

PROCUREMENT POLICY REVIEW – Nov 25
IN ACCORDANCE WITH PART VII - SECTION 5

BY-LAW No. 2025-50
A BY-LAW OF THE TOWNSHIP OF BONFIELD
GOVERNING PROCUREMENT POLICIES
AND PROCEDURES

TABLE OF CONTENTS	Page
PART I – SHORT TITLE.....	2
PART II – DEFINITIONS	2
PART III – PURPOSES, GOALS AND OBJECTIVES	6
PART IV – GENERAL PROCUREMENT POLICY	
Section 1: Authorization.....	7
Section 2: Amend Conditions.....	7
Section 3: Non-Competitive Pricing.....	7
Section 4: Responsibilities.....	7
Section 5: Application and Scope.....	8
Section 6: Contract Splitting.....	8
PART V – METHODS OF PROCUREMENT	
Section 1: In-House Bids.....	8
Section 2: Procurement of Goods and Services.....	8
Section 3: Informal and Formal Quotations.....	9
Section 4: Requests for Tenders.....	9
Section 5: Requests for Proposals.....	9
Section 6: General Provisions for Tenders and Proposals.....	9
PART VI – PROCUREMENT PROCEDURES	
Section 1: Purchase Orders.....	10
Section 2: Blanket Purchase Orders.....	10
Section 3: Single Sourcing.....	10
Section 4: Sole Sourcing.....	10
Section 5: Emergency Situations.....	10
Section 6: Co-Operative or Joint Ventures.....	10
Section 7: Unsolicited Proposals.....	10
Section 8: Goods and Services Exempt from Procurement Policies.....	11
PART VII – OTHER	
Section 1: Disposal of Surplus Goods.....	12
Section 2: Disbursement Approval.....	12
Section 3: Conflict of Interest.....	12
Section 4: Influence.....	13
Section 5: Access to Information.....	13
Section 6: By-Law Review.....	13
Section 7: Effective Date.....	13
Section 8: Repeal.....	13
SCHEDULE ‘A’: Tender / Request for Proposal Process.....	14
SCHEDULE ‘B’ Purchase Cards Regulations.....	18
SCHEDULE ‘C’: Bid Irregularities Summary.....	20

THE CORPORATION OF THE TOWNSHIP OF BONFIELD

BY-LAW No. 2025-50

Being a By-Law to Govern Procurement Policies and Procedures

WHEREAS Section 270(1) 3 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, requires a municipality to adopt and maintain policies with respect to its procurement of goods and services;

AND WHEREAS this By-Law establishes the authority and sets out the methods by which Goods, Services or Construction will be purchased and disposed of for the purposes of the Township of Bonfield, subject to certain exceptions set out herein;

NOW THEREFORE the Council of the Corporation of the Township of Bonfield ENACTS AS FOLLOWS:

PART I – SHORT TITLE

This By-Law may be cited as the “**Procurement Policy**”

PART II – DEFINITIONS

Accounting Department

Means the Accounts Payable Department of the Corporation of the Township of Bonfield

Acquisition

Means the process used for obtaining goods and services

CAO, Clerk-Treasurer

Means the CAO Clerk-Treasurer for the Corporation of the Township of Bonfield

Agreement

Means a legal document that binds the Corporation of the Township of Bonfield and all other parties, subject to the provisions of the contract

Approval

Means authorization to proceed with the purchase or disposal of goods and/or services

Approved Invoice

Means an original supplier’s invoice issued at the time of purchase which bears the signature of an appropriately authorized employee

Award, Awarded and Awarding

Means authorization to proceed with the purchase of Goods, Services or Construction from a chosen supplier

Bid

Means an offer or submission received in response to a request for quotation, tender or proposal which is subject to acceptance or rejection

Bid Irregularity

Means a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response

Bid Request

Means a written request for bids or a solicitation, which may be in the form of a Request for Quotation, Request for Tender or Request for Proposal

Blanket Purchase Order

Is a type of contract. It involves the purchase of a Commodity that will be required frequently or repetitively, and where either the exact quantity of the Commodity required is not precisely known, or the time period during which the Commodity is to be provided is not precisely determined, but, in either case, maximums on both the total price of the Commodity and the time period during which the Commodity is to be supplied are specified in the Contract.

Bond

Means Sureties to protect the Township against any financial loss as a result of non-compliance by a Vendor. This shall, but may not be limited to include Performance and Maintenance Bonds and Labour and Material Payment Bonds

Clerk

Means the CAO, Clerk-Treasurer for the Corporation of the Township of Bonfield, **or authorized designate**

Contract

Means a legally binding agreement between two or more parties, regardless of form or title, for the lease, purchase or disposal of Goods, Services or Construction authorized in accordance with this By-Law

Conflict of Interest

Refers to a situation in which private interests or personal considerations may affect Council's or an employee's judgment in acting in the best interest of the Township of Bonfield. It includes using their position, confidential information or corporate time, material, or facilities for private gain or advancement or the expectation of private gain or advancement.

Corporate Signing Officer

Means the Mayor, and Clerk or other individuals designated by the Council Signing By-Law

Cost Effective Bid

Means a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selections procedure

Council

Means the Council for the Corporation of the Township of Bonfield

Council Approved Budget

Means annual Council approved department budgets including authorized revisions

Co-op

Means a Co-operative acquisition venture

Department Head

Means the person responsible for direction and operational control of a Department or authorized designate. **Municipal Engineers appointed to a specific project are deemed designates.**

Direct Appointment

Means to directly appoint a consultant on the basis of defined selection criteria including but not limited to qualifications and experience

Disposal

Means the removal of materials owned by the Township by sale, trade-in, auction, alternative use, gift, or destruction which are deemed surplus

Emergency

Means a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public, or the property of the residents of the Township of Bonfield, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level

Execute

Means to legally bind the Corporation of the Township of Bonfield to the terms and conditions defined within the Purchase Order or Contract

Expression of Interest

Means a situation where vendors are solicited by the Township to advise the Township of their ability or desire to undertake Township requirements

Fair Market Value

Means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arms-length where fully informed and not under any compulsion to transact

Goods

Means moveable property including the cost of installing, operating, maintaining or manufacturing such moveable property. It also includes raw materials, products, equipment and other physical objects of every kind and description

Informal Quotation

Mean quotations obtained in writing via mail, fax, email or hand delivered.

In-House Bid

Means a bid made by a department and authorized by Council, submitted in response to a bid solicitation, where the provision of the Goods, Services or Construction will be provided entirely by the employees of the Township of Bonfield

List of Bidders

Means a list, retained by the Department Heads of those vendors who are interested in submitting bids

Lowest Compliant Bid

Means the bid that would provide the Township of Bonfield with the desired Goods, Services or Construction at the lowest total Acquisition Cost, meets all the specifications and contains no irregularities requiring automatic rejection

Material Safety Data Sheets (MSDS)

Means Material Safety Data Sheets, which must be submitted by the vendor for all hazardous materials, including an index of chemical compounds with details of properties, handling details, precautions and first-aid procedures

Negotiation

Means the action or process of conferring with one or more vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this Policy

Non-Competitive

Single Sourcing and Sole Sourcing

Open Market Procedure

Means obtaining price quotations from vendors verbally or in writing

Privilege Clause

Means the standard clause used in bid documents and advertising that reads in part “the lowest or any tender not necessarily accepted”

Procure/Procurement/Purchase

Means to acquire by purchase, rental or lease goods and/or services

Professional Services

Means persons having a specialized knowledge or skill for a defined Service requirement including architects, auditors, engineers, designers, planners, surveyors, management and financial consultants, brokers, legal services, and any other professional and consulting services rendered on behalf of the Township of Bonfield

Proposal

Means an offer submitted in response to a Request for Proposal, acceptance of which may be subject to further negotiation

Purchase Card

means a charge card approved by the Township that can be used by authorized employees of the Township to Purchase in accordance with this Policy.

Purchase Order

Means a written request or offer to purchase goods and services initiated by the Department Head for which budget approval has been granted and defined by such things as account to charge, time period, location(s) and price, or a written acceptance of an offer where such offer has been made on prescribed forms

Purchase Process

A “**Procurement Process**” is a method of Purchasing a Commodity. There are several types of Procurement Processes referenced in this Policy. All documents required by the Township will be prepared by the Department Head and Treasurer or their Designate. Council will approve the documents when necessary, prior to proceeding with the Procurement Process. Methods are:

- a. **Direct Purchase** – where the Vendor of a Commodity is approached and the Commodity is purchased without a formal or Competitive process;
- b. **Informal Quotation** – where the staff approach several potential Vendors seeking price Quotations (fixed as to the total price or on a unit basis or both) for specific and defined Commodities, to be submitted in writing;
- c. **Formal Quotation** – where several potential Vendors are approached to provide price Quotations (fixed as to the total price or on a unit basis or both) for specific and defined Commodities, to be submitted by way of sealed Quotations on or before a specified date and time;
- d. **Tender** – where potential Vendors submit Bids to supply a defined quantity and quality of Commodity, with all of the material terms, conditions and specifications pre-set (with the exception of the price), and a Contract is formed through selection of one of the Bids submitted without any further Negotiation; and
- e. **Request for Proposals** – where potential Vendors are invited to propose solutions or methods for particular projects where creative solutions are sought by the Township, for evaluation on criteria other than price, and Negotiation for an eventual Contract occurs as a result of the submission of Bids.

Quotation

Means an offer to sell goods and services to the Township or an offer to purchase surplus goods from the Township

Real Property

Means land or buildings and any interest, estate or right of easement affecting same

Request for Proposal

Means a Bid Solicitation that is used to acquire Goods, Services or Construction, the suitability of which is dependent upon non-price factors, and which may result in further negotiation between the parties

Responsive and Responsible Vendor

Means one who complies with the provisions of the bid solicitation, including specifications, contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed contract based on reputation, or references, or performance on previous contracts, and adequate financial and other resources

Services

Includes all professional and consulting services, all services in relation to real property or personal property including without limiting the foregoing the delivery, installation, construction, maintenance, repair, restoration, demolition or removal of personal property and real property and all other services of any nature and kind save and except only services to be delivered by an officer or employee of the Township of Bonfield in accordance with terms of employment

Single Source

Means there is more than one source in the open market but only for reasons of function or service one vendor is recommended for consideration of the particular goods and/or services

Sole Source

Means the procurement of a good or service that is unique to a particular vendor and cannot be obtained from another source without undue hardship or inconvenience

Surety

Means a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit or any other form as deemed necessary and stated in any quotation, tender or proposal documents issued by the Township

Tender

Means a publicly advertised Bid Solicitation

Total Acquisition Cost

Means an evaluation of quality and service in the assessment of a Bid and the sum of all costs including purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery, inventory carrying costs, operating and disposal costs for determining the Lowest Compliant Bid

Township

Means the Corporation of the Township of Bonfield

Treasurer

Means the CAO Clerk-Treasurer for the Corporation of the Township of Bonfield, **or authorized designate**

Vendors of Record

A supplier of goods and services who has done satisfactory work in the past

Verbal Quotation

Means the requisitioning department will receive pricing via telephone or in person, and will retain written documentation of the conversation and document the information on the requisition

Part II PURPOSES, GOALS AND OBJECTIVES

The purchasing principles of the Corporation of the Township of Bonfield are as follows:

- a) To procure by purchase, rental or lease the required quality and quantity of goods and/or services, including professional and consulting services in an efficient, timely and cost-effective manner;
- b) To encourage open competitive bidding for the acquisition and disposal of goods and services where practicable;
- c) To consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in evaluating bid submissions from qualified, responsive and responsible vendors;
- d) To ensure funds collected are spent as allocated over the span of the year for responsible cash flow and budget management
- e) To ensure service and product delivery, quality, efficiency and effectiveness;
- f) To ensure openness, accountability and transparency while protecting the financial best interests of the Township of Bonfield;
- g) To have regard to the accessibility for persons with disabilities to the Goods, Services and Construction purchased by the Township of Bonfield;
- h) To encourage the procurement of goods and services with due regard to the preservation of the natural environment, vendors may be selected to supply goods made by methods resulting in the least damage to the environment and supply goods incorporating recycled materials where practicable.

Section 1. STANDARDIZATION

It will be the policy of the Township of Bonfield, wherever possible, to standardize the procurement of goods and services to allow for:

- 1. Reduced number of goods and services required;
- 2. Increased volume on common items or services;
- 3. Maximizing volume buying opportunities;
- 4. Providing economies of scale;
- 5. Reduced handling, training and storage costs;
- 6. Minimizing maintenance costs;
- 7. Co-operative purchasing activities;
- 8. Competitive bid results;
- 9. Reduced overall cost.

PART III – GENERAL PROCUREMENT POLICY

Section 1. AUTHORIZATION

All procurement shall be conducted within the guidelines of this Procurement Policy.

Net Departmental expenditures are authorized by Council each year as part of either the Operating or Capital Budget process. Department Heads are not authorized to overrun net departmental operating budgets, except in accordance with this Policy.

The CAO Clerk-Treasurer and each Department Head and/or their designates are delegated the authority to expend Municipal funds as outlined in this policy or through Council's approval of budgets or by specific Council resolutions and where sufficient funds are available.

At any time Department Heads and/or the CAO Clerk-Treasurer may relinquish their authority to approve a purchase and defer to Council for input and final approval.

'Projects' that must be initiated prior to Budget approval shall require the approval of Council.

Exceptions: In the event of an Emergency, Department Head and/or CAO Clerk-Treasurer shall report all purchases to Council as soon as possible.

Section 2. AMEND CONDITIONS

Quotes, Tenders and Proposals may be amended to add goods or services, or to increase the Contract Value, without a further competitive process. Department Heads shall document changes in their Monthly Report to Council.

Section 3. NON-COMPETITIVE PROCESS

A competitive process should be used for procurement whenever possible. A non-competitive process may be used for specific purposes, under certain conditions:

- When no Bids were submitted.
- When no Vendors met the essential requirements or product requested.
- When there is only a Single or Sole supplier within the immediate area.
- When it is in the best interest of the Municipality, and there is an advantage to extend agreements, due to the quality of services provided, historical knowledge accumulated, established protocols, efficiencies and a mutually beneficial working and financial relationship.
- All agreements shall be reviewed at a minimum of five-years and may following the review, be extended.

The following services have a higher-than-normal liability, and may at Councils discretion be considered as non-competitive goods and services:

- Audit Services
- Engineering Services
- Legal Services
- Survey Services
- Public Utility Services
- Insurance Brokerage Services

Section 4. RESPONSIBILITIES

1. The Department Head has responsibility for procurement activities within their departments and are accountable for determining and achieving specific objectives as outlined for each procurement project.
2. The Treasurer is responsible for providing procurement advice and services to Department Heads and monitoring compliance with this policy.
3. Department Heads, in consultation with the Treasurer, shall inform Council that non-compliance with this policy has occurred.
4. Department Heads shall be responsible for and shall have authority for all procurement activity and decisions within their Departments and may delegate their authority, where appropriate.
5. Department Heads shall monitor contract expiration dates and the progress of projects and acquisitions to ensure satisfactory completion.

Section 5. APPLICATION AND SCOPE

1. This By-Law shall apply to staff in all departments of the Township .
2. Local boards of the Township shall also be bound by this By-Law, and this By-Law shall apply with necessary modification to such local boards unless such local boards have adopted their own procurement policies and procedures.
3. This By-Law applies to the procurement of all Goods and / or Services except those expressly exempt as outlined in this policy.

Section 6. CONTRACT SPLITTING

1. Subdividing, splitting, or otherwise structuring procurement requirements or contracts in order to reduce the procurement value or in any way circumvent the requirements or intent of this By-Law is prohibited.

PART V – METHODS OF PROCUREMENT

Section 1. IN-HOUSE BIDS

In-House Bids shall not be accepted in the tendering process. In-House bids shall serve as information and a baseline valuation when Council is considering amending service levels or purchasing methods for various services.

Section 2. PROCUREMENT OF GOODS AND SERVICES

Where the required product or service can be specified, and such goods and services are not stocked or covered by the non- competitive provision or the Blanket Purchase Order, it shall be acquired by Purchase Order.

The purchasing methods for the purchase of Goods, Services or Construction are as follows:

a. Petty Cash \$0.00 - \$400

Department Heads have been approved and provided with a Petty Cash fund in such an amount to meet the requirements of the Department for the acquisition of Goods having a individual maximum, total acquisition cost of \$100.00 or less. All petty cash fund disbursements shall be evidenced by vouchers and shall be available for auditing purposes through the Treasurer.

b. \$0 - \$5000

Where the requirement for Goods and Services has been budgeted and is specified and it is estimated that the total value is less than \$5,000. including applicable taxes and freight, the Department Head may procure the goods and services, using the Township's Purchase Order, from such suppliers and upon such terms and conditions that are in the best interests of the Corporation. Purchases under \$1,000 can be verbal quotations and purchases over \$1,000 shall at minimum have informal quotations. All purchases through a Township purchase card/credit card shall adhere to the provisions as set out in Schedule "B".

c. \$5,000 - \$25,000

Where the requirement for Goods and Services is budgeted and can be specified and it is estimated that the total value is \$5,000 or more but less than \$25,000, including applicable taxes and freight, the initiating Department Head shall solicit and review a minimum of three written quotes from different sources, if practicable, and award the contract.

If the Procurement is within the budgeted amount, the Department Head will submit a Purchase Order and proceed. The Department Head shall prepare a report to Council on all purchases \$10,000 and above on the procurement process undertaken and the awarded vendor.

d. \$25,000 and over

A Request for Quotation, Proposal or a Tender document shall be prepared, the procurement of Goods and Services shall be obtained following the appropriate process as outlined in this By-Law.

Bid deposit and/or performance bond shall be required for procurements of performance services with an estimated or actual cost that exceeds \$40,000 where appropriate and considered necessary by the Department Head. Bid deposit and/or performance bonds shall be valued at a minimum of 10% of the overall costs.

The Department Head shall report the procurement submissions detailing total acquisition costs for Council approval for all purchases \$25,000 and over.

Section 3. INFORMAL AND FORMAL QUOTATIONS

Formal Quotations - \$25,000 - \$75,000

Where the requirement for Goods and Services can be specified and is estimated to cost \$25,000 or more, but less than \$75,000, including applicable taxes and freight, the initiating Department Head shall issue a Request for Quotation, including required specifications. All bidders must receive the same bid criteria and instructions. A Request for Quotation may be called for lesser amounts if deemed beneficial by the Department Head.

All reasonable attempts will be made to solicit three bids. If only one Bid is received, the Township may exercise the right to cancel.

Requests for Quotation shall be called in accordance with this By-Law and require a reply by a designated day and time.

Section 4. REQUESTS FOR TENDERS

Where the requirement for Goods and Services can be specified and is estimated to cost \$75,000 or more, including applicable taxes and freight, the initiating Department Head shall issue a Request for Tender, including required specifications. A Request for Tender may be called for lesser amounts if deemed beneficial by the Department Head. Requests for Tender shall be called in accordance with this By-Law and require a reply by a designated day and time.

Section 5. REQUESTS FOR PROPOSALS

(including the engagement of professional and consulting services)

Similar to the Request for Tender but usually invitational style. This method of acquisition can be used for any dollar amount and involves the solicitation of proposals when the requirements for goods and/or services cannot be definitely specified, the requirements of the Township are best described in a general performance specification, and innovative solutions are sought. Depending on its' terms, the process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices.

Section 6. GENERAL PROVISIONS FOR TENDERS AND PROPOSALS

a. Identical Tenders

If the Lowest Compliant Bids from two or more bidders are identical in total Acquisition Cost or unit price, Council is authorized to enter into negotiations with the bidders who have submitted the identical prices in an attempt to obtain a lesser price and shall maintain a record in respect of such negotiations. Information pertaining to such negotiations or the manner in which the final price was determined shall not be revealed to any of the bidders concerned. When negotiations are not successful in breaking the identical tenders, then the successful bidder shall be determined by coin toss.

b. Bid Analysis

Analyzing of bid responses shall be as follows:

- i. Bid responses dealing with the lease, rental or purchase of physical assets shall be tabulated and analyzed by the initiating Department Head and the Treasurer, and a recommendation forwarded to Council for consideration.
- ii. All other bid responses shall be tabulated and analyzed by the initiating Department Head and the Treasurer, and a recommendation forwarded to Council for consideration.

iii. Bid Irregularities

A bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response.

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

A “**major irregularity**” is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. The Township must reject any bid, which contains a major irregularity.

A “**minor irregularity**” is a deviation from the bid request with affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The Township may permit the bidder to correct a minor irregularity.

Mathematical Errors – Rectified by Staff

The CAO Clerk-Treasurer will correct errors in mathematical extensions and/or taxes, and the unit prices will govern. The responsibility for correcting mathematical errors may be delegated to the requisitioning department.

Action Taken

The CAO Clerk-Treasurer, the Department Head and Council will be responsible for all action taken in dealing with bid irregularities, and acts in accordance with the nature of the irregularity according to Schedule “C”.

PART VI – PROCUREMENT PROCEDURES

Section 1. PURCHASE ORDER

The Purchase Order is comprised of an original and two copies. The number will be used in consolidating all documentation in relation to each purchase. Suppliers must be given the Purchase Order number at all times, except if using a purchasing card. The original will be sent to the supplier or Department Head, the second copy will be attached to invoice, the third copy will be filed in the Accounting Department for future reference.

The Purchase Order will be completed upon the Department Head requiring a purchase. In the event that the employee is in the field and is unable to complete the requisition, a call to the municipal office to obtain a Purchase Order number will be granted, and all completed documentation supporting the Purchase Order will be provided immediately upon return.

In the event of continual use, a standing purchase order for the month will be introduced and all information listed in the requirements must be met.

Section 2. BLANKET PURCHASE ORDERS

A blanket purchase order may be used where a need is anticipated for a range of Goods, Services or Construction for a specific purpose and for which convenience and location are major factors but the actual demand is not known at the outset. The invoices for the blanket purchase order shall be consolidated monthly.

Section 3. SINGLE SOURCING

Single sourcing is the procurement of a good or service from a particular vendor rather than through solicitation of bids from other vendors who can also provide the same item. Single sourcing may be the best course to take in some circumstances, but it is important to be transparent in the municipal/local board policies about the process for arriving at procurement decisions.

Section 4. SOLE SOURCING

The procurement of a good or service that is unique to a particular vendor and cannot be obtained from another source.

Section 5. EMERGENCY SITUATIONS

In the event of an emergency situation or a pending emergency under the Township’s Emergency Management Plan, the Department Head shall perform all necessary work to restore life and health safety matters. The Department Head shall consult with the CAO Clerk-Treasurer as soon as possible and all expenses be reported to Council as soon as possible thereafter. .

Section 6. CO-OPERATIVE OR JOINT VENTURES

The Township may participate with other Government agencies from time to time in co-operative procurement/acquisition ventures, whenever it is determined to be in the best interest of the Township to do so.

Section 7. UNSOLICITED PROPOSALS

Unsolicited proposals received by the Township shall be reviewed by the Department Head and the Treasurer. Any procurement activity resulting from the receipt of an Unsolicited Proposal shall comply with the provisions of this policy. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement requirements comply with the non-competitive procurement policies and procedures.

Section 8. GOODS AND SERVICES “EXEMPT” FROM THE PROVISIONS OF THE PROCUREMENT POLICIES:

Although no purchase order will be issued for the following Goods and Services, the appropriate invoices will be circulated to the Department Heads for approval. Non-budgeted items will require Council approval.,

1. Petty Cash items
2. Training and Education
 - Conferences,
 - Courses
 - Conventions
 - Memberships
 - Periodicals
 - Magazines
 - Staff training
 - Staff development
 - Staff workshops
 - Subscriptions
3. Employee/Council Expenses
 - Advances
 - Meals allowances
 - Travel and Hotel accommodations
 - Entertainment
 - Miscellaneous – Non-Travel
4. Employer’s General Expenses
 - Payroll deduction remittance
 - Licenses (radio)
 - Telephones, cell phones, pagers, answering services, internet
 - Photocopy charges
 - Prior approved leases and rentals
 - Debenture payments
 - Grants to agencies
 - Annual levy of local boards and commissions
 - Damage Claims
 - General Office Supplies
 - Tax remittance
 - Insurance premiums
 - Charges to/from other Government or Crown Corporations
 - Employee income
5. Professional and Special Services
 - Committee fees
 - Witness fees
 - Honoraria
 - Arbitrators
 - Legal fees and other Professional Services related to litigation or legal matters
 - Funeral and Burial expenses
 - Annual auditing fees
6. Utilities
 - Postage
 - Hydro
 - Furnace Fuel
7. Equipment Maintenance
 - Fuel, gasoline, lubes and oil
 - Routine maintenance
 - Repairs as a result of certification
 - Licenses

PART VII – OTHER

Section 1. DISPOSAL OF SURPLUS GOODS

1. The Department Head shall notify the CAO Clerk-Treasurer once any item has been deemed as surplus assets for sale or disposal.
2. The CAO Clerk-Treasurer shall circulate a list of surplus assets available to all departments free of charge prior to the sale or disposition of such items.
3. Surplus assets not required by any other department shall be sold or disposed of via formal auction, internet auction, tender, quotation or trade-in, at Council's discretion. The disposition shall be documented with a Sales Order. Revenue generated from the sale of surplus assets shall be credited to the appropriate equipment replacement reserve or the working capital reserve for future allocation.
4. Lands and buildings deemed to be surplus shall be disposed of in accordance with the provisions of the Municipal Act, 2001, and Township policies for the sale and other disposition of land.

Section 2. DISBURSEMENT APPROVAL

The Accounts Payable Department shall process payments for all invoices and purchases as required on a biweekly basis to coincide with the regular council meetings. The Deputy Treasurer shall email the Bill Approval for the time period to all Council members the Friday directly preceding the meeting date. Each member of Council shall review the Bill Approval listing and notify the Treasurer if there are any concerns with payment on an invoice. The Treasurer shall review the invoice with the Council member. If there is not satisfactory resolution, at the council meeting the Council member may bring the invoice payment up for discussion by adding it to the agenda upon agenda adoption. Council will review the invoice circumstances and may decide to stop the payment with conditions for the next review, or proceed with the payment.

Section 3. CONFLICT OF INTEREST

1. All employees and Councillors shall disclose as soon as they become aware of (and as circumstances change) any business or personal relationship they might have which might create a potential, perceived, or real conflict of interest relative to the Procurement of Goods and/or Services for the Township.
 - i) Where an employee or Council member is involved in the award of any contract, either on his or her own behalf or while acting for, by, with or through another person, has any pecuniary interest, direct or indirect, in the contract, the employee:
 - a. Shall immediately disclose the interest to Council and shall describe the general nature thereof;
 - b. Shall not take part in the award of the contract; and
 - c. Shall not attempt in any way to influence the award of the contract.

An employee or Council member has an indirect pecuniary interest in any contract in which the Township of Bonfield is concerned, if, the employee or his or her spouse or same-sex partner

- a. Is a shareholder in, or a director or senior officer of, a corporation that does not offer its securities to the public that has a pecuniary interest in the contract;
 - b. Has a controlling interest in or is a director or senior officer of, a corporation that offers its securities to the public that has a pecuniary interest in the contract, or
 - c. Is a member of an incorporated association or partnership, that has a pecuniary interest in the matter.
 - d. Is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the contract.
- ii) All Council members shall conduct themselves in accordance with the Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50, as amended.

- iii) All employees authorized to Purchase on behalf of the Township shall be required to declare any known or perceived Conflict of Interest to the Township.
2. All vendors (eg: architects, engineers, etc....) retained by the Township of Bonfield shall disclose to the Township prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, Council may, at its discretion withhold the assignment from the consultant until the matter is resolved. If during the conduct of a Township assignment, a consultant is retained by another client giving rise to a potential conflict of interest, then the consultant shall so inform the Township.

3. If a Department Head considers purchasing a good or service from a Council Member, Employee or immediate family member of an Employee or Council Member and the purchase is more than \$1,000.00, then two written quotations must be obtained and filed for future reference.
4. No one associated with the municipality, including members of Council and employees shall accept any gifts with a value greater than \$ 100.00, from any suppliers participating in or who have participated in procurement processes with the municipality. Any accumulation of a gift to any municipal official from the same vendor, or affiliated company, that exceeds \$100 within a year shall be reported to their appropriate supervisor, and is discouraged.

Section 4. INFLUENCE

No person, company, corporation or organization shall attempt in any way, either in private or in public, to influence the outcome of any Township purchasing or disposal process.

The bid, quotation or proposal of any person, company, corporation or organization that does attempt to influence the outcome of any Township purchasing or disposal process will be disqualified, and the person, company, corporation or organization may be subjected to exclusion or suspension for a period of one year.

Section 5. ACCESS TO INFORMATION

The disclosure of information received relevant to the issue of Bid Solicitations or the Award of Contracts emanating from Bid Solicitations shall be in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

Section 6. BY-LAW REVIEW

1. This By-Law shall be reviewed by staff on an on-going basis to ensure the Township is keeping in line with best practices and meeting the procurement needs of the Township.
2. The review shall determine how effective this By-Law has been in achieving the objectives set out in this By-Law as well as the requirements of the Municipal Act, 2001, as amended.
3. The review may be undertaken by an ad-hoc committee of Council, the final result of which shall be comprised of a report to Council.

Section 7. EFFECTIVE DATE

This By-Law shall come into force and take effect on the date of final passing.

Section 8. REPEAL

That By-Law No. 2007-51 be repealed in its entirety on the date of final passing of this By-Law.

**READ A FIRST, SECOND, AND THIRD TIME AND HEREBY CONSIDERED READ THREE TIMES
THIS 16th DAY OF DECEMBER 2025.**

Original Signed on File
MAYOR, N. Paquette

Original Signed on File
CLERK, N. Kunkel

SCHEDULE 'A' TO BY-LAW NO. 2025-50

REQUEST FOR TENDER OR PROPOSAL PROCESS

Where the quantity and quality of a Commodity has been defined, **Tenders** will be called for all Commodities with a value exceeding \$25,000.00 by way of public advertising or invitational Bid.

REQUESTS FOR PROPOSALS (**RFPs**) may be called by way of public advertising or invitational Bid, as outlined in the Township's Procurement Policy. In the event that there is an applicable Standing Order for the Commodity, that Standing Order shall be used to a limit of \$5,000.00 as set out herein:

- When the Commodity cannot be definitely specified, or
- When the Commodity is non-standard or specialized in nature, or
- The cost is only a minor component making up the Award.

Advertising

The Department Head and/or Treasurer will advertise and distribute Tenders:

- All public Tenders are advertised on the Website.
- As a procurement best practice, the Township shall maintain a Qualified Vendor Roster. Participants of the Qualified Vendor Roster who have expertise in the Commodity being procured may be sent the Tender directly.
- At the discretion of the Department Head, Tenders may be advertised in a local, regional and/or construction newspaper and/or on procurement websites.
- Advertisements must include the following information (if applicable): title, Tender number, brief description of the Commodity being Tendered, site meeting time/date/location, contact names for Purchasing inquiries, document fee, and location for pick up and drop off of Bid documents.
- In some instances, the Tender may be issued to help develop and/or refresh the Qualified Vendor Roster. During this process, potential Vendors will be screened using such factors as financial capability, reputation, qualified staff and equipment management, ability to support, and product quality.
- The Township reserves the right to limit the submission of Bids to those Vendors on the Qualified Vendor Roster.

Where possible, at least fifteen days' notice shall be given between the date of the advertisement/notice and the closing time of the Tender. However, a Tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the Commodity being Tendered.

A Bidder may be disqualified for contacting or questioning Township Staff or Council regarding details of the Tender unless that person is the Township's Lead Contact.

All Bids must be addressed to the Lead Contact, Township of Bonfield, on documents provided and returned in the envelope if provided with the Tender package.

Release of Tender Documents

(a) **Privilege Clause**: All Tender documents shall contain the following statement:

"The lowest or any Bid will not necessarily be accepted and the Township reserves the right to award any portion of this Tender", or words to that effect.

(b) **Bond Agreement**: Where a Performance and/or Maintenance Bond and/or Labour and Material Payment Bond is required, the Tender document must contain an "Agreement to Bond", to be executed by the Bidder and returned with the Bid.

(c) **Bid Surety Requirements**: Bid deposits and Bid Bonds are guarantees that a Bidder will enter into a Contract with the Township.

Where deemed necessary by the Department Head, or where labour (or services) and material are involved, a Bid deposit or Bid Bond is required in an amount equal to ten (10%) per cent of the Bid price.

Bid deposits must be cash, certified cheque, bank draft, money order, irrevocable letter of credit, or Bid Bond.

Any Bid received without the required Bid deposit or Bid Bond shall be disqualified.

(d) Performance and Maintenance Bonds: Performance Bonds guarantee performance of the terms of the Contract. This Bond protects the Township from financial loss should the Vendor fail to perform the Contract in accordance with its terms and conditions. Maintenance Bonds provide upkeep of a project for a specified period of time after the project is completed. This Bond guarantees against defective workmanship or materials.

Where deemed necessary by the Department Head, or where the Township could experience significant financial loss should a Vendor's failure to perform the Contract within the terms and conditions of the Contract, a Performance Bond is required.

Where deemed necessary by the Department Head, or where the Township could experience significant financial loss or other harm as a result of defective workmanship or materials, a Maintenance Bond is required.

Performance and/or Maintenance Bonds must be in the amount of fifty (50%) per cent of the Contract price for Contracts up to One Hundred Thousand (\$100,000.00) Dollars. Where the Contract price exceeds One Hundred Thousand (\$100,000.00) Dollars, the Performance and/or Maintenance Bonds must be in the amount of one hundred (100%) per cent of the Contract price.

(e) Labour and Material Payment Bonds: Labour and Material Payment Bonds are guarantees that the Vendor will make payment for obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the project.

Where deemed necessary by the Department Head, or where the Township could experience significant financial loss should a Vendor fail to pay its obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the Contract, a Labour and Material Payment Bond shall be required.

Labour and Material Payment Bonds shall be in the amount of fifty (50%) percent of the Total Award Price, up to One Hundred Thousand (\$100,000.00) Dollars, and one hundred (100%) percent of the Total Award Price over One Hundred Thousand (\$100,000.00) Dollars.

(f) Insurance: Where deemed necessary by the Department Head, or where the Township could experience significant financial loss, the Tender shall require that an insurance certificate be provided. The insurance coverage must be a minimum of Five Million (\$5,000,000.00) Dollars for liability, bodily injury and property, unless alternatively stated in the Tender document. The insurance policy will require that the Township be added as an additional named insured (for the project in question) and that the Township be notified in advance in the event that the insurance policy is cancelled or changed in any manner.

(g) Occupational Health and Safety: All Tender document forms and Contracts shall require that the Occupational Health and Safety Act be complied with.

(h) Workplace Safety and Insurance Board Certificate (WSIB): All Tender document forms and Contracts involving a labour component shall require a WSIB Certificate of Clearance from the Vendor.

(i) Penalty Clause: All Tender documents shall include a penalty clause, whereby a pre-tax daily charge is imposed on a contractor who fails to complete the assigned duties to a standard that meets the approval of the Township, in its sole discretion, by the date(s) established in the Tender document.

Receipt and Opening of Bid Documents

The Township will refuse to accept any Bid that is:

- Not sealed
- Received after the closing deadline
- Submitted after a Tender has been cancelled.

Requests for withdrawal of a Bid shall be allowed if the request is made before the closing time for the Tender to which it applies. Requests must be directed to the Lead Contact by letter or in person, by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a Bid does not

disqualify a Bidder from submitting another Bid on the same Tender, subject to the provisions of Appendix B.

- (a) **Timed and Dated:** When Bids are received, they shall be time and date stamped. Bid envelopes shall be dated, timed and initialed by the person receiving the Bid, and placed in a secure location until the Tender opening.
- (b) **Number of Bids and Bidder Name not to be Divulged:** The number of Bids received and the names of Bidders are confidential and shall not be divulged prior to the Tender opening.
- (c) **Bid envelopes:** Bids shall be received in an envelope clearly marked as to contents, including:
 - Tender Number and Title
 - Name and Address of Bidding Firm
- (d) **Bids Received After Closing Time and Date:** Bids received after the closing time shall be noted and returned unopened to the Bidder, as soon as possible. If a late Bid is received without a return address on the envelope it shall be opened, the address obtained and then returned. The covering letter will advise why the envelope could not be returned unopened.
- (e) **Alternative Bids:** Unsolicited alternative Bids shall not be considered. If a Bidder wishes to extend alternative bids under the same Tender, they must obtain permission to do so, in writing, from the Lead Contact. Permission will only be granted based on the specific nature of the Commodity being Procured. All required Bonds and Deposits must be provided based on the dollar value of the highest Bid.
- (f) **Two Bids for Same Tender - Same Envelope:** If two Bids for the same Tender are received in the same envelope, the Bids must be contained in separate envelopes within the exterior envelope and must be marked as Bid A and/or Bid B. If the two Bids are not contained in separate envelopes within the exterior envelope, the lowest Bid in the envelope shall be considered the intended Bid.
- (g) **Two Bids Same Tender – Different Envelopes:** If two Bids for the same Tender are received in different envelopes the envelope with the latest date and time received shall be considered the intended Bid.
- (h) **Bids Received By:** Bids shall be received by the Municipal Office Staff.
- (i) **Tender Opening:** Bids shall be opened in public by Township Staff, preferably in the presence of the Department Head. The names of those individuals in attendance, the time and date of the opening, the names of the firms submitting a Bid, the completeness of each Bid received, and the total Bid price of each Bid shall be recorded at the opening.
- (j) **Bid Irregularity:** All Tenders shall be inspected for the presence of any Bid Irregularities. Such Irregularities shall be dealt with in accordance with Appendix 'B', attached to and forming part of this By-Law.
- (k) **One Tender Received:** If only one Bid is received, the Township has the option of not opening the Bid and closing the call for Tender.

Action when all Bids Received are Over Budget

At such time that a Tender closes, the competition is over. If all Bids are over budget, Council shall review the submissions and may elect to cancel the Tender. The scope of the project must be reviewed prior to re-Tender. If complete re-Tender is not financially viable or the project is required immediately, as determined by the Council and/or the Opening/Evaluation Committee, two procedures are acceptable:

- a) Negotiate with the lowest Bidder(s); or
- b) Re-Tender via post-Tender addendum to the lowest three Bidders, provided that there are tangible changes in the scope of the work, and with a view to bringing the cost of the project within the budget.

Return of Deposit Cheques

- (a) Immediately following the Tender opening, all Bid deposit cheques (other than those of the two lowest Bidders) shall be returned to the applicable Bidders by regular mail, or pick-up by the Bidder. In the case of a pick-up, the person picking up the Bid deposit shall execute a receipt.

Upon receipt of the executed Contract and all other required documents in a format acceptable to the Township, the deposit cheque of the second low Bidder shall be returned by regular mail or pick-up by the Bidder. In the case of a pick-up, the person picking up the Bid deposit shall execute a receipt. The Bid deposit of the successful Bidder will be held as performance Surety until completion of the project.

- (b) The Bid deposit cheque of the successful Bidder shall be cashed, and the funds returned with payment of the final invoice upon successful completion of the tender.

Action When Successful Bidder Does Not Finalize Contract

After Tender opening, if the successful Bidder should fail to sign the Contract or fail to provide any required documents (e.g., Bonds) within the specified time, the Department Head may grant additional time to fulfill the necessary requirements or may recommend that either:

- a) The Tender be Awarded to the next highest Bidder; or
- b) The Tender is cancelled.

In either case, the deposit of the originally Awarded Bidder is forfeited to the Township.

Execution of Contract

After the Tender opening, a report to Council is required which describes the bids received and provides a written recommendation.

Council is responsible for approving a Vendor. Upon Council's approval, the Department Head shall ensure that a Contract is executed by the Mayor and Clerk or Treasurer, or a Purchase Acknowledgement is issued.

SCHEDULE 'B' TO BY-LAW NO. 2025-50

MINIMUM STANDARDS & REQUIREMENTS FOR PURCHASING CARD USE

The following are the minimum standards or requirements to govern the use of Purchasing Cards in accordance with this Policy. Other Procedures may be developed in accordance with this Policy.

1.0 Authority

1.1 The Mayor, CAO, Clerk, Treasurer, and Township Department Heads are authorized to use a Township Purchasing Card.

1.2 Department Heads are empowered to authorize employees within their department to use a Township Purchasing Card in keeping with this Policy and procedures.

2.0 Purchasing Card Coordination

2.1 The Treasurer shall be the Purchasing Card Coordinator.

2.2 The Purchasing Card Coordinator is responsible for the Purchasing Card co-ordination function within the Township of Bonfield.

3.0 Purchasing Card Use

3.1 Purchasing Cards must not be used:

- a) When the total Purchase price exceeds the credit limit on the card (in accordance with the Procurement Policy, purchases shall not be split to avoid the approval levels required);
- b) When the cost of the Goods and/or Services would be significantly increased as a result of using the Purchasing Card and an alternative method of payment is available (e.g., a sizeable discount is provided by the Vendor as a result of not using the Purchasing Card);
- c) When the Goods and/or Services are available under an existing Blanket Purchase Order or Contract;
- d) For personal Purchases; and
- e) To obtain cash advances;

3.2 No cardholder may accept cash or a cheque from a Vendor who is making a refund pertaining to a transaction previously charged to a Purchasing Card account. The Vendor in all cases must issue a credit voucher.

3.3 Cardholders will be held accountable for any misuse or willful disregard of policies or operating procedures, which result in a loss of money, fraud or collusion.

3.4 The Township of Bonfield reserves the right to withdraw Purchasing Card privileges from any employee who has used the Purchasing Card in a manner which contravenes the Purchasing Card Policy and Procedures. It is the responsibility of the Treasurer to collect the Purchasing Card from employees who have had their privileges revoked and on termination of employment of any employee with the Township of Bonfield.

4.0 Responsibilities

4.1 Governance Responsibility

- a) Council is responsible for establishing the credit limit for all card holders and reviewing the same on an ongoing basis;

4.2 Treasurer's Responsibility

The Treasurer is responsible for:

- a) Ensuring that all employees adhere to this Policy and its procedures;

- b) Ongoing monitoring and controlling the use of Purchasing Cards by the Township;
- c) Establishing the credit limit, in consultation with the Mayor, for all cardholders and reviewing the same on an ongoing basis;
- d) Reviewing and approving, on a monthly basis, the Purchasing Card Monthly Statements for all Purchases charged.

4.3 Cardholder Responsibility

The Cardholder is responsible for providing supporting documentation (e.g. sales slips, cash register and credit receipts, refund credits, sales tax information) related to all Purchases made with the Purchasing Card for reconciliation, account verification, payment, and audit purposes.

5.0 Purchasing Card Limits

5.1 Purchasing Card limits shall not exceed an overall total of \$30,000 with the breakout as established below:

- a) CAO: \$4,500.00
- b) Public Works Manager: \$7,500.00
- c) Deputy Treasurer/Office: \$10,000.00
- d) Mayor: \$2,500.00
- e) Librarian: \$3,000.00
- f) Medical Center: \$2,500.00

5.2 Any interdepartmental deviations from the Purchasing Card limits outlined above, which are in force at the time this By-Law is passed, shall be deemed not to be in contravention with this clause.

SCHEDULE ‘C’ TO BY-LAW NO. 2025-50
BID IRREGULARITIES SUMMARY

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1	late bids (by any amount of time)	X		automatic rejection
2	bids completed in pencil	X		automatic rejection
3	bid surety not submitted with the bid when the bid request (or any addenda) indicated that such surety is required	X		automatic rejection
4	EXECUTION OF AGREEMENT TO BOND: a) Bond company corporate seal or equivalent proof of authority to bind company or signature missing b) surety company not licensed to do business in Ontario	X		automatic rejection
5	EXECUTION OF BID BONDS: a) corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b) corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X		automatic rejection
6	OTHER BID SECURITY: Cheque which has not been certified	X		automatic rejection
7	bidders not attending mandatory site meeting	X		automatic rejection
8	unsealed tender envelopes	X		automatic rejection
9	proper response envelope or label not used		X	acceptable if officially received on Time
10	pricing or signature pages missing	X		automatic rejection
11	insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X or	X	where security is required & amount is not specified in request, automatic rejection unless insufficiency is trivial or insignificant where security is required and amount of security is specified in request - automatic rejection
12	bid received on documents other than those provided in request	X		not accepted unless specified otherwise in the request
13	EXECUTION OF BID DOCUMENT proof of authority to bind is missing	X		automatic rejection
14	part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request
15	bids containing minor clerical errors		X	2 working days to correct initial errors. Township reserves the right to waive initialing and accept bid
16	uninitialed changes to the request documents which are minor (ie: the bidder's address is amended by overwriting but not initialed)		X	2 working days to correct initial errors. Township reserves the right to waive initialing and accept bid
17	alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in Request

18	unit prices in schedule of prices have been changed but not initialed		X	2 working days to correct initial errors. Township reserves the right to waive initialing and accept bid
19	other mathematical errors which are not consistent with the unit prices		X	2 working days to initial corrections. Unit prices will govern
20	pages requiring completion of information by vendor are missing	X		automatic rejection
21	bid documents which suggest that the bidder has made a major mistake in calculations or bid			consultation with a Solicitor on a case-by-case basis and referenced within the staff report if applicable

NOTE: The above list of irregularities should not be considered all-inclusive. The Department Head and the Clerk will review minor irregularities not listed. Council may then accept the bid, or request that the bidder rectify the deviation.