

**THE CORPORATION  
OF THE  
TOWNSHIP OF WELLESLEY  
BY-LAW NUMBER 1/2014**

**BEING, a By-law to provide a policy for the purchase of goods and services  
and the disposal of surplus goods;  
and to Repeal By-law 48/2013**

WHEREAS, Section 270 (1) 3, of the Municipal Act, R.S.O. 2001 requires Council to adopt Policies for the procurement of goods and services;

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE  
TOWNSHIP OF WELLESLEY ENACTS AS FOLLOWS:**

1. That Schedule "A" attached to and forming part of this By-law shall be the Purchasing Policy of the Corporation of the Township of Wellesley and its Boards and Committees.
2. That By-law No. 48/2013 be repealed; and further,
2. That this By-law shall come into full force and effect upon the passing thereof.

Read a first and second time this 6<sup>th</sup> day of **January**, 2014.

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Mayor Ross Kelterborn

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Clerk, Grace Kosch

Read a third and final time and passed this 6<sup>th</sup> day of **January**, 2014.

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Mayor Ross Kelterborn

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Clerk, Grace Kosch

**THE CORPORATION OF THE TOWNSHIP OF WELLESLEY**

**SCHEDULE "A"**

**TO BY-LAW NUMBER**

**1/2014**

**POLICY STATEMENT:**

**Page 1 of 6**

This Policy is intended to provide guidelines for the acquisition of goods and services and the disposal of surplus goods. The policy also authorizes staff and the Council of the Corporation of the Township of Wellesley in the acquisition and payment for these goods and services.

**1. PURPOSE**

- 1.1 To establish uniform procedures and guidelines for the procurement of goods and services which is effective, efficient, and economical and which enhances the ability of the Township to obtain best value and is accountable to the public.
- 1.2 To develop a positive and professional relationship between the Township and its Suppliers.
- 1.3 To put in place those measures which protect the integrity of the Township's elected and appointed Officials while instilling confidence in the public's mind that the best value is being obtained and permits a broad range of innovation to satisfy the objectives of this Policy.
- 1.4 To provide an opportunity for qualified suppliers to compete for the Township's business on a fair and equitable basis.

**2. SCOPE**

- 2.1 These procedures apply to the procurement of goods and services for all Departments, Boards and Committees under Council's authority.

**3. DEFINITIONS**

- 3.1 Authorized Purchaser – The person holding the positions of the following:

- CAO
- Clerk
- Department Heads
- Treasurer

- 3.2 Goods and Services – Includes all supplies, materials, office equipment, wares, merchandise, repairs, advice, research or any other such thing as required by the Township in the delivery, implementation or completion of any project, activity or program as may be determined from time to time by Council.

- 3.3 Approved Annual Budget – Means a budget approved by the Council of the Township of Wellesley for the current fiscal year.

- 3.4 Emergency – Means a situation where the immediate purchase of goods and services is essential to prevent serious delays and further damages, or to restore minimum services.

- 3.5 Purchases – Means the acquisition of goods and services for which the Township of Wellesley will undertake to pay regardless of the cost being funded or subsidized by other levels of Government.

- 3.6 Quotation – Means a written offer to sell or bid obtained from selected sources of supply to provide stipulated goods and/or services at a particular price and with specified terms or conditions.

- 3.7 Tender – Means a written formal offer submitted by a member of the public in response to an invitation in a particular form to supply stipulated goods and/or services at a particular price on such terms and conditions as may be specified.

**3.8** Requisition – Means a form that each person wishing to acquire goods and services must fill out. This form must be authorized by the appropriate Department Head before the goods and/or services may be purchased.

**3.9** Purchase Order – Means a form that the Municipality uses to order goods and/or services.

#### **4. RESPONSIBILITY**

**4.1** It is the responsibility of each person, elected or appointed official involved in the procurement process to understand this Policy and the meaning and intent of all sections contained therein.

**4.2** Council for the Township of Wellesley grants the authority and responsibility for the implementation of this Policy to the Treasurer; under the supervision of the CAO, who shall ensure that all applicable purchases are in compliance with this Policy.

**4.3** Authorized purchasers, may delegate to other specific individuals, any of their responsibilities for the procurement of goods and services. Authorized purchasers, who exercise this option, shall ensure that all individuals, to whom the authority for the procurement of goods and services has been delegated, do so in accordance with this Policy.

**4.4** If there are any issues relative to purchasing not addressed by this Policy, or if any other questions of interpretation, or any matter which restricts any person from discharging their responsibilities in a beneficial and productive manner, then such matters are to be brought to the attention of the CAO or Treasurer who shall take such action as deemed appropriate. Where resolution is further restricted, the matter shall be brought to Council for resolution.

**4.5** The purchasing function is the responsibility of the Treasurer. It is understood and agreed that purchasing must involve, and cannot function without, the understanding and co-operation of all individual employees and such understanding and co-operation is an integral part of each person's regular duties and responsibilities.

**4.6** Except as otherwise authorized by Council, no expenditure shall be completed without the approval of Council of the Township of Wellesley. Approval is considered to be granted if an item is included in the current approved Department Budget and does not exceed \$ 50,000.00.

#### **5. PURCHASING PRINCIPLES**

**5.1** The Purchasing principles of the Township of Wellesley shall be as follows:

- a) To procure by purchase, rental or lease the required quality and quantity of goods and services, including professional and consulting services in an efficient and cost effective manner;
- b) To encourage open competitive bidding on all acquisitions and disposal of goods and services where feasible;
- c) To consider all costs, including acquisition, operating and disposal costs, in evaluating bid Submissions from qualified, responsive and responsible vendors, rather than basing a decision solely on the lowest bid price and all other things being equal; consideration where practical should be given to local suppliers and purchase of goods manufactured in Canada;
- d) To ensure that purchasing decisions are free of any form of persuasion or influence from vendors towards Township Councillors, officials, employees, or agents of the Township.

- e) To ensure that when purchasing decisions are made, they are free of any conflict of interest between a potential supplier(s) and any member of Council, officials or employees and the members of their immediate families.
- f) To ensure consideration of the environment in purchases made by the municipality.
- g) To ensure compliance with all Health and Safety regulations.

## **6. PURCHASING PROCEDURES**

- 6.1** Subject to any direction that may be given from time to time by Council, the Treasurer shall decide the method which shall be employed to obtain the most favorable price having regard to the nature or importance of the contemplated work, the urgency of the requirement, general trade practice and market conditions.
- 6.2** All Township purchases are to be made through the Treasurer with the exception of specialized items or services, which require the expertise of the individual Department Heads.
- 6.3** Prior to the Council of the Township of Wellesley adopting the operating budget and capital budget, no authorized purchaser is authorized to purchase any goods or services other than those goods and services required on a recurring basis or supplies and services as required for the day to day operation of the Township of Wellesley, without the prior approval of the Council.
- 6.4** All purchases including those specified above are to be processed using a properly prepared purchase order requisition and each requisition must include the following:
  - a) a detailed description of item(s) requested
  - b) the correct budget code
  - c) signed approval by the Department Head or his/her designated authority
  - d) the actual use of the purchase
- 6.5** It is understood that any purchase under \$5,000 does not require formal tendering or written quotations, but it is understood that the Treasurer will attempt to obtain competitive pricing locally within the approved budget.
- 6.6** More than \$5,001 and up to \$10,000, the Treasurer, on the request in writing of the Department Head, has the authority to purchase such goods and/or services provided that a written price quotation is obtained, locally if possible, within the approved budget.
- 6.7** More than \$10,001 and up to \$50,000, the Treasurer, on the request in writing of the Department Head, has the authority to purchase such goods and/or services provided:
  - a) the proposed purchase was individually specified in the annual budget
  - b) at least three (3) quotations whenever possible have been obtained in accordance with the provisions of this Policy
- 6.8** More than \$50,001 the Department Head, in consultation with the Treasurer, shall call tenders in accordance with the provisions of this Policy.

- 6.9** It is the responsibility of the Department Head to check the requisition against the approved Budget authorization to ensure that it has been approved and that adequate funds are available. If the requisition is in order, it is to be completed in accordance with the general procedure set out in this by-law. If the requisition is not in order, and the Treasurer and Department Head are unable to reach a solution; the matter is to be referred to the CAO to determine further action which may include Council approval.
- 6.10** The Treasurer shall conduct the procurement of goods and services on a fair and competitive basis, in keeping with accepted public purchasing practices and procedures in accordance with Municipal Tendering Procedures, and in accordance with the applicable laws of the Province of Ontario and the Government of Canada.
- 6.11** Where there is only a single source of providing parts, services or equipment, such purchases may be made, provided the Treasurer is satisfied that no other source is available or that acquisition from other sources is neither practical nor cost effective, provided that the total purchase price is \$10,000.00 or less. Where there is only a single source for providing parts, services or equipment, such purchases may be made, provided that the total purchase price is greater than \$10,000.00 and the CAO recommends it to Council and Council subsequently approves the purchase.
- 6.12** The Treasurer shall from time to time request and receive from the Department Heads:
- a) estimates for their future requirements in order to ensure adequate supplies of goods and services, and
  - b) lists of goods that are surplus or obsolete so that they may be made available to other Departments, or if no longer useful to the municipality, arrange for their disposal in the way deemed to be in the best interest of the Corporation.
- 6.13** Treasurer shall, whenever possible, promote and co-ordinate the standardization of goods, with the co-operation of the Department Heads.
- 6.14** The Treasurer shall, where it is deemed beneficial to the Township, participate with other municipalities and with other levels of government in cooperative purchasing plans.
- 6.15** The Treasurer shall be responsible for all vendor contracts, maintaining good business relationship on behalf of the Township, and shall be responsible for the conduct of negotiations with vendors.
- 6.16** The purchase of all goods and services should be included in the approved annual budget. If the procurement of goods or services is not included in the approved annual budget the purchase requisition must accompany the report to Council for their consideration and approval.
- 6.17** As mandated by the Ontario government, accessibility criteria and features must be incorporated into all purchasing practices. It is the responsibility of each employee purchasing a good, service, or facility to consider and apply the appropriate accessibility criteria to their purchasing decisions. If it is not practicable to incorporate accessibility criteria or features you must be ready to provide an explanation upon request.

## **7. TENDER PROCESS**

- 7.1** The Department Head shall prepare specifications and criteria.
- 7.2** The Department Head or Treasurer shall receive bids until the deadline in the advertisement; bids shall be marked with the time, date and initialed upon receipt and must be received on or before the advertised tender closing time.

7.3 Adjustments to submitted tenders by telephone, fax or internet shall not be considered. A tenderer wishing to make adjustments to a submitted tender must supercede it with a later tender or letter enclosed in a tender envelope and received on or before the advertised closing time.

7.4 Any tender submission failing to comply with the above will be disqualified and shall not be considered. Further, the tender submission may be disqualified if:

1. All items have not been bid where stipulated, with the unit price for every item clearly shown.
2. Alternate tenders have been submitted where not requested in the tender documents.
3. The tender has been qualified by additions or alterations to the Form of Tender, where not requested in the tender documents.
4. The signing party has not initialed erasures, strikeouts or over-writing.
5. Insufficient tender deposit has been submitted.

7.5 The Department Head and at least one other municipal staff present shall open the bids in public.

7.6 The Department Head shall evaluate all the bids submitted.

7.7 The Department Head, in consultation with the CAO, shall be authorized to recommend to Council a contract in respect of capital works provided that:

- a) The total cost of the contract does not exceed the amount approved in the annual budget up to and including a variance of 5%;
- b) The lowest or any tender may not necessarily be accepted;
- c) No challenges to the tender process have been made by any interested party.

7.8 A Certified Cheque made payable to the Township of Wellesley must accompany the bid when specified in the bid package. The bid deposit will be forfeited to the Township should the successful bidder fail to accept the award. Bid deposits are returned to the unsuccessful bidders promptly after the award and acceptance by the successful bidder.

## **8. ADVERTISING**

8.1 The Department Head or Treasurer shall advertise a request for tender in one or more of the following publications:

Publications of local circulation, pursuant to the current Notice By-law of the Township of Wellesley  
Daily Commercial News  
Appropriate Trade Journals  
Internet

## **9. PAYMENT OF ACCOUNTS**

9.1 Treasurer Authorization:

Except as otherwise provided, the Treasurer is authorized to pay all accounts for the purchase of goods and services, where the purchase of such goods and services has been made in accordance with this By-law.

**10. LIMITATIONS**

**10.1** No employee, Board or Committee Member or Member of Council shall purchase goods or services, request quotes, proposals, tenders, or enter into contracts and agreements on behalf of the Township of Wellesley which are in excess of funds provided for in the approved current budget without the expressed authority of the Council of the Township of Wellesley.

**10.2** No employee, Board or Committee Member or Member of Council shall purchase goods or services, request quotes, proposals, tenders, or enter into contracts and agreements on behalf of the Township except in accordance with the provisions of this By-law.

**10.3** No contract or purchase shall be divided to avoid the provisions of this By-Law.

**10.4** Funds identified for one purpose in the current approved budget shall not be expended for another budgeted or unbudgeted item without the expressed authority of the Council of the Township of Wellesley.

**10.5** The Purchasing Coordinator or any other staff shall make no purchase for an employee or elected official of the Township of Wellesley.

**11. EXCEPTIONS**

**11.1** In the event that the municipality is faced with an emergency situation, or where a situation arises wherein the requirements of this By-law cannot be reasonably met, the Council may authorize an exemption from fulfilling the specific requirements from all or part of this By-law.

**12 ENACTMENT**

**12.1** This By-law shall come into force and effect upon the final passage thereof by the Council of the Township of Wellesley