_

Company Name

\_\_\_\_\_

Tender/Proposal Amount

Tender proposal Results form attached (initial):

\_\_\_\_\_

10. Letters mailed to \_\_\_\_\_ Company Name \_\_\_\_\_ Date \_\_\_\_\_ Initial \_\_\_\_\_

Highest ranked Tender/Proposal \_\_\_\_\_

Second highest ranked Tender/Proposal

\_\_\_\_\_

Third highest ranked Tender/Proposal

\_\_\_\_\_

Balance of Bidders

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

13. Complete documentation provided to Clerk's department.

\_\_\_\_\_

14. Report provided to Clerk's department

\_\_\_\_\_

Report #: \_\_\_\_\_

COW Meeting Date: \_\_\_\_\_

15. Council By-law Awarding Tender/Proposal – meeting date: \_\_\_\_\_

By-law #: \_\_\_\_\_

16. Clearance Certificate or Letter of Independent Contractor  
Status from WSIB

Received: \_\_\_\_\_

Sent to Engineer/Consultant: \_\_\_\_\_

Approved by Engineer/Consultant/Department Head \_\_\_\_\_

Additional Certificates obtained (must be current certificate on file throughout entire period  
work being performed)

Date valid \_\_\_\_\_  
beginning ending

Date valid \_\_\_\_\_  
beginning ending



Date Initial

Date valid \_\_\_\_\_  
beginning ending \_\_\_\_\_

15. Certificate of Insurance from Broker/Insurer  
(Liability \$2M minimum, other coverages as requested)

Received: \_\_\_\_\_

Sent to Engineer/Consultant/Treasurer: \_\_\_\_\_

Approved by Engineer/Consultant/Treasurer: \_\_\_\_\_

Additional Certificates obtained (must be current certificate on file throughout entire period work being performed)

Date valid \_\_\_\_\_  
beginning ending \_\_\_\_\_

17. Municipality of Kincardine Occupational Health & Safety  
Compliance Form

Received: \_\_\_\_\_

Sent to Engineer/Consultant: \_\_\_\_\_

Approved by Engineer/Consultant/Department Head \_\_\_\_\_

18. Letter of Credit or Performance Bond (required for provision of services or services & material tenders)

Received: \_\_\_\_\_

Sent to Engineer/Consultant: \_\_\_\_\_

Approved by Engineer/Consultant/Department Head \_\_\_\_\_

19. Labour and Material Bond (required for where the tender is for the provision of complex material or where there is a large amount of subcontractor labour)

Received: \_\_\_\_\_

Sent to Engineer/Consultant: \_\_\_\_\_

Approved by Engineer/Consultant/Department Head \_\_\_\_\_

20. Contract signed by Municipality \_\_\_\_\_

21 Deposit cheques returned to three highest ranked bidders:

Company Name	Date	Initial
_____	_____	_____
_____	_____	_____
_____	_____	_____

**POLICY GG.2.17**

***APPENDIX E***

**MUNICIPALITY OF KINCARDINE**

**NOTICE TO ALL CONTRACTORS**

**CORPORATE STATEMENT  
OCCUPATIONAL HEALTH AND SAFETY**

The Corporation of the Municipality of Kincardine is committed to ensuring that a high standard of health and safety is provided and maintained for all employees, visitors, guests, contractors, agents and others on our premises.

**ALL CONTRACTORS/SUPPLIERS SHALL:**

1. Demonstrate establishment and maintenance of health and safety program with objectives and standards consistent with applicable legislation. This information will be documented in a meeting where at least one representative of the municipality and contractor are in attendance.
2. Submit a copy of past accident records and Workers' Compensation Board Number.
3. Include health and safety provisions in their management systems to reach and maintain consistently a high level of health and safety.
4. Ensure that workers in their employ are aware of hazardous substances that may be in use at their place of work and wear appropriate personal protective equipment as may be required.
5. Upon request at any time from award to completion of contract, submit proof of fulfilment of above responsibilities. This proof may but is not limited to a copy of the organization's own Health & Safety Policy, copies of training sessions, copies of logs documenting training/discussions.
6. Must comply with Workplace Safety Insurance Board (WSIB) premiums.
7. The Contractor/Supplier shall sign-off on the corporate occupational health & safety form stating his agreement to comply.

Your co-operation and assistance in this matter is appreciated and vital to the Health and Safety of all.

**POLICY GG.2.17**

***APPENDIX F***

**MUNICIPALITY OF KINCARDINE**

**NOTICE TO BIDDERS**

In accordance with Policy GG.2.17 Purchasing and Procurement the following information is required to be obtained prior to the final awarding of the contract to the successful bidder:

1. Clearance Certificate or Letter of Independent Contractor Status issued by the Workplace Safety Insurance Board (WSIB) directly to the Municipality
2. Certificate of Insurance naming the Municipality as an additional insured and evidencing Liability Insurance in an amount of not less than \$2,000,000 (\$2 Million) as well as showing all other types and limits of insurance issued by their broker/insurer directly to the Municipality (to be obtained upon each expiry
3. Signed copy of the Municipality of Kincardine Occupational Health & Safety Compliance form.

In accordance with the above policy, the following information is required to be obtained before work can commence/continue. Failure to provide this information will result in stoppage of work.

4. Clearance Certificate issued by the Workplace Safety Insurance Board (WSIB) directly to the municipality at intervals of 60 days from first issuance.
5. Certificate of Liability Insurance as above for the current policy and for each renewal period

**POLICY GG.2.17**

***APPENDIX G***

**MUNICIPALITY OF KINCARDINE**

**OCCUPATIONAL HEALTH AND SAFETY COMPLIANCE FORM**

I have read Appendix E of Policy #GG.2.17 Purchasing and Procurement “Notice to All Contractors, Corporate Statement of Occupational Health and Safety” and agree to comply with it.

---

Contractor's Name

---

Date

**POLICY GG.2.17**

**APPENDIX H**

QUOTATION/TENDER/RFP RESULTS

PROJECT \_\_\_\_\_

FILE NO. \_\_\_\_\_ DATE: \_\_\_\_\_

BUDGETED AMOUNT \$ \_\_\_\_\_ (for current tender only)

BUDGETED AMOUNT FOR ENTIRE PROJECT \$ \_\_\_\_\_

CONTRACTOR /BIDDER	Date & Time Rec'd	Tender Amount	Certified Cheque	Agreement to Bond	Signed

\_\_\_\_\_  
Name (Please Print) (Dept Head) Signature

\_\_\_\_\_  
Name (Please Print) (Treasurer) Signature  
(if required)

\_\_\_\_\_  
Name (Please Print) Signature



**POLICY GG.2.17**

***APPENDIX J***

**SUCCESSFUL QUOTATION**

File:

(name and address of bidder)

Dear:

**Re: Quotation for**

Congratulations on submitting the highest ranked quotation for this project. The quotations were opened in public on \_\_\_\_\_ . The results are as follows:

<u>Company</u>	<u>Quotation Amount or Rankings</u>
----------------	-------------------------------------

We will contact you shortly to finalize the contract and other submissions we require from you.

Thank you for your interest in our project.

Sincerely,

Manager of



**POLICY GG.2.17**

***APPENDIX K***

**FOR 2<sup>ND</sup> AND 3<sup>RD</sup> RANKED QUOTATIONS**

File:

(name and address of bidder)

Dear

**Re: Quotation for**

Thank you for submitting a quote for the above project. The quotations were opened in public on \_\_\_\_\_ . The results are as follows:

Company

Quotations Amounts or Rankings

We will retain your quote until we execute a contract for this project and receive the necessary documentation.

Thank you for your interest in our project.

Sincerely,

Manager of

**POLICY GG.2.17**

***APPENDIX L***

**UNSUCCESSFUL BIDDERS**

File:

(name and address of bidder)

Dear

**Re: Quotation for**

Thank you for submitting a quote for the above project. The quotations were opened in public on \_\_\_\_\_ . The results are as follows:

Company

Quotation Amounts or Rankings

You did not submit one of the three preferred quotes. We would however like to thank you for your interest in our project and for the time you took putting together your submission.

I wish you success in future endeavours.

Sincerely,

Manager of

**POLICY GG.2.17**

***APPENDIX M***

**SUCCESSFUL TENDER BID**

File:

(name and address of bidder)

Dear:

**Re: Tender for**

Congratulations on submitting the highest ranked tender for this project. The tenders were opened in public on \_\_\_\_\_ . The results are as follows:

Company

Tender Amounts or Rankings

Our engineer will contact you shortly to finalize the contract and other submissions we require from you. When this has been done, we will return your certified cheque.

Thank you for your interest in this project.

Sincerely,

Manager of

c.c. Municipality Engineer/Consultant

**POLICY GG.2.17**

***APPENDIX N***

**FOR 2<sup>ND</sup> AND 3<sup>RD</sup> RANKED TENDERS**

File:

(name and address of bidder)

Dear

**Re: Tender for**

Thank you for submitting a tender for the above project. The tenders were opened in public on \_\_\_\_\_ . The results are as follows:

Company

Tender Amounts or Rankings

We will retain your certified cheque until we execute a contract for this project and receive the necessary documentation.

Thank you for your interest in this project.

Sincerely,

Manager of

c.c. Municipality Engineer/Consultant

**POLICY GG.2.17**

***APPENDIX O***

**UNSUCCESSFUL BIDDERS**

File:

(name and address of bidder)

Dear

**Re: Tender for**

Thank you for submitting a tender for the above project. The tenders were opened in public on \_\_\_\_\_ . The results are as follows:

Company

Tender Amounts or Rankings

As you were not one of the three preferred tenders, we are returning your tender cheque to you and thank you once again for the time you took putting together your submission.

I wish you success in future endeavours.

Sincerely,

Manager of

c.c. Municipality Engineer