

BY-LAW NO. 2004-0120

**A BY-LAW FOR THE PROCUREMENT
OF GOODS AND SERVICES**

TABLE OF CONTENTS

Section 1.00	DEFINITIONS
Section 2.00	PURCHASING PRINCIPLES
Section 3.00	GENERAL CONDITIONS
Section 4.00	METHODS OF ACQUISITION
Section 5.00	SPECIFICATIONS
Section 6.00	REPORTS TO COUNCIL
Section 7.00	FORMS OF COMMITMENT
Section 8.00	DISPOSAL OF SURPLUS GOOD
Section 9.00	PREFERENCE FOR LOCAL SUPPLIERS
Section 10.00	ONTARIANS WITH DISABILITIES ACT, 2001
Section 11.00	ENVIRONMENTAL CONSIDERATIONS
Section 12.00	SUPPLIERS PERFORMANCE
Section 13.00	DISPUTES
Section 14.00	PROHIBITIONS
Section 15.00	ACCESS TO INFORMATION
Section 16.00	PROVIDING ASSISTANCE
Section 17.00	BY-LAW REVIEW
Section 18.00	GENDER
Section 19.00	CONFLICTING LEGISLATION
Section 20.00	REPEAL
SCHEDULE "A"	EXEMPTIONS TO PROVISIONS OF THE PURCHASING BY-LAW
SCHEDULE "B"	FINANCIAL RESPONSIBILITY
SCHEDULE "C"	PROCEDURES FOR FORMAL SEALED BIDS
SCHEDULE "D"	PURCHASING CARD POLICY AND PROCEDURES
SCHEDULE "E"	STANDARDIZATION
SCHEDULE "F"	IMPROPER BIDS

**A BY-LAW TO ESTABLISH POLICIES FOR THE
PROCUREMENT OF GOODS AND SERVICES,
PAYMENT OF ACCOUNTS, AND THE
DISPOSAL OF SURPLUS GOODS.**

WHEREAS Section 271 of the Municipal Act, 2001, imposes upon municipalities the obligation to adopt policies with respect to the procurement of Goods and Services;

AND WHEREAS the Council of The Corporation of the Town of Georgina deems it necessary to establish authority and policies governing the procurement of goods and services and payment therefore;

AND WHEREAS, in view of the volume and complexity of the Town's purchasing activity, it is recognized that professional skills are required to ensure that the required quality and quantity of goods and services are procured in the most efficient and economical manner;

AND WHEREAS the Purchasing Division is charged with the responsibility for the acquisition of all goods and services required by all departments of the Corporation, and as such shall seek the lowest overall bid or solution by considering total acquisition cost and benefits in carrying out this responsibility in accordance with this By-Law;

AND WHEREAS the Town desires to ensure objective and equitable treatment of all vendors and purchasers;

NOW THEREFORE the Council of the Corporation of the Town of Georgina enacts as follows:

1.00 **DEFINITIONS:**

IN THIS BY-LAW

"Acquisition" means the process of obtaining goods and services for use, whether on a permanent or temporary basis;

"Award" means authorization to proceed with the purchase of goods and services from a chosen vendor;

"Bid" means an offer or submission received from a vendor, contractor, or consultant in response to a request, which offer or submission may be subject to acceptance or rejection;

"Bid Deposit" means cash, certified cheques, bond surety issued by a surety company to ensure the successful bidder will enter into an agreement;

"Bid Request" means a formal 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" means a Purchase Order which establishes prices or a method for determining process, terms and conditions and the period of time during which a vendor agrees to provide goods or services to the purchaser upon the purchaser's demand;

“Centralized Purchasing” means in this regard the activities conducted by the Purchasing Division of the Administrative Services Department that is responsible for the Purchase of all Goods and/or Services as provided by this By-law.

"Chief Administrative Officer", "C.A.O." means the person appointed by Council pursuant to Section 72 of the Municipal Act and a Department Head as defined by this By-Law;

“Competitive Method” means an acquisition method where vendors are given an equal opportunity to submit bids in accordance with Town Policy and Procedures;

“Consultant” means a person or firm, who by virtue of a particular expertise, is hired by the Town to undertake a specific task or assignment that may include designing specification and preparing plans or programs;

"Contract" means a binding agreement between two parties;

"Council" means the Council of the Corporation of the Town of Georgina;

"Department" means a department established under the authority of Council;

"Department Head" means the person appointed by Council to be responsible for the operation of the department;

"Emergency" means a situation where the immediate acquisition of goods and services is essential to prevent serious delays, injury, damage, or to restore or maintain required service;

"Emergency Method" means a procurement process where the usual competitive acquisition rules are suspended due to the prevailing emergency circumstances;

“Expression of Interest” means a situation where vendors are solicited by the Town to advise the Town of their ability or desire to undertake Town requirements;

“Formal Notification” means that a written notification will be forthcoming in a format so determined by the Purchasing Agent. Formal Notification will include the request for a written receipt of notification;

"Formal Sealed Bid" means a detailed offer from vendors to supply goods and services through a public advertisement or an invitation giving notice of the call for formal sealed bids where the estimated value is greater than \$20,000.

"Goods and Services" includes labour, supplies, materials, equipment and services of every kind not otherwise provided for in Schedule "A";

"Highest Responsible Bid" means the bid, which would provide the Town with the highest revenue, meets all the specifications, and contains no irregularities or qualifications;

“Improper Bid” means a bid that has an irregularity or deviation from the requirements of a bid request and the information provided in a bid response;

“In-House Bids” is a process where by internal staff compete with external entities for procurement opportunities.

"Lowest Responsible Bid" means the bid, which would provide the Town with the desired goods and services at the lowest cost, meets all the specifications, and contains no irregularities or qualifications;

"Negotiation Method" means an acquisition method whereby the Town may confer with one or more vendors leading to an agreement on needed goods and services under the conditions outlined in this By-Law;

"Procure", "Procurement" and "Purchase" means to acquire by purchase, rental, lease or trade of goods and services;

"Proposal" means an offer to provide for a need or function of the Town where the requirements cannot be accurately or definitely defined;

“Purchasing Card,” means a card issued, by a financial institution that can be used by authorized employees of the Town to purchase goods and services;

"Purchase Order" means a written offer to procure goods and services or a written acceptance of an offer to acquire goods and services made on the Town's form;

"Quotation" means a written detailed offer from vendors to supply goods and services through a public advertisement or an invitation giving notice of the call for sealed quotations where the total value is estimated to be less than \$20,000;

“Requisition” means a formal written request for the use or supply of goods and services initiated by the user;

"Small Order" means a written offer to purchase goods and services or a written acceptance of an offer received in accordance with these provisions where the estimated value is not over \$500;

"Sole Source" means that there is only one source of supply of particular goods or services;

“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 form as deemed necessary as stated in any quotation, tender or proposal document issued by the Town;

“Tender” means an offer received from suppliers of goods and/or services in response to a public advertisement requesting tenders sealed in an envelope;

“Town” means the Corporation of the Town of Georgina;

2.00 **PURCHASING PRINCIPLES:**

THE TOWN'S PURCHASING PRINCIPLES ARE AS FOLLOWS:

- .1 to procure the necessary quality and quantity of goods and services in an efficient, timely, and cost effective manner;
- .2 to encourage open competitive bidding for the acquisition and disposal of goods and services;
- .3 to consider the total cost of acquisition, repair, staff training, operation and disposal rather than the lowest invoice price;
- .4 to give full consideration to the total project cost and/or to the annual aggregate value of specific goods and services prior to determining the appropriate procurement method;
- .5 to have regards to the accessibility for persons with disabilities when procuring goods, services and construction;

3.00 **GENERAL CONDITIONS:**

3.01 The Purchasing Agent:

- .1 shall exercise general supervision and control over the procurement of all goods and services in accordance with this By-Law through the operations of a Centralized Purchasing Program;
- .2 is hereby authorized to make and issue such administrative rules of procedure as are necessary to implement the policy contained within this By-Law;
- .3 may direct negotiations for the purpose of co-operative buying procedures with other public bodies and agencies as may be deemed advantageous to the Town.
- .4 may, in consultation with the requisitioning Department Head, choose to obtain bids on any goods or services with an estimated value of between \$5,000 and \$20,000 by what is deemed to be the most economically feasible and beneficial method to the Town notwithstanding the Competitive Methods outlined in Section 4.05 of this By-Law provided that a minimum of three (3) quotes (written or verbal) or sealed bids are obtained.

3.02 All acquisitions shall be in accordance with approved departmental budgets and estimates except where Council by By-Law or Resolution otherwise determines.

3.03 The Town shall be under no obligation to accept the lowest bid or any bid received in response to a verbal or written request.

3.04 The Purchasing Agent may remove a vendor's name from consideration for contracts under this By-Law on the basis of poor performance or non-performance on a previously

awarded contract.

3.05 No elected or appointed official or employee of the Corporation is authorized to:

- .1 purchase any goods,
- .2 award any contract for construction,
- .3 award any contract for maintenance,

for any goods, construction or maintenance projects not included in the approved Operating Fund Budget or approved Capital Budget without the prior approval of Council.

3.06 All requests for firm prices for goods or services on behalf of the Corporation shall be made to the Purchasing Agent and all or any contracts made between the Corporation and its suppliers and/or their agents shall be made through or with the Purchasing Agent.

3.07 The Treasurer may pay all accounts for properly authorized expenditures without the prior approval of Council.

3.08 After the end of each month, after the Budget is approved, the Treasurer shall present a budget report to the CAO indicating the amount of the approved budget for each account and the amount encumbered and expended to the end of the preceding month. Prior to Council approving the Operating Fund Budget and the Capital Fund Budget, no elected or appointed official or employee is authorized to purchase any goods or services other than those used in the normal operation of the Town without the prior approval of Council.

3.09 No expenditure shall be authorized or permitted whereby a debt is incurred requiring authorization by By-Law until Council passes the said By-Law and all statutory authorization is received.

3.10 Every report recommending the expenditure of funds not previously approved by Council in the Operating Fund Budget or the Capital Fund Budget shall contain sufficient information to enable Council to judge the propriety of the proposed expenditure.

3.11 Where it appears that additional funds will be required to complete a project approved in the Budget, and where such funds appear to be available within the budget appropriation for the Department, the Department Head may request that the transfer of the appropriation be made, and if, in the opinion of the Treasurer or the CAO, the transfer will not conflict with Council's Policies and Objectives, and such transfers shall be forthwith reported to Council,

- .1 The Treasurer may authorize the transfer to a limit of six thousand dollars (\$6000),
- .2 The CAO may authorize the transfer to a limit of ten thousand dollars (\$10,000).

Any transfers in excess of the above limits must be approved by Council.

3.12 Council may by Resolution waive any of the provisions of this By-Law with reference to the Methods of Acquisition itemized in Section 4.00 listed hereafter.

4.00 **METHODS OF ACQUISITION:**

4.01 Each Department of the Town shall forward to the Purchasing Agent its requisitions for goods and services in the following manner:

- .1 An official requisition for goods and services, the value of which exceeds the sum of Five Hundred (\$500.00) Dollars shall be signed on behalf of the Department concerned by a duly authorized employee.
- .2 A requisition is not required for the purchase of goods and services, the value of which does not exceed Five Hundred (\$500.00) Dollars.
- .3 A requisition is not required for the purchase of any good and service where a Contract exists or a Blanket Purchase Order has been assigned.

4.02 Notwithstanding any other provisions of this By-Law, the acquisition of the items listed in SCHEDULE "A" shall not require a Purchase Order unless requested by the requisitioner.

4.03 Estimated value of up to \$500.00

The acquisition of goods and services having an estimated value of \$500.00 or less which are not covered by a Blanket Purchase Order shall be carried out by the Department Head in accordance with the principles set out in this By-Law and such other applicable policies and procedures established from time to time.

4.04 Estimated value of \$500 to \$5,000

Goods and services with a value of at least \$500 but less than \$5,000, may be purchased in a manner as deemed by the Purchasing Agent to be the most economically feasible and beneficial to the Town, in accordance with the principles set out in this By-Law.

4.05 **COMPETITIVE METHODS:**

.1 Estimated Value of \$5,000 to \$20,000

For the acquisition of goods and services with an estimated value of at least \$5,000 and less than \$20,000, at least three written or verbal bids shall be solicited by the Purchasing Agent in consultation with the requisitioning Department Head.

.2 Estimated Value of over \$20,000

For the acquisition of goods and services with an estimated value of over \$20,000, the Purchasing Agent, in consultation with the requisitioning Department Head, shall issue a call for

Formal Sealed Bids and shall:

- .1 advertise the formal sealed bid request in one or more publications of general circulation;
 - .2 receive written formal sealed bids up to the published closing time;
 - .3 co-ordinate the opening of bids in public at the published time by a committee comprised of the Town Clerk (or his designate), the requisitioning Department Head (or his designate) and the Purchasing Agent, and a written record of all bids received shall be kept.
- .3 The Purchasing Agent may compile a list of qualified bidders when:
- .1 a large number of bids is expected and the evaluation of bids would create an undue cost burden to the Town; or
 - .2 it is desirable to pre-qualify bidders according to established criteria prior to bidding;

PROVIDED THAT:

- .3 potential bidders shall be invited by the Purchasing Agent to reply to a Request for Information advertised in a publication of general circulation; and
- .4 all responses received in response to (.3) shall be reviewed by a vendor selection committee composed of the Purchasing Agent (or his designate), one representative of the requisitioning Department, and one member of another Department, which committee shall prepare a list of all potential bidders who meet the stated criteria.

4.06 **REQUEST FOR PROPOSAL METHOD:**

Where there is a requirement to acquire goods and services that cannot be stated with the degree of certainty required for an exact specification (regardless of estimated dollar value), the Purchasing Agent may issue a call for a Request for Proposal.

The Department Head shall provide the Purchasing Agent with the Terms of Reference for the Proposal call containing as full a description as possible of the product to be acquired or the outcome to be achieved along with the evaluation criteria to be applied in assessing the Proposal submitted.

4.07 **EXPRESSION OF INTEREST and/or REQUEST FOR PRE-QUALIFICATION:**

- .1 Used where bidders offer interest in submitting a bid on a product or service.

.2 Advertised publicly, and information is requested to determine reference checks, past performance and financial liability. A reply to a Request for Expression of Interest and /or Pre-Qualification is required to be returned to the Purchasing Agent by a designated date and time.

.3 Submissions are reviewed and subsequently a Request for Quotation, Tender or Proposal is prepared for a short list of invited pre-qualified bidders.

4.08

NEGOTIATION METHOD:

.1 Notwithstanding any other provisions of this By-Law, in consultation with the requisitioning Department, the Purchasing Agent may enter into negotiations with one or more vendors for the supply of goods and services when any of the following conditions exist:

.1 due to market conditions goods or services are in short supply;

.2 unforeseeable conditions of urgency exist, for emergency, protection and security concerns and the goods or services cannot be obtained in time through a competitive process;

.3 there is only one source of the subject goods or services or when an exclusive right such as a patent, copyright or exclusive license covers the item;

.4 two or more identical acceptable low bids have been received;

.5 efforts at breaking identical bids have previously been unsuccessful and the same goods or services are required again;

.6 no bids were received in a competitive process;

.7 all acceptable bids exceed the amount budgeted for the goods and services;

.8 all bids received are unacceptable;

.9 to ensure compatibility with existing products or to avoid violating existing service requirements and the extension or re-instatement of an existing contract would be more beneficial to the Town;

.10 a single source is being recommended because it would be neither beneficial nor cost efficient to competitively source low value goods or services;

.11 when goods are required for resale and the determining criteria is marketability and profitability or when the costs are recovered through customer/consumer preference;

.12 when authorized by Council.

.2 Where the negotiation method set out in section (.1) is used to select a vendor of goods or services, with a value of more than \$10,000.00 except Professional and Consulting Services or where the extension of an existing contract exceeds twenty per cent (20%) of the original contract value. The C.A.O. and the requisitioning Department Head shall submit a report to Council prior to the award of the contract setting out the circumstances for recommending the award.

4.09

PROFESSIONAL AND CONSULTING SERVICES:

.1 Estimated value of up to \$10,000

The hiring of consultants where the estimated cost of the service project is estimated to be less than \$10,000 in value must have the prior approval of the Chief Administrative Officer or his designate. Where the cost is estimated at greater than \$10,000, Council authorization must be obtained.

.1 The Consultants Review Committee shall be established and shall include the following as members:

- .1 The Department Head who requires the services,
- .2 Other staff or elected official(s) in relation to the magnitude of the project.

.2 Estimated Value of more than \$10,000 but less than \$75,000

For the hiring of consultants where the cost of the service is estimated to be greater than \$20,000 but less than \$75,000, the Purchasing Division shall issue an invitation for "Expression of Interest" from a list of eligible firms. The Review Committee shall prepare a report for Council recommending the professional consultant whose bid most closely meets the criteria requested in the invitational.

.1 The Consultants Review Committee shall be established and shall include the following as members:

- .1 The Department Head who requires the services,
- .2 Two elected members of Council,
- .3 Other staff, in numbers proportional to the magnitude of the project.

.3 Estimated Value of greater than \$75,000

For the hiring of consultants where the cost is estimated to be greater than \$75,000, the Purchasing Division shall issue an invitation for "Expression of Interest" from a pre-selected list of eligible firms. From the answers received, a short list of a minimum of three but not more than six shall be prepared. These bidders shall then be requested to submit detailed

written proposals and shall be interviewed by the Review Committee. A report shall then be prepared by the Review Committee for Council recommending the Professional Consultant whose bid and detailed written proposal is judged to be the most responsive to the Town's criteria and needs.

.1 The Consultants Review Committee shall be established and shall include the following as members:

- .1 The Department Head who requires the services,
- .2 Two elected members of Council,
- .3 Other staff, in numbers proportional to the magnitude of the project.

4.10 **EMERGENCY METHOD:**

Notwithstanding any other provision of this By-Law, where an emergency exists:

.1 the Department Head is authorized to requisition the Purchasing Agent to obtain necessary goods or services with a value of less than \$20,000 by the most expedient, economical, and practicable means under the circumstances;

.2 the Department Head is authorized to requisition the Purchasing Agent to obtain goods and services having an estimated value of \$20,000 or more by the most expedient, economical, and practicable means under the circumstances, provided that the Department in consultation with the Director of Administrative Services and the Chief Administrative Officer shall submit a report to Council at its next meeting explaining the circumstances giving rise to the emergency.

4.11 **CO-OPERATIVE PURCHASING:**

The Town of Georgina may participate with other government or public agencies in co-operative purchasing ventures or joint contracts where it is in the best interest of the Town to do so.

The policies of the government or public agency calling the Co-operative Bid are to be the accepted policy for that particular purchase.

4.12 **IN-HOUSE BIDS:**

The Town does not currently allow staff to compete with external entities for procurement opportunities.

5.00 **SPECIFICATIONS:**

5.01 .1 The Department whose budget provides for the acquisition of goods or services shall be responsible, in consultation with the Purchasing Agent, for the preparation and approval of all specifications to be used for the acquisition of such goods or services.

.2 Wherever practicable, the acquisition method utilized shall provide for consideration of alternatives to approved specifications provided that all potential bidders shall be notified that minor amendments to approved specifications may be made without further notice.

.3 Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.

6.00 **REPORTS TO COUNCIL:**

6.01 The award of contract for Requests for Quotation, Requests for Proposal and Formal Sealed Bids are subject to Council approval under the following conditions:

.1 where there is only one bidder in response to the call for competitive bids;

.2 when the Purchasing Agent recommends against the award of the contract to the vendor having submitted the lowest responsive bid;

.3 when the amount proposed for acceptance is higher (costs) than the amount approved by Council within its Budget estimates;

.4 when the amount proposed for acceptance is lower (revenue) than the amount approved by Council within its Budget estimates;

.5 when a substantive objection emanating from the call for quotations, proposals, or sealed bids is filed with the Department Head or the Purchasing Agent prior to the award of a contract;

.6 when a major irregularity precludes the award of a contract to the firm having submitted the lowest bid;

.7 when the contract requires approval from the Ontario Municipal Board;

.8 where the awarding of a contract is over \$100,000.00.

6.02 No provisions contained herein precludes a Department Head or the Purchasing Agent from submitting the award of any contract to Council, where, in the opinion of the Department Head or Purchasing Agent, it is in the best interests of the Corporation to submit the matter to Council.

6.03 No report to Council is required and the Department Head and the Purchasing Agent may jointly award a contract where:

.1 the funds are specifically available within the departmental estimates approved by Council to meet the proposed expenditure; and

.2 the amount of the contract is less than \$100,000; and

.3 the Department Head concerned and the Purchasing Agent are both satisfied that the contract represents best value for money.

7.00 **FORMS OF COMMITMENT:**

7.01 .1 Expenditures of \$500 or less may be authorized by a Department Head and may be made without the involvement of the Purchasing Agent in accordance with the policies and procedures prescribed in this By-Law.

.2 Except as otherwise directed by Council, expenditures over \$500 for goods, equipment, and supplies shall be made by the Purchasing Agent by Purchase Order, provided that the appropriate Acquisition method has been followed to select the vendor;

.3 Except as otherwise directed by Council, expenditures over \$20,000 for projects shall be made by a Contract and or a Purchase Order, approved by Council and executed on behalf of the Town by its proper signing officers.

8.00 **DISPOSAL OF SURPLUS GOODS:**

8.01 .1 As part of an on going process, all Department Heads shall regularly identify goods which become surplus to their needs and submit such lists to the Purchasing Agent for disposal.

.2 The method of disposal used on a particular surplus item will be that which results in the best overall benefit to the Town, such as;

.1 scrap, dismantle or destroy, classify as waste and dispose;

.2 transfer to another Department for use within the Corporation;

.3 donate to another non-profit/charitable organization;

.4 trade-in, return to supplier for credit;

.5 invite public or selective quotations;

.6 public auction.

9.00 **PREFERENCE FOR LOCAL SUPPLIERS:**

9.01 The Province of Ontario's Discriminatory Business Practices Act (R.S.O. 1990) has been established to prevent discrimination in Ontario on the grounds of race, creed, colour, nationality, ancestry, place of origin, sex, or geographical location of persons employed or engaged in business. Therefore, granting preference to local suppliers to supply goods and/or services to the Town cannot be undertaken.

10.00 **ONTARIANS WITH DISABILITIES ACT, 2001:**

10.01 Pursuant to the Ontarians with Disabilities Act, 2001, Town Council at its meeting September 29, 2003 adopted the Final Accessibility Plan that focuses on accessibility issues and the development of strategic actions to remove (where possible) and prevent barriers to access for people with disabilities. The Ontarians with Disabilities Act, 2001 and the Final Accessibility Plan require that when deciding to purchase goods and services the Town is to have regard to the accessibility for the persons with disabilities to the goods and services. As such, the Town is committed to accessibility principles and is taking steps to improve accessibility within the Town in accordance with the Act.

11.00 **ENVIRONMENTAL CONSIDERATIONS:**

11.01 In order to contribute to waste reduction and increase the development and awareness of environmentally sound purchasing practices, whenever possible, the expanded use of durable products, reusable products and products that contain a higher level post-consumer waste and/or recyclable content will be encouraged provided that they do not adversely affect the intended use of that product or service. Cost analysis will be required to ensure that the products are made available at a competitive price.

12.00 **SUPPLIER PERFORMANCE:**

12.01 The Department Head of the requisitioning department shall document evidence and advise the Purchasing Agent in writing where performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety violations.

12.02 The C.A.O. may, in consultation with the Purchasing Agent and the Town's Solicitors, prohibit an unsatisfactory supplier from bidding on future contracts

12.03 Based on the circumstances of the discrepancies and non-performance of the contract, an appropriate term of exclusion will be determined. The maximum period of exclusion will be up to three years.

13.00 **DISPUTES:**

13.01 Disputes shall be resolved in the following manner:

- .1 Meeting between the bidder and the Purchasing Agent;
- .2 If (.1) does not lead to a resolution, the decision can be appealed to the C.A.O.; or
- .3 If (.2) does not lead to a resolution, the decision can be appealed to Council.

14.00 **PROHIBITIONS:**

14.01 The following activities are specifically prohibited:

- .1 No contract or purchase shall be divided to avoid the requirements of this By-Law;
- .2 No requests for prices or demonstration for approved projects or programs shall be made without prior consultation with the Purchasing Agent;
- .3 No personal purchases shall be made by the Corporation for elected members, or any appointed member of a board or of a committee or for any employee;
- .4 No employee or elected official of the corporation may bid on the Corporation's purchase of goods and services;
- .5 No employee or elected official shall purchase or offer to purchase, on behalf of the Corporation, any goods or services, except in accordance with this By-Law.

15.00 **ACCESS TO INFORMATION:**

15.01 The disclosure of information received relevant to the issue of bid solicitation or the award of contracts emanating from bid solicitation shall be made by the appropriate town official in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

16.00 **PROVIDING ASSISTANCE:**

16.01 The Town may, under the direction of the C.A.O., lease, rent or otherwise provide any vehicle, equipment or other goods as owned by the Town to any federal, provincial or municipal body, ministry, agency, board, corporation or authority where such is in need due to unforeseen conditions, provided there is no adverse impact upon the Town.

17.00 **BY-LAW REVIEW:**

17.01 This By-law may be reviewed in response to concerns of Council, staff, suppliers and/or the public. The frequency of such a review will be dependent on the complexity and volume of the procurement activity and any other changes to legislation or professional practices that may affect the procurement process.

17.02 Any such By-law review shall be undertaken to determine the effectiveness the By-law has had in achieving the policy objectives as well as the requirements of the Municipal Act 2001, as amended.

17.03 The Schedules, (attached hereto) can be amended by having a recommendation report prepared by the C.A.O., forwarded to Council and an amending By-law issued.

18.00 **GENDER:**

18.01 This By-Law shall be read with all necessary changes of genders and changes of singular or plural which may be required in its context.

19.00 **CONFLICTING LEGISLATION:**

19.01 In the event that this By-Law should conflict with the provisions of any Provincial, or Federal legislation that purports to occupy the same field, then provisions of the Provincial, or Federal legislation shall prevail.

20.00 **REPEAL:**

20.01 That By-Law 87-87 (REG 1) be and is hereby repealed.

READ a first time this _____ day of _____, 2004.

READ a second time this _____ day of _____, 2004.

READ a third time and finally passed this _____ day of _____, 2004.

Mayor, Robert Grossi

Clerk, Roland Chenier

SCHEDULE "A" TO BY-LAW _____

A Purchase Order is NOT required for the following items unless specifically requested by the requisitioner:

1. Petty cash items.
2. Training and Education
 - .1 Conferences
 - .2 Courses
 - .3 Conventions
 - .4 Magazines
 - .5 Memberships
 - .6 Periodicals
 - .7 Seminars
 - .8 Staff Development
 - .9 Staff Workshops
 - .10 Staff Reports
 - .11 Subscriptions
3. Refundable Employee Expenses
 - .1 Advances
 - .2 Meal Allowances
 - .3 Miscellaneous - Non-Travel
 - .4 Travel Expenses
 - .5 Entertainment Expenses
 - .6 Hotel Accommodation
4. Employer's General Expenses
 - .1 Payroll Deduction Remittances
 - .2 Medicals
 - .3 Licenses (Vehicle, Firearms, etc.)
 - .4 Debenture Payments
 - .5 Insurance Premiums
 - .6 Grants to Agencies
 - .7 Damage Claims
 - .8 Petty Cash Replenishment
 - .9 Building Lease Payments
 - .10 Equipment Lease Payments
 - .11 Vehicle Lease Payments
 - .12 Tax Remittances (PST, GST)
 - .13 Regional Charges
 - .14 Sinking Fund Payments
 - .15 Employee Income
 - .16 Real Property including land, buildings, leasehold interests, easements, encroachments, and licenses
5. Professional and Special Services
 - .1 Committee Fees
 - .2 Counselling Services
 - .3 Legal Fees
 - .4 Physician Fees
 - .5 Temporary Help
 - .6 Bank Charges and Underwriting Services where covered by Agreements.
 - .7 Corporate Credit Card Payments
 - .8 Cafeteria and Arena Snack Bar supplies
 - .9 Freight
 - .10 Advertising

- 6. Utilities
 - .1 Postage
 - .2 Water and sewer charges
 - .3 Hydro
 - .4 Gasoline/Diesel and Lubricants
 - .5 Heating Fuels
 - .6 Telephone Services
 - .7 Cable Television and Internet Charges

FINANCIAL RESPONSIBILITY

Requisitions for goods or services, the value of which does not exceeds the sum of Five Hundred (\$500.00) Dollars, shall be signed by the Head of the Department concerned or by an employee so authorized by the Head.

Requisitions for goods and services the value of which exceeds the sum of Five hundred (\$500.00) Dollars shall be signed by the Head of the Department or by an employee so authorized in the absence of the Head up to values as stated below:

Chief Administrative Officer	\$ 20,000.00
Purchasing Agent	\$ 10,000.00
Department Head	\$ 10,000.00

NOTE: The Department Head may designate any individual within their Department to have signing authority at any level up to but not exceeding their own individual authorization level.

All requests for changes to an employee's financial responsibility and authorization level must be forwarded in writing to the Manager of Finance.

The Manager of Finance must be notified in writing of any change to an employee's financial authorization level due to the absence of the Department Head.

APPENDIX "C" TO BY-LAW _____

The following procedures shall apply to the purchase of goods, works and services by Formal Sealed Bids.

1.00 **BIDDING PROCEDURES:**

1.01 The competitive bidding procedures as described herewith shall apply to all purchases of goods, works and/or services (except professional services) where the amount of the tender is expected to exceed Twenty Thousand (\$20,000.) Dollars.

2.00 **PRE-QUALIFICATION PROCESS:**

2.01 Pre-qualification is a procedure whereby a bidder satisfies the Town that they are capable of performing the work before they are allowed to submit a Bid. When bidders are required to be pre-qualified, the Contract, if awarded at all, must be awarded to the lowest responsive/responsible Bidder, subject to contrary Council direction.

2.02 Where the pre-qualification is recommended by the initiating Department approval of the Department Head must be obtained prior to commencing the process. The Purchasing Division in consultation with the staff of the initiating Department shall carry out the pre-qualification process.

3.00 **ADVERTISING:**

3.01 In order to attract as many competent Bidders as possible, Bid shall be called by public advertising and shall be placed on the Town's Internet Website and in the local press. In addition, where applicable, a major trade publication should be used. Coverage may be expanded for contracts requiring special techniques, applications, or type of work.

3.02 Advertisements must appear in the press with sufficient time between advertising and Bid closing to permit a contractor time to examine the site, obtain documents, complete and submit his bid.

3.03 Bid request may be advertised on other government-operated websites, where practicable.

3.04 An advertisement shall contain the following information:

- .1 The name of the municipality,
- .2 The contract number,
- .3 The type of work,
- .4 The official designated to receive the Tender,
- .5 The time of closing,
- .6 The location of the work,
- .7 The location where the plans and specifications and Tender forms may be obtained,

- .8 The charge, if any, for the contract documents,
- .9 The type of security that must accompany the Bid,
- .10 The bonding requirements,
- .11 The time and place of the opening,
- .12 Information that the Corporation of the Town of Georgina reserves the right to accept any Bid, or part of any Bid, or to reject any or all Bids,
- .13 Pre-qualification requirements - if necessary.

4.00 **CLOSING TIME:**

4.01 Bid Request shall state that the Bid will be received not later than the given time on a specific day.

5.00 **RELEASE OF INFORMATION TO BIDDERS:**

5.01 Upon the request of a prospective bidder, the Purchasing Agent shall supply the following materials for each contract:

- .1 One (1) copy of the Bid Document, e.g. Bid Form, specifications, plans, profiles, etc.
- .2 One (1) standard Bid envelope,

Note: When a fee for document material is required, it shall be paid to the Corporation. When a fee is refundable, it will be returned when the bid material is returned in good order.

6.00 **RECORDING AND CONTROL OF BID DOCUMENTS:**

6.01 The Purchasing Agent shall maintain a list of prospective bidders.

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

7.00 **CHANGES TO CONTRACT UNDER CALL:**

7.01 Preparation of Addenda

Interpretation should be made in reply to queries from bidders only in the form of a written addendum. When it is necessary to revise, delete, substitute or add to the Bidding material for a contract under call, the Purchasing Agent shall approve the issuance of an addendum or cancel the contract. Formal Notification of each addendum shall be forwarded to each contractor/supplier who obtained Bid Documents, at his last known place of business. In addition to this procedure, prior notification shall be given to the contractor/supplier by telephone when practical.

7.02 In all cases, proof of receipt of all addenda issued to prospective Bidders must be formally verified by a Designated Official representing the contractor/supplier.

8.00 **NOTIFICATION TO CONTRACTORS/SUPPLIERS OF CANCELLATION OF CONTRACT:**

8.01 Each contractor/supplier who received Bid Documents shall be forwarded Formal Notification to his last known place of business of the cancellation of the contract. In addition to the above procedure, prior notification shall be given by telephone when practical. All bids received shall be returned unopened to the contractor/supplier with a covering letter addressed to the last known place of business.

9.00 **NOTIFICATION TO CONTRACTORS/SUPPLIERS OF EXTENSION OF TIME:**

9.01 Each contractor/supplier who received Bid documents shall be forwarded Formal Notification to his last known place of business of the extension of time. In addition to the above procedure, prior notification shall be given by telephone when practical and shall be advised that the Bid will be returned upon request.

10.00 **BID REQUIREMENTS:**

10.01 All bids shall either be mailed or delivered to the Purchasing Agent (or his duly authorized representative) and then placed in the locked Tender Box. The key to the Tender Box shall at all times be in custody of the Clerk. When a Bid is received, the envelope shall be time and date stamped. Bids received after the stated closing time will be time and date stamped and returned unopened to the bidder. BIDS RECEIVED AFTER THE STATED CLOSING TIME WILL NOT BE CONSIDERED.

10.02 Bid received in envelopes that are not properly identified as to content shall not be accepted and shall not be deposited in the Tender Box. When this happens, the bidder shall be advised immediately that his bid cannot be accepted and that he must use the envelope provided, or his Bid will be returned unopened.

10.03 The numbers of bids received and the names of the bidders are confidential and must NOT be divulged prior to the Bid opening, except in the case of construction contracts where sub-trades may need to know what General Contractors are considering submitting Bids.

10.04 The correct Bid Forms, as supplied by the Corporation must be used.

10.05 At the designated closing time, the locked Tender Box shall be sealed and remain in the custody of the Clerk until the designated opening time, at which time the Clerk shall break the seal and unlock the box removing the Bids.

- .1 The Bid must be legible, written in ink or be typewritten and ALL ITEMS MUST BE BID. Unless the Bid specifically permits otherwise, and the unit price of every item and other entries clearly shown.
- .2 Adjustments by telephone, telegram or letter to a Bid already submitted, will not be considered. A bidder desiring to make adjustments to a Bid

must withdraw the Bid and or supersede it with a later Bid submission.

- .3 The bid return envelope supplied by the Corporation should be used for the Bidding purposes without any exterior covering. Persons unable to submit their Bid in the official bid envelope, may substitute their own envelope providing the envelope includes the details shown on the official bid envelope and the Purchasing Agent is informed at the time of the Bid submission that a substitute envelope is being used. Provisions shall be made on the Bid envelope for the Bid number and the name and address of the contractor/supplier. The Corporation will complete this information at the time of the issuance of the envelope.
- .4 The Bid form must be signed in the space(s) provided on the form of with the signature of the bidder or a responsible official of the contractor/supplier bidding. If a joint bid is submitted, it must be signed on behalf of each bidder by an authorized signing official representing each Bidder.
- .5 The Bid shall be accompanied by an Agreement to Bond (when bonding is required) and a Bid Deposit (when required) made payable to the Corporation of the Town of Georgina equal to or greater than the amount and in a form as specified in the Bid: a certified cheque; bank draft; money order; or a Bid Bond from a Surety Company authorized by law to carry on business in the Province of Ontario, and **MUST BE ENCLOSED IN THE SAME ENVELOPE AS THE TENDER.**

11.00 **DEPOSIT REQUIREMENTS:**

11.01 If a Bid Deposits is deemed necessary, the deposit requirements for contracts including those for the purchase of goods shall be as follows:

- .1 If the Purchasing Agent deems bid deposits necessary, the Purchasing Agent and the User Department Head shall determine the amount of the bid deposit, but in no case shall it be less than 5% (five percent) of the estimated cost of the proposed service or goods.

11.02 If any deposit requirements have not been met, the Bid shall be considered to be an "Improper Bid".

12.00 **BID OPENING:**

12.01 If there are two or more Bid contracts to be opened at the same time, they shall be opened according to project

numbers. The project assigned numerically first will be opened first.

- 12.02 When the order by which the Bids will be dealt with has been established, the Clerk shall break the seal, unlock the box and remove the contents.
- 12.03 Any correspondence requesting withdrawal of a Bid shall be read by the Purchasing Agent, who shall state the nature of the correspondence, the name of the bidder and the contract number. He shall then attach the withdrawal notice to the Bid envelope, which shall remain unopened.
- 12.04 When the correspondence in the Tender box has been dealt with, the remaining Bids shall be opened. Each Bid form shall be stapled to the applicable Bid envelope, the deposit cheque clipped to the Bid form and the Bids sorted by contract number.
- 12.05 Any Bid that does not have the contract number on the envelope shall be opened and placed with the other Bids for that contract.
- 12.06 If correspondence is found enclosed with a Bid in the Bid envelope, that Bid shall be considered to be an IMPROPER BID and shall be so noted in the record of the Bids opened and the Bid read out in the normal manner. This correspondence and the Bid shall be referred to the Purchasing Agent for decision as to acceptance or rejection.
- 12.07 When Bids have been opened and sorted, the Purchasing Agent shall check the number of Bids opened to ensure that all bids received are accounted for. If a discrepancy occurs, the tender opening proceedings shall be delayed until all Bids have been accounted for.
- 12.08 When all Bids have been accounted for, the Purchasing Agent shall announce for each contract, the contract number, and the number of bids received and for each Request, the name of the bidder and the total bid amount.
- 12.09 Where several contracts are opened at the same Bid opening, at the conclusion of the reading out the bids, on a contract, the low bidder on that contract may withdraw any of his remaining Bids. Bids withdrawn under this procedure cannot be reinstated.
- 12.10 If more than one Bid is read out under the same name, for the same contract, and no withdrawal notice has been received, the Bid contained in the envelope bearing the latest date and time stamp shall be considered the intended bid. The first Bid received shall be considered withdrawn and returned to the bidder in the usual manner.
- 12.11 After reading out the bid amount, the Purchasing Agent shall have a list prepared in order of the bid amounts from low to high recording the name of each bidder, the amount of the Bid and the deposit cheque amount on the Record of Tender Opened.

12.12 When, during the reading out of Bids, the Purchasing Agent receives a Bid that has correspondence requesting withdrawal attached, he shall read out the contract number, the bidder's name and indicate to those in attendance that the tender is one previously announced as withdrawn at the request of the bidder.

12.13 The bidder's name for each withdrawn bid shall be recorded immediately following the names of the bidders whose Bid will be considered, noting the method and date of the withdrawal.

Note: If, during the reading out of bids, the Purchasing Agent receives a Tender with correspondence other than a withdrawal request attached, he shall read out the bids in the normal manner.

12.14 During the reading out of Bids, the Purchasing Agent shall check for more than one bid under the same name (without a notice of withdraw). If this situation occurs, it shall be dealt with as in 12.10

12.15 If two Bids for the same contract are received in the same Bid envelope, (contractors copy included), the signed copy or if both are properly executed, the lower shall be considered the intended bid, and shall be processed in a normal manner.

12.16 The contractor, read out as low on a previous contract who desires to withdraw a Bid(s) during the opening shall attest in writing to his identity and state the contract(s) on which he desires to withdraw. The contractor must sign the Notice of Withdrawal of Bids. This Notice must be handed to the chairman before reading out of the first Tender on the contract(s) to which it applies. The Purchasing Agent shall have the completed Notice attached to the applicable Bid. The Purchasing Agent, presented with the Bid and Withdrawal Notice, shall read out the bidders name and announce that the tender has been withdrawn in accordance with established procedures. THE PURCHASING AGENT SHALL NOT READ OUT THE BID AMOUNT OF A WITHDRAWN BID.

Note: A contractor who withdraws a bid on the strength of being read out as low bidder on a previous contract DOES NOT HAVE THE RIGHT TO REINSTATE THE WITHDRAWN BID if subsequent checking proves that his Bid on a previous contract was not in fact low.

13.00 **AWARD PROCEDURES:**

13.01 REVIEW OF BIDS:

.1 Following the opening of the Bids and subsequent award recommendation by the Bid Opening Committee, the Bids and recommendations of acceptance shall be returned to the Purchasing Agent for his recommendation. The Bids shall be check to ensure that all bid requirements have been met:

- .2 The process of administrating Improper Bids shall be set out in Schedule "E". For an irregularity listed in Schedule "E" and applicable response will be indicated.

13.02 BASIS OF DECISION ON ACCEPTANCE OR REJECTION OF AN IMPROPER BID:

- .1 All bids which do not conform to the bid requirements or which require arithmetic correction(s) shall be deemed "Improper Bids".

13.03 DECISIONS ON IMPROPER BIDS:

- .1 When an improper bid must be rejected as outlined in Schedule "E" the amount of the Bid shall not be recorded in the minutes of Bid opening, but the words "rejected bid" shall be recorded instead.
- .2 When an improper bid is one that may be accepted as outlined in Schedule "E", it shall be noted as an "Improper Bid" in the minutes of the Bid opening along with the amount of the Bid. All Bids shall then be referred to the Purchasing Agent for review of the bids in order to recommend an award. In this Report, he shall recommend acceptance or rejection of any improper bids and he shall recommend the award of the contract.

14.00 **NOTIFICATION OF ACCEPTANCE OF TENDER:**

- 14.01 Upon the award of the contract, the Purchasing Agent shall immediately advise the successful bidder that his bid has been accepted.

15.00 **DISPOSITION OF WITHDRAWN TENDERS:**

- 15.01 Following the bid opening, withdrawn bids shall be returned together with the deposit cheques (when applicable) to the bidders by bonded courier or by hand. If a bid and deposit cheque is returned by hand, the bidder must sign a letter acknowledging receipt.

16.00 **DISPOSITION OF DEPOSIT CHEQUES:**

- 16.01 For contracts where a Performance Bond is required the Deposit Cheque of the low bidder will be retained until such time as said Performance Bond has been supplied in a form satisfactory to the Corporation. For contracts that do not require a Performance Bond, the Corporation shall retain the deposit cheque of the low bidder until such time as the goods or services have been received. The deposit cheques of the other bidders will be returned to the address as shown on the tender form as soon as is practical after the opening of the tenders by courier or registered mail.

16.02 In the event that the tender of the low bidder is not accepted, or the low bidder does not perform its obligations, then the next low bidder will be required to provide the required tender deposit and the same conditions will apply as if the next low bidder had been the low bidder.

17.00 **EXECUTION OF CONTRACT:**

17.01 A contractor/supplier shall be allowed ten (10) working days between the date of mailing the form of contract and the date the executed contract must be returned to the Purchasing Agent.

18.00 **ACTION WHEN SUCCESSFUL BIDDER DOES NOT FINALIZE CONTRACT:**

18.01 If a contract has been awarded and the successful bidder fails to sign the contract or provide a contract bond, cash, or other acceptable collateral, within the specified time, the Purchasing Agent may grant additional time to fulfil the necessary requirements or may recommend one of the following:

- .1 That the contract be awarded to next low bidder.
- .2 That the contract shall be cancelled.

18.02 In the case of (.1) or (.2) above, the deposit of the low bidder shall be forfeited in its entirety. If a contract is to be awarded to the second low bidder, his or her deposit cheque shall be retained until he has actually signed the contract. If the second bidder fails, or declines to execute the contract if awarded to him, his deposit cheque shall also be forfeited in its entirety.

19.00 **PURCHASE ORDER:**

19.01 A tender for the purchase of goods shall be confirmed by the issuance of the Purchase Order.

PURCHASING CARD POLICY AND PROCEDURES

1.0 **INTRODUCTION:**

1.1 Purpose and Scope

To outline the policy and procedures for the use and control of the Town of Georgina Purchasing Card (PCard).

1.2 Authorization and Benefits

Departmentally approved employees are authorized to use the Purchasing Card to purchase low-dollar-value goods and services in support of sound business practices. In addition, benefits will accrue in the Accounts Payable section of the Finance Division by reducing the number of invoices processed, resulting in fewer cheques being prepared, reducing the number of purchase requisitions, resulting in fewer low dollar purchase orders and simplifying the process and increase the level of service.

1.3 Authority

This policy authorizes Department Heads to empower approve employees within their department or areas of responsibility.

1.4 Forms

Employee Acknowledgement of Responsibilities and Obligations Form

Town of Georgina Purchase Register

1.5 Inquiries

1.5.1 Inquiries related to the accounting aspect of this policy should be addressed to the Manager of Finance.

1.5.2 Inquiries related to the purchasing aspect of this policy should be addressed to the Purchasing Agent.

2.0 **POLICY:**

2.1 The Manager of Finance is responsible for the Purchasing Card co-ordination for the Town of Georgina.

2.2 Each Purchasing Card will be uniquely numbered, and will be issued in the name of the Town of Georgina and the name of the employee who has been authorized to use that card. THE CARD IS NOT TRANSFERABLE TO ANY OTHER EMPLOYEE.

2.3 Department Heads and Directors are authorized by this policy to have purchasing and signing approval for low-dollar-value purchases by use of the purchasing card.

2.4 The Purchasing Card will be issued by Department Heads

and Directors to approved employees who occupy positions with delegated low-dollar-value purchasing authority.

- 2.5 The limit for individual purchase is restricted to the purchasing authority for low-dollar-value purchases as per section 5.0.
- 2.6 The credit limit, which is the maximum amount chargeable to each Purchasing Card is restricted and approved by the Chief Administrative Officer as per section 5.0.
- 2.7 Purchasing Cards **must not** be used:
 - (a) when the total purchase exceeds the total dollar limits per transaction per section 5.0;
 - (b) when the goods and services are available under existing Contracts, or other established orders;
 - (c) when goods are available from existing inventories;
 - (d) when the cost of the goods or service would be significantly increased as a result of using the card and alternative payment methods are available;
 - (e) for personal purchases;
 - (f) to obtain cash advances.
- 2.8 No cardholder may accept cash or cheque from a vendor who is making a refund pertaining to a transaction previously charged to a Purchasing Card account. A credit voucher must be issued by the vendor in all cases.
- 2.9 Every cardholder shall be informed in writing of their responsibilities and restrictions regarding the use of the Purchasing Card and shall agree to them in writing. Cardholders will be held liable for any misuse or wilful disregard of policies or operating procedures which resulting a loss of money, fraud or collusion.
- 2.10 To avoid the payment of interest, payments to the Bank issuing the purchasing card shall be made in compliance with banking arrangements.
- 2.11 The liability for authorized charges on the Purchasing Card rests with the Town of Georgina, not the individual cardholder.
- 2.12 The maximum Town limit for unauthorized use of the card following loss or theft of the card shall be in compliance with banking arrangement. Unauthorized use means a use that did not benefit the Town of Georgina and was made by someone other than the cardholder. The Town of Georgina is not liable for any unauthorized use of the card, which occurs after notification loss, theft or cancellation has been received by the issuing Bank. However, if the loss or theft of the card is not reported immediately, the Town of Georgina may be liable for all unauthorized purchases charged to the account.
- 2.13 Fees, if any, for use of the Purchasing Card shall be in compliance with banking arrangements.
- 2.14 Purchases made outside Canada will be converted to Canadian funds at a rate established by the issuing Bank.

3.0 **RESPONSIBILITIES:**

3.1 The Cardholder is responsible for:

- (a) adhering to all conditions and restrictions imposed on the Purchasing Card by the Town of Georgina.
- (b) submitting the Employee Acknowledgement of Responsibilities and Obligations Form;
- (c) ensuring that the Purchasing Card, monthly statements and other documents bearing the card numbers are kept in a secure location with controlled access for reconciliation, account verification and audit purposes;
- (c) immediately notifying the issuing Bank, the Department Head or Director and the Manager of Finance of an loss or theft of the card;
- (d) informing the Manager of Finance of cancellation, changes in business address or area of responsibility, and/or telephone number, through the Department Head or Director;
- (e) returning the card to the Manager of Finance for cancellation, as appropriate, through the Department Head or Director;
- (f) maintaining a Purchase Register, on a monthly basis, for all purchases made with the Purchasing Card.
- (g) indicate in the applicable column of the Purchasing Register to verify that the vendor has a G.S.T. registration number on their invoice to allow for the input tax credit to be claimed;
- (h) resolving disputed charges with the assistance of the Manager of Finance or designate;
- (i) obtaining the required MSDS's for all WHMIS controlled products with the Purchasing Card and immediately forwarding a copy to the Purchasing Division.

3.2 The Department Head and Directors are responsible for:

- (a) assessing the need for the Purchasing Card based on operational requirements;
- (b) identifying the employee(s) who will be authorized to make low-dollar-value purchases through the use of a Purchasing Card;
- (c) establishing the credit limits, transaction limit and monthly limit for each cardholder and as approved by the Manager of Finance and the Chief Administrative Officer in accordance with the Purchasing Bylaw;
- (d) specify the types of items to be purchased with the card, as need be;
- (e) preparing and submitting the appropriate bank forms and other pertinent information to the Manager of Finance for issuance or change in department or area of responsibility;
- (f) ensuring that the cardholder is informed of their responsibilities regarding the use of the Purchasing Card;
- (g) ensuring that the use of the Purchasing Card conforms with department and corporate policy and procedures;
- (h) monitoring and controlling the utilization of the Purchasing Card within their department or area of responsibility;

- (i) reviewing and approving, on a monthly basis, the Purchasing Registers for all purchases charged to the appropriate general ledger account. In the absence of the Director or Department Head, this responsibility can be delegated to another employee by the Department Head or Director if forwarded to Accounts Payable in writing;
- (j) providing an exception report to the Manager of Finance explaining all Purchase Card transactions, which exceed the transaction limit.

3.3 The Manager of Finance is responsible for;

- (a) authorizing the issuance or withdrawal of Purchasing Card with the issuing Bank;
- (b) processing bank forms with respect to changes of address and changes of department or area of responsibility, as requested by the Department Heads or Directors;
- (c) compiling and reporting pertinent Purchasing Card data to the Department Heads or Directors as required;
- (d) providing co-ordination with respect to monitoring the overall utilization of Purchasing Cards within the Town of Georgina.

4.0 **PROCEDURES:**

4.1 Request for Purchasing Cards

4.1.1 An application form from the issuing Bank must be completed and signed by each potential purchase card user, Department Head or Director and by the Manager of Finance. Personal credit information is not required, as the card will be issued to the Town of Georgina.

4.1.2 The approved application form must be sent by the Department Head or Director to the Manager of Finance for transmittal to the issuing Bank.

4.1.3 Purchasing Cards are expected to be issued in compliance with banking arrangements. The cards will be sent directly to the Manager of Finance for recording and review purposes prior to being issued to the cardholder.

4.2 Issuance of Purchasing Cards

4.2.1. Upon receipt of the cards from the issuing Bank, the Manager of Finance must review the enclosed cards for accuracy. Any inaccuracies are to be reported immediately to the issuing bank.

4.2.2. The Department Head or Director must inform the cardholder of the responsibilities and the restrictions regarding the use of the Purchasing Card and obtain a written Employee Acknowledgement of Responsibilities and Obligations form from each cardholder before issuing the card.

4.2.3 The cardholder must sign the purchasing Card and store it in a secure place until use.

4.3 Cancellation of Purchasing Card

4.3.1 The cardholder must complete the Change or Cancellation form from the issuing Bank and return the card cut in half to the Manager of Finance for cancellation, through the Department Head or Director, when;

- (a) specifically requested to return the card by the Manager of Finance or the Department Head or Director;
- (b) upon transfer to another department or area of responsibility; or
- (c) upon termination of employment with the Town of Georgina.

4.4 Lost or Stolen Purchasing Card

4.4.1 The cardholder must immediately notify the issuing Bank of any loss or theft of the card. Lost or stolen cards can be reported 24 hours a day. The cardholder must also advise the Department Head or Director who shall confirm the loss or theft in writing by forwarding a Change Form to the Manager of Finance. If the card is stolen, the police must be notified and a police report requested by the Department Head or Director.

4.4.2 If the lost or stolen card should eventually be recovered or found, it must be cut in half and returned to the Manager of Finance through the Department Head or Director.

4.5 Change of Department or Area of Responsibility

4.5.1 To change the Department or Area of Responsibility, the Department Head or Director must complete a Change form from the issuing Bank and forward it to the Manager of Finance or designate.

4.5.2 All such changes are expected to be made within the time frame that is in compliance with banking arrangements.

4.5.3 The card will be cancelled when the form is received by the issuing bank. If another card is required for low-dollar-value purchase related to the new department or area of responsibility, a new Purchasing Card application form must be completed by the Department Head or Director and sent to the Finance Division.

4.6 Modification of Credit Limit

4.6.1 To modify a credit limit, the Department Head or Director must complete a Change form and forward it to the Manager of Finance or designate.

4.6.2 The change to the credit limit is expected to be made within a time frame that is compliance with banking arrangements.

4.7 Disputed Charges

- 4.7.1 Items charged on the monthly statements of accounts that do not accurately reflect the transaction made by the cardholder (i.e., bank errors such as wrong amounts, incorrect account numbers, multiple posting of the same item, etc) are considered to be disputed items.
- 4.7.2 The cardholder must notify the Manager of Finance or designate immediately when disputed items as stated under 4.7.1 are involved, as well inform the Department Head or Director concerned. Disputed items reported by the cardholder will be credited on the individual statement in the following month (providing they are legitimate). The amount indicated on the statement is the amount that should be paid to the issuing bank.
- 4.7.3 The cardholder shall provide information and assistance to the issuing Bank to settle the disputed items, as required.
- 4.7.4 If the questionable item is not a bank error (i.e., late delivery, defective goods, wrong price, quantity difference, returned goods, etc.), the matter must be settled directly with the vendor by the cardholder. Such matters must be drawn to the vendor's attention immediately so as to minimize delay in obtaining a credit to the Purchasing Card account. When the amount in dispute is of an insignificant dollar value, notices to the vendor should be confirmed in writing even though settlement may be accomplished through a telephone call. Copies of notices to vendors should be attached to the monthly Purchase Register. Disputes with vendors are not considered to be disputed items and must not be deducted from the monthly statement of accounts.

4.8 Purchase of Goods and Services

- 4.8.1 Records of purchase made with the Purchasing Card must be sent to Accounts Payable for audit purposes and to facilitate reconciliation and account verification (i.e., Purchase Register, sales slips, credit vouchers, notices to vendors, etc)
- 4.8.2 The appropriate sales tax exemption number/certificate must be provided to the vendor to ensure exemption from provincial sales tax where applicable.
- 4.8.3 The appropriate Provincial Sales Tax and Service Tax are to be paid where applicable.
- 4.8.4 For over-the-counter transaction, the cardholder will certify that the goods have been received or the services have been rendered by signing the sales slip; when goods are shipped, the cardholder must ensure that the shipment matches the order or sales slip.
- 4.8.5 For telephone or Internet orders, the cardholder must request the vendor to submit a copy of the sales slip with the shipment.

4.9 Purchasing Register

- 4.9.1 Department Heads or Directors shall ensure that a Purchasing Register is maintained on a monthly basis, for all purchases made with the Purchasing Card. This register will:
- (a) facilitate the reconciliation of each item purchased during the month through the use of a Purchasing Card with the monthly statement received from the issuing Bank via the Internet;
 - (b) expedite the coding transactions;
 - (c) make it easier for Department Heads or Directors to review and approve expenditures charged to their budget through the Purchasing Cards;
 - (d) expedite the payment process by including supporting documents which are to be sent to Accounts Payable for payment purpose (i.e., a copy of the Purchasing Register including sales slips, credit notes, local purchase orders or similar documentation, as applicable);
 - (e) provide an appropriate monitoring tool for Department Heads and Directors with respect to expenditures incurred against their budget by employees with delegate purchasing authority for low-dollar-value purchases.

4.10 Payment of Monthly Statements

4.10.1 The statement of account will be issued on the same day of each month by the issuing Bank and will be sent directly to the Finance Division.

4.10.2 Individual cardholders are responsible to obtain a printout of their monthly charges via the internet for reconciliation and authorization purposes. This printout should then be sent to the appropriate supervisor for review and approval.

4.10.3 The following documentation must be sent to the Manager of Finance or designate by the appropriate department or cardholder:

- (a) the monthly statement from the issuing Bank approved by the cardholder and the Department Head or Director;
- (b) a copy of the Purchasing Register approved by the cardholder and the Department Head or Director with the detailed purchases listed on the register must match the charges shown on the monthly statement with adjusting entries shown, as need be, for disputed items and purchases not yet processed by the issuing Bank.

4.10.4 Bank Statements and Purchasing Register including sales slips, credit vouchers, etc., will be sent to the Finance Division for functional review. Upon completion, the Manager of Finance or designate will forward the documents to the Accounts Payable Clerk for payment purposes. All documentation will be retained according to the records Retention By-Law.

4.10.5 In order to avoid a penalty, the approved monthly statements and the Purchasing Register must be sent to the Manager of Finance or designate for processing within 7 working days following receipt of the original statement by the cardholder from the Finance Division. All bank invoices are to be sent directly to the Accounts Payable Clerk by the issuing Bank.

4.11 Refunds from Vendors

When merchandise is returned or other adjustment to accounts are necessary, credit vouchers will be issued by the vendors. Such credits must be issued against the same Purchasing Card that the original transaction was charged.

4.12 Payment and Calculation of Interest

4.12.1 In accordance with the terms and agreement between the issuing Bank and the Town of Georgina, the payment of the account will be processed through preauthorised payment on the due date.

4.13 Card Renewal

Each Purchasing Card is issued for a period of two (2) years starting in the month, which the card is issued. Cards will automatically be renewed unless the issuing Bank is advised by the Town of Georgina.

4.14 Management Reports

All management reports produced by Finance will be sent to the Department Heads or Directors on a monthly basis for monitoring purposes.

5.0 **SPENDING AUTHORITY LIMITS:**

5.1 Individual Transaction Limits

The spending limit for individual transactions is to be determined by the Manager of Finance and approved by the Chief Administrative Officer. At no time for any purpose is the Purchasing Card to be used to obtain goods and services that total over \$3,000.00 for an individual transaction. Cardholders who obtain office and general supplies, maintenance and repair goods and service will be limited to a maximum of \$500.00 per individual transaction. Individual transactions are not to be repeated or used on a repetitive basis to supersede the above amounts.

5.2 Total Card Limits

The total spending limits on each cardholder is to be determined by the Manager of Finance and approved by the Chief Administrative officer. Total card limits shall not exceed the limitations on spending per the Purchasing By-Law.

STANDARDIZATION

It will be the policy of the Town of Georgina, whenever possible, to standardize the procurement of goods and services to allow for:

1. reduced numbers of goods and services required;
2. increased volume on common items and services;
3. maximizing volume-buying opportunities;
4. the benefits of economies of scale;
5. reduced handling, training and storage cost;
6. the minimization of maintenance cost;
7. co-operative purchasing activities;
8. competitive bid results;
- 9, overall cost reduction.

SCHEDULE "F" TO BY-LAW

IMPROPER BIDS

	IRREGULARITY	RESPONSE
1	Late Bids	Automatic rejection
2	Bid Form not used	Automatic rejection
3	Bids completed in and/or signed in an erasable medium	Automatic rejection
4	Unsealed response envelope	Automatic rejection
5	Proper envelope or label not used	Acceptable if received on time
6	All required sections of Bid document are not completed	Automatic rejection
7	Bids received on documents other than those provided	Automatic rejection
8	Qualified Bids (bids qualified or restricted by an attached statement requesting change)	Automatic rejection unless in the opinion of the Town the qualification or restriction is considered trivial or not significant
9	Bid Surety not submitted when the bid request indicates surety is required	Automatic rejection
10	Execution of Agreement to Bond (Surety Consent) or Bonding Company corporate seal or signature missing from Agreement to Bond	Automatic rejection
11	Other Bid Security: Cheque not certified	Automatic rejection
12	Insufficient financial security (No deposit or bid bond or insufficient deposit)	1. Where security is required and the amount of surety is specified in the request, Automatic rejection 2. Where security is required and the amount is specified as a % of the Contract, automatic rejection unless insufficiency is trivial or insignificant. 48 hours to rectify situation.
13	Bidders not attending mandatory site meeting	Automatic rejection
14	Document Execution 1. Proof of authority or authorized signature missing	Automatic rejection
15	A bid containing minor clerical errors and un-initialled strikeout and	48 hours to correct and initial errors

	overwrites.	
16	Unit prices in schedule of prices have been changed but not initialled	48 hours to initial corrections
17	Mathematical errors which are not consistent with the unit price	48 hours to initial corrections
18	Pages requiring completion of information by the vendor are missing	Automatic rejection
19	Documents in which Addenda have not been acknowledged	Automatic rejection
20	Bid documents which suggest the bidder has made a major mistake in calculations or bid	Consultation with a Solicitor on a case-by-case basis
21	Other Minor Irregularities	The C.A.O., Department Head and Purchasing Agent acting in consensus shall have the authority to waive minor irregularities or grant 48 hours to correct and initial such irregularities
22	Any Irregularity	Council may waive any irregularity it considers to be in the best interest of the Town

