THE CORPORATION OF THE
TOWN OF LATCHFORD

BYLAW NUMBER 2025- 022

BEING A BY–LAW governing Procurement Policies and Procedures. May also be cited as Purchasing By-Law.

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 this By-Law establishes the authority and sets out the methods by which Goods, Services or Construction will be purchased and disposed of for the purposes of the Corporation of the Town of Latchford subject to certain exceptions set out herein.

NOW THEREFORE BE IT RESOLVED THAT the Corporation of the Town of Latchford hereby enacts as follows:

1. **THAT** the Procurement Policy attached hereto as Schedule "A" to this By-Law be adopted.

2. **THAT** the Mayor and CAO Clerk Treasurer be and they are hereby authorized to sign this By-Law and to affix the corporate seal thereto.

3. **THAT** the provisions of this By-law shall come into force and be in effect on adoption.

4. **THAT** all other by-laws and resolutions or parts thereof, contrary hereto or inconsistent herewith, be and the same are hereby repealed.

READ A FIRST, SECOND AND THIRD TIME AND PASSED THIS SEPTEMBER 16TH 2025.

Sharon G East

Mayor, Sharon Gadoury-East.

CAO Clerk-Treasurer, Malorie Robinson.

SCHEDULE A: PROCUREMENT POLICY

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1. DEFINITIONS

1. Agreement
means a legal document that binds the Municipality and all other parties, subject to the provisions of the contract.

2. Approval
means authorization to proceed with the purchase of disposal of goods and/or services.

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

4. Bid Irregularity
means a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response (see Appendix B).

5. Bid Request
means a written request for bids or a solicitation, which may be in the form of a request for quotation, request for tender or request for proposal.

6. Clerk Treasurer
means the Municipal Clerk Treasurer for the Municipality.

7. Council
means the Council for the Corporation of the Town of Latchford.

8. Department Head
Means the person responsible for direction and operational control of a department or authorized designate.

9. Discretionary
Bids may be sought by a cost effective and efficient method determined by the designated staff member.

10. Disposal
means the removal of materials owned by the Municipality by sale, trade-in, auction, alternative use, gift, or destruction which are deemed surplus.

11. Emergency
means a situation where the purchase of goods and services requires immediate

action to prevent or correct dangerous or potentially dangerous safety conditions, further damage, to restore minimum service or ensure the safety of public.

12. <u>Goods and/or Services</u>
includes supplies, equipment, property insurance, maintenance, professional and consulting service contracts not otherwise provided for.

13. <u>Procure/Procurement/Purchase</u>
means to acquire by purchase, rental or lease of goods and/or services.

14. <u>Professional and Consulting Services</u>
includes architects, auditors, engineers, designers, planners, surveyors, management and financial consultants, brokers, legal services, and any other professional and consulting services rendered on behalf of the Municipality.

15. <u>Request for Quotation</u>
Formal Quotations shall be used for higher value procurements and where a more detailed outline for the propose goods and or services is required to obtain the best value. Designated staff will prepare and will send to at least two potential vendors.

16. <u>Request for Tender</u>
RFT will be used when requirements can be fully defined to permit the evaluation of tenders against clearly stated criteria. Best value can be achieved by an award selection made on the basis of lowest tender that meets specifications.

17. <u>Request for Proposal</u>
RFP will be used when the requirements of an RFT cannot be met. The requirements are best described in a general performance specification and innovative solutions for a procurement may be sought.

18. <u>Single Source</u>
means there is more than one source in the open market but only for reasons of function or service one vendor is recommended for consideration of the particular goods and/or services.

19. <u>Tender</u>
means an offer received from a supplier of goods and/or services in response to a public announcement requesting tenders sealed in an envelope.

20. <u>Two or More competitive verbal quotes</u>
The Township shall obtain competitive pricing for procurement in an expeditious and cost-effective manner through phone, vendor advertisements, or catalogues and other similar communications methods. Two or more quotes will be obtained.

21. <u>Municipality</u>
means the Corporation of the Town of Latchford

2. PRINCIPLES AND GOALS

The purchasing principles of the Town of Latchford are as follows:

1. To procure by purchase, rental or lease the required quality and quantity of goods and/or services, including professional and consulting services in an efficient, timely and cost-effective manner.
2. To encourage open competitive bidding for the acquisition and disposal of goods and services where practicable.
3. To maximize savings for taxpayers.
4. To consider all cost, including, but not limited to acquisitions, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs in evaluating bid submissions from qualified, responsive and responsible vendors.
5. To consider the total project cost of specific goods and services that will be required by each department and by the Municipality as a whole prior to determining the appropriate acquisition method.
6. To monitor and report on the economic climate and legislative changes which may have an impact on The Municipality to determine the appropriate actions to be taken through purchasing policies and procedures.
7. To have regard to the accessibility for persons with disabilities for all goods, services and construction purchased by the Municipality.
8. This policy will be reviewed every 5 years or earlier, to evaluate its effectiveness.

3. GENERAL CONDITIONS

1. The CAO/Clerk Treasurer shall act as the authorized designate who is responsible to Council for purchasing functions as per Council and this policy.

2. In the absence of the CAO/ Clerk Treasurer the Deputy Treasurer shall act as the authorized designate.

3. Where a Department Head is authorized to undertake any act pursuant to this policy, such act may be undertaken by the Department Head and/or Designate in their absence.

4. Any commitments being made where it is recommended that a contract be executed by the Mayor and CAO/Clerk Treasurer must first be approved by Council.

5. No expenditure or commitment shall be incurred or made and no account shall be paid by the Municipality for goods and services, except as approved by Council or otherwise authorized in accordance with this policy.

6. Material Safety Data Sheets must be maintained on file by the user department for all relevant products whether acquired through tendering, quoting or the proposal process.

7. When using the privilege clause which reads in part "the lowest or any tender may not necessarily be accepted" the reason it was not chosen must be stated.

8. No employee or elected official shall purchase or offer to purchase, on behalf of the Municipality any goods and services except in accordance with this policy.

9. Elected Officials shall not approve nor acquire any goods and services, except in accordance with this policy.

10. No requirement for goods and services may be divided into two or more parts to avoid the provisions of this policy.

11. In the case of equipment repairs for amounts not exceeding $10,000.00, the Department Head shall be authorized to select vendors not solely on the basis of cost, but also on ability, quality or workmanship, service, availability, overall performance and experience and thereafter obtain quotations.

12. No purchases shall be made where it has been determined that the provisions of this policy have not been adhered to.

13. Where this By-Law prescribes dollar limits, the Contract amount shall be the estimated Total Acquisition Cost less any applicable taxes.

14. For all purposes of this By-Law and all references to the Department Head shall mean the following positions associated with the relevant local board and municipality:

- Town Of Latchford Administration: CAO/ Clerk Treasurer
- Town Of Latchford Fire Protection: Fire Chief
- Town of Latchford Landfill: Public Works Superintendent
- Town Of Latchford Planning & Economic Development: CAO/ Clerk Treasurer
- Town of Latchford: Waterworks Superintendent
- Town Of Latchford Wastewater: Waterworks Superintendent

15. A summary of the requirements is outlined in Appendix D including Approval Levels, Purchase Types, Commitments, Insurance/WSIB/Safety requirements, Payment Methods, and Reporting Requirements.

4. REQUIREMENT FOR APPROVED FUNDS

1. The Council for the Municipality has the ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. Municipal staff cannot pay for any item that has not been authorized by Council through budget appropriation or specific resolution. Operating expenditures required, prior to the approval of the annual budget, may be

   authorized by the Department Manager up to 50% of the previous year's budget with the exception of mandatory expenses and services which may exceed this 50% restriction after consultation with the Clerk Treasurer.

2. Department Heads are not authorized to overrun net department operating budgets, except in accordance with this policy.

3. The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within Council approved operating budget.

4. Despite any other provisions of this By-Law the following are subject to Council approval:

   - Any Contract requiring approval from the Ontario Municipal Board;
   - Any Contract where the Total Acquisition Cost is greater than the Council Approved Budget;
   - Any Contract where an irregularity precludes the Award of a Contract to the supplier with the lowest bid;
   - Any Contract awarding as Sole Source (see section).

SPECIFICATIONS

1. The CAO/Clerk Treasurer, Department Head, or Municipal Consultant, Engineer, Lawyer or any person Council deems necessary, depending on scope of project, shall be responsible for the preparation and approval of all specifications and/or terms of reference (Scope of Work) to be used for the procurement of goods and services.

2. Where practical, specification or Terms of Reference should be considered that are detailed but not brand specific to leave room for potential vendors to provide alternatives in the event an equal or better-proven product or method is available.
3. Vendors or potential vendors should not be requested to expend time, money or effort on design of developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.

4. Council may prohibit an unsatisfactory supplier from participating in future contracts for a period of up to three years.

No Contract for Services shall be awarded where the services would result in the establishment of an employee-employer relationship.

5. CONFLICT

1. Where an employee involved in the Award of any Contract, either on his or own behalf or while acting for, by, with or through another person has any pecuniary interest, direct or indirect, in the Contract the employee:

   a) Shall immediately disclosed the interest to the Department Head involved in the Award and shall describe the general nature thereof;
   b) Shall not take part in the Award of the Contract; and
   c) Shall not attempt in any way to influence the Award of the Contract.

2. An employee has an indirect pecuniary interest in any Contract in which the Town of Latchford is concerned if:

   a) The employee or his or her spouse or same sex partner:
      - Is a shareholder in or director or senior officer of a corporation that does not offer its securities to the public that has a pecuniary interest in the contract;
      - Has a controlling interest in or is a director or senior officer of a corporation that offers its securities to the public that has a pecuniary interest in the Contract, or
      - Is a member of incorporated association or partnership that has a pecuniary interest in the matter or
   b) The employee or his or her spouse or same sex partner is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the contract.

3. All Council members shall conduct themselves in accordance with the Municipal Conflict of Interest Act.

6. SOLE SOURCE PROCUREMENT

1. Purchase by negotiation may be adopted, if in the judgement of Council and in consultation with Department Head, any of the following conditions apply:

   a) goods and services are in short supply due to market conditions

   b) sources of supply are restricted because of one of the following

      (i) there is no substitute for components or replacement parts

      (ii) compatibility with existing product or service is required

      (iii) specific standards are adopted by council

   c) it is cost effective to use contractor already secured at location through tender process for another *proposal*

   d) when only one bid/proposal is received and it is impractical to recall the requirements of the call.

   e) Or for another reason, as determined by council from time to time.

7. GUARANTEES

1. Bid deposits of 10% shall be required to accompany bid submissions for anything over $100,000.00.

2. A Bid deposit shall be provided in one of following formats:

   a) A bid bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming the Corporation of the Municipality as the oblige.

   b) A Certified cheque made payable to the Corporation of the Municipality.

   c) An Irrevocable letter of credit naming the Municipality as the beneficiary.

   d) Money orders made payable to the Municipality

3. The Municipality does not pay interest on any bid deposits.

All bid deposits must be original documentation, signed and sealed as appropriate. No fax or photocopies will be accepted.

8. EMERGENCIES

1. Notwithstanding any other provision of this By-law, where an emergency exists: The Department Manager is authorized to obtain necessary goods and services with a value of less $10,000.00 by the most expedient and economical means;

2. The Department Manager is authorized to obtain necessary goods and services with a value of $10,000.00 or more by the most expedient and economical means upon the approval of the Clerk Treasurer or Mayor. The Department Manager shall submit a report to Council at its next meeting explaining the circumstances giving rise to the emergency.

3. The Department Manager, in extreme emergency situations, is authorized to obtain the necessary goods and services having a value exceeding $10,000.00 and without the Clerk Treasurer or Mayor authorization if such goods and services will avoid a major environmental, structural, health or safety problem.

9. EXCEPTIONS

1. Adherence to this purchasing policy is not required with respect to single source supply.

2. A Department Head may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to council. Such exemption may be granted by resolution.

3. The Clerk Treasurer shall have the authority to establish petty cash funds in such an amount to meet the requirements of a Department for acquisition of Goods, Services or Construction having an individual total cost of $500.00 or less. All petty cash fund disbursements shall be evidenced by invoice and available for auditing purposes through the Clerk- Treasurer.

4. The Town may participate with other government agencies or public authorities in cooperative acquisition ventures where it is in the best interests of the taxpayer to do so and may follow the procedures sit out by the agency responsible for the venture.

5. Where the extension of an existing contract exceeds ten percent (10%) of the original contract value and is under $10,000, the CAO/Clerk Treasurer and the requisitioning Department Manager are able to approve an extension and shall submit a report to Council setting out the circumstances for approving the extension.

10. INSURANCE, WSIB, AND HEALTH/SAFETY POLICY

1. The Standard insurance minimums are as follows:

    - 5 million general liability and automobile liability policies - for contract work
    - 5 million profession errors and omissions

2. The successful bidder must furnish the Municipality at their cost an insurance certificate of a liability insurance policy covering public liability and property damage for no less than the minimum amounts stated above to the satisfaction of the Municipality and in force for the entire contract period. All insurance must be satisfactory to the municipal insurance policy.

3. The successful bidder must furnish the Municipality at their cost a Certificate of Clearance from the Workplace Safety and Insurance Board ensuring all premiums or levies have been paid to the WSIB and are update to date.

4. When required, the contractor must provide a comprehensive Health and Safety Policy upon being awarded the contract, detailing their procedures and measures to ensure a safe working environment and compliance with relevant regulations.

11. DISPOSAL OF SURPLUS GOODS

1. The Department Head shall notify the Clerk Treasurer once any item has been deemed as surplus and need to be set aside for sale or disposal. The Department Head shall obtain the approval of Council prior to sale or disposition of any items over $5000.

2. Surplus assets not required by any other department shall be sold or disposed of by the CAO/Clerk Treasurer via formal auction, internet auction, tender, quotation negotiated sale or trade-in as appropriate. Any remaining surplus assets may be awarded to a non-profit entity by Council. Revenue generated from the sale of surplus assets shall be credited to the appropriate account.

3. No Council Member or employee shall be permitted to receive surplus or obsolete goods except by purchase at public auction, public tender, trade or negotiated sale.

12. APPENDIX "A" GOODS AND SERVICES "EXEMPT" FROM PROVISIONS OF THE PROCUREMENT POLICIES:

1. Training and Education:
   - a) Conferences
   - b) Courses
   - c) Conventions
   - d) Memberships
   - e) Seminars
   - t) Periodicals
   - g) Magazines
   - h) Staff training
   - i) Staff Development
   - j) Staff Workshop
   - k) Council Training
   - l) Subscriptions

2. Expenses - Employee & Council:
   - a) Advances
   - b) Meal Allowances
   - c) Travel & Hotel Accommodation
   - d) Miscellaneous-non-travel

3. Employer's General Expense:
   - a) Payroll Deduction Remittances
   - b) Medical
   - c) Licenses (vehicles, radios etc.)
   - d) Debt payments
   - e) Grants to agencies
   - f) Tax remittances
   - g) Charges to/from other Government or Crown Corporations
   - h) Employee Income
   - i) Advertising Services

4. Professional and Special Services:
   - a) Honoraria
   - b) Legal fees and legal fees related to litigation or legal matters
   - c) Committee fees
   - d) Legal Settlements
   - e) Evaluator services
   - f) By Law Enforcement Services
   - g) Animal Control Services

4. Utilities such as:
   a) Postage
   b) Hydro
   c) Telephone
   d) Internet
   e) Fuel

5. Water and Wastewater Chemicals

6. Other goods and services as approved by Council resolution.

13. APPENDIX "B" BID IRREGULARITIES – SUMMARY

	IRREGULARITY	RESPONSE
1	Late Bids.	Automatic rejection and not opened or read publicly.
2	Unsealed Envelopes.	Automatic rejection.
3	Insufficient Financial Security (No Bid Security or agreement to bond or insufficient Bid Bond, Bill Deposit or agreement to bond).	Automatic rejection.
4	Bids completed and/or signed in erasable medium.	24 hours to correct.
5	All required sections of Bid documents not completed.	Automatic rejection unless, in the consensual opinion of the Department Head in charge of the Bid Solicitation and council, the incomplete nature is trivial or insignificant.
6	Qualified Bids (Bids qualified or restricted by an attached statement).	Automatic rejection unless, in the consensual opinion of the Department Head in charge of the Bid Solicitation and council, the qualification or restriction is trivial or not significant.
7	Bids received on documents other than those provided or specified by the Township.	Automatic rejection.
8	Bids Containing Minor Obvious Clerical Errors.	48 hours to correct and initial errors.
9	Failure to execute Agreement to Bond (Surety's Consent) or Bonding company corporate seal or signature missing from Agreement to Bond.	Automatic rejection.
10	Failure to execute Bid Bond by Bidder and Bonding Company.	Automatic rejection.
10	Corporate seal and/ or signature is missing; signatory's authority to bind the corporation or signature missing.	48 hours to correct.
12	Erasures, Overwriting or Strike-outs which are not initialed.	48 hours to correct.
(a)	Not initialed changes to the Tender documents, other than unit prices, which are trivial or not significant;	48 hours to initial. The determination of what constitutes trivial or insignificant not initialed changes shall be made in the consensual opinion of the Department Head in charge of the Bid Solicitation and council.
(b)	Unit prices in the Schedule of Prices which have been changed but not initialed and the Contract totals are inconsistent with the price as changed;	Automatic rejection.
13	Mathematical errors which are not consistent with unit prices.	48 hours to initial corrections as made by the Department Head in charge of Bid Solicitations.
14	Documents, in which all necessary Addenda, which have financial implications, have not been acknowledged.	Automatic rejection.

15	Any other irregularities.	The Department Head in charge of the Bid Solicitation and council, acting in consensus shall have authority to waive other irregularities or grant 48 hours to initial such other irregularities, which they jointly consider to be minor.

***NOTE:** No changes to pricing will be permitted after the closing date.

APPENDIX "C" TENDER/REQUEST FOR PROPOSAL PROCESS

Tenders or Requests for Proposal will be called for all work, equipment, and materials with a value specified by this by-law by way of public advertising or invitational bid, unless otherwise approved by Council.

The Department Head with the CAO/Clerk Treasurer will prepare a draft advertisement and tender documents for review at Council, providing the following information:

- dollar value
  description of work
- closing date

The Clerk Treasurer will advertise and distribute tenders as follows:

- Posted in the Municipal Office
- Posted on the Municipal Website
- all public tenders, at the discretion of the Department Head, may be advertised in a local and/or regional, and/or construction newspaper/website.
- In some instances, the contract may be sent to pre-qualified bidders. Pre- qualification of bidders includes the screening of potential vendors in such factors as financial capability, reputation, qualified staff and equipment management and product quality are considered.

Advertisements must include the following information (if applicable):

- site meeting time/date/location,
- contact names for technical and purchasing inquiries,
- document fee (if applicable), and
- location for pick up and drop off of bid documents.

The closing date is usually the Thursday two weeks prior to the next Council meeting. This allows staff to review the submitted proposals. However, a tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s) being tendered.

Advertised tender packages are available from the Municipal Office,10 Main Street. Latchford Ontario P0J-1N0

All tender submissions must be addressed to the responsible Department Head, Municipality, and returned in an envelope with the tender package. Administrative Staff will receive all sealed tender submissions and record the date and time received.

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- Administrative Staff will refuse to accept any tender submission that is not sealed
- received after the 2:00:PM closing deadline
- submitted after a tender has been cancelled.

Requests for withdrawal of a tender shall be allowed if the request is made before the closing time for the contract to which it applies. Requests must be directed to the Clerk Treasurer in writing by a Senior Official of the company. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract.

A bidder who has already submitted a bid may submit a further bid at any time up to the official closing time. The last bid received will supersede and invalidate all bids previously received by that bidder.

Tenders close at 2:00:PM on the appointed day, and are opened publicly immediately following by two members of staff.

Staff may determine that an electronic bidding process would better suit a specific bid, such as Biddingo. In this case, envelope provisions would not be applicable.

Each tender is reviewed to determine whether a bid irregularity exists, and action is taken according to the nature of the irregularity (see Appendix B).

Tenders are tabulated and evaluated by the appropriate Department Head for quality and adherence to the tender request.

If Council approval is required, the tender with the recommendation from the Department Head is brought forward to Council at the next meeting.

Following Council's approval, the Department Head shall ensure that a contract which legally binds the corporation, is executed by the Mayor and Clerk Treasurer (if needed).

Tender results, if requested, shall be made public by the CAO/Clerk Treasurer.

14. APPENDIX D: PURCHASING DELEGATION DETAIL

Purchase Type	Approval	Method of Acquisition	Commitment	Insurance WSIB	H&S Policy	Guarantee	Payment Method	Reporting to Council
Under $500	Full Time Staff	Direct Purchase	Initial	No	No	No	Cash/Credit/Cheque/EFT	Voucher
Between $501 and $5,000	Department Manager	Direct Purchase	Initial	No	No	No	Credit/Cheque/EFT	Voucher
Between $5,001 and $10,000	Department Manager and CAO	Two/Three Verbal/Written Quotes	Initial	Yes	No	No	Cheque/EFT	Voucher
Between $10,001 and $20,000	Department Manager and CAO	Three Written Quotes	Initial	Yes	No	No	Cheque/EFT	Voucher
Between $20,001 and $100,000	Council	Request for Quotation	Resolution/Bylaw	Yes	No	No	Cheque/EFT	Report
Over $100,000	Council	RFP (Complex) or RFT (Simple)	Bylaw/Contract	Yes	Yes	Yes	Cheque/EFT	Report
Single Source of Supply/Exempt	**Approval**	**Method of Acquisition**	**Commitment**	**Insurance WSIB**	**H&S Policy**	**Guarantee**	**Payment Method**	**Reporting to Council**
Exempt under Schedule "A"	Full Time Staff	Direct Purchase	Initial	No	No	No	Credit/Cheque/EFT	Voucher
Single Source of Supply	Council	Direct Purchase	Resolution/Bylaw	No	No	No	Cheque/EFT	Report
Emergencies	**Approval**	**Method of Acquisition**	**Commitment**	**Insurance WSIB**	**H&S Policy**	**Guarantee**	**Payment Method**	**Reporting to Council**
Regular Emergencies <$10,000	Department Manager	Direct Purchase	Initial	No	No	No	Credit/Cheque/EFT	Voucher
Regular Emergencies >$10,000	Department Manager and CAO	Direct Purchase	Initial	No	No	No	Credit/Cheque/EFT	Report
Extreme Emergency	Department Manager	Direct Purchase	Initial	No	No	No	Credit/Cheque/EFT	Report
Professional/Consulting Services	**Approval**	**Method of Acquisition**	**Commitment**	**Insurance WSIB**	**H&S Policy**	**Guarantee**	**Payment Method**	**Reporting to Council**
Under $5,000	Department Manager	Direct Purchase	Initial	No	No	No	Cheque/EFT	Voucher
Between $5,001 and $100,000	Council	Direct Purchase	Resolution/Bylaw	Yes	No	No	Cheque/EFT	Report
Over $100,000	Council	Direct Purchase	Resolution/Bylaw	Yes	Yes	Yes	Cheque/EFT	Report

Despite any other provisions of this By-Law the following are subject to Council approval:

- Any Contract requiring approval from the Ontario Municipal Board;
- Any Contract where the Total Acquisition Cost is greater than the Council Approved Budget;
- Any Contract where an irregularity precludes the Award of a Contract to the supplier with the lowest bid;
- Any Contract awarding as Sole Source.