

**THE MUNICIPALITY OF CENTRAL MANITOULIN  
BY-LAW 2021-18**

Being a by-law to ensure only authorized purchases are made which are in the best interests of the municipality.

WHEREAS the Municipal Act 2001, 270 (1) (3) states that a municipality shall adopt and maintain policies with respect to its procurement of goods and services.

AND WHEREAS the municipal council of the Municipality of Central Manitoulin deems it expedient to repeal By-Laws 2002-29 Purchasing Policy and 2002-17 Tendering By-Law and to enact a new Purchasing/Procurement Policy by-law to govern the authorization of purchasing;

NOW THEREFORE THE COUNCIL OF THE MUNICIPALITY OF CENTRAL MANITOULIN HEREBY ENACTS AS FOLLOWS:

**1. Purpose**

To provide a Corporate wide policy for the procedures and controls in the acquisition of goods and services.

Policy will be applicable to all departments of the Municipality of Central Manitoulin and where their operational and reporting structure permits, boards and services responsible to the Municipality.

**2. Authorized Purchasers:**

**2.1.** The following persons are authorized to initiate purchases for the described purposes:

- |                             |   |
|-----------------------------|---|
| 1. CAO/Clerk                | All municipal purposes.                         |
| 2. Treasurer                | All municipal purposes (authorized by the CAO). |
| 3. Administrative Assistant | Office supplies and maintenance.                |
| 4. CDOC                     | Purchases specifically related to the project.  |
| 5. Municipal Coordinator    | Purchases specifically related to the project.  |
| 6. Roads Superintendent     | Roads purposes.                                 |
| 7. Fire Chief               | Fire service purposes.                          |
| 8. Maintenance Officer      | Building & Park maintenance purposes.           |
| 9. Head Librarian           | Library purposes.                               |

**2.2. Delegation of Authority to Purchase**

A person with authority to initiate a purchase may delegate that authority in whole or in part, for purposes of absence, holiday or expediency, to another staff member provided such delegation has received the approval of the Clerk-Treasurer or Council. Any delegation shall be in writing with clearly detailed terms and limits on spending.

**2.3. Groups with Authority to Purchase:**

The following have authority to initiate purchases by act of resolution. Said resolution shall clearly detail the individual responsible to initiate the purchase. This individual may be a council or board member, the secretary to the board, a contract worker supervised by the board, or the appropriate staff member identified in paragraph 2.1.

1. Council
2. Providence Bay Community Center Board
3. Interpretive Center Committee
4. Library Board
5. Cemetery Board

**3. Principles**

**3.1.** To ensure fairness among bidders;

**3.2.** To ensure all goods and services are purchased on a competitive basis at lowest

cost consistent with the quality required and availability;

- 3.3.** To provide a level of service that meets the time frame requirements for each department;
- 3.4.** To ensure openness, accountability and transparency while protecting the financial best interest of the Municipality of Central Manitoulin;
- 3.5.** To monitor all purchases within current control resources;
- 3.6.** To maximize savings to the taxpayers.

#### **4. Objectives**

To provide policy and procedure for methods of acquisition.

#### **5. Responsibilities**

##### **5.1.CAO/Clerk**

The CAO/Clerk has the overall responsibility for administering and maintaining the purchasing policy.

Municipal Council will have the responsibility by bylaw to establish review, amend and enact the purchasing policy.

##### **5.2. Department Administration**

Administration will be responsible for implementing and maintaining the proper accounting controls.

All other Department Managers shall, where authorization has been delegated to purchase, be responsible for ensuring that the principles and objectives of this policy are adhered to and be responsible for procurement activity and decisions within their Department.

#### **6. Methods of procurement**

##### **6.1. Request for Proposals**

A request for proposal shall be used where one or more of the criteria for issuing a request for tender cannot be met such as;

- a) owing to the nature of the requirement, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution rather than on price alone; or
- b) it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement.

The proposal selected earns the highest score and meets the requirements specified in the competition, based on qualitative, technical and pricing considerations.

##### **6.2. Request for Tender**

The Request for Tender process shall be utilized for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.

Tender documents are to be prepared, advertised, analyzed and evaluated by the originating department and a recommendation prepared for Council consideration.

If a consultant is engaged to issue a tender on behalf of the municipality the CAO/Clerk and the appropriate department manager will ensure that the documentation and recommendation is prepared for Council consideration.

Initial opening of the documents for the above noted preparation and evaluation will be conducted by the Department Manager, CAO/Clerk. All tendering review will be open to the parties submitting the tender.

### **6.3. Request for Quotation**

A Request for Quotation will be utilized as in the Request for Proposal with the exception that bids will be solicited on an invitational basis from a pre-determined bidders list but may be supplemented with public advertising of the procurement opportunity.

Request for quotations will require a minimum of three sources as determined by the department manager.

Quotations will be analyzed, evaluated and reviewed by the originating department, reviewed by the CAO/Clerk and where an amount exceeds \$25,000 with a recommendation to be forwarded to Council for approval.

Where the requirement of the originating department is such that time does not permit the use of a formal R.F.Q. the CAO/Clerk may waive this requirement if in his/her discretion it is in the best financial interests of the Municipality.

Support documentation will be required to support any discretionary exercise within the R.F.Q. provisions.

#### **6.3.1. RFQ (Department Managers) not exceeding \$50,000**

Where the price of an acquisition is between \$20,000 and \$50,000 three written quotations will be required. Any deviation from the number of quotations required will be subject to documented rationale and approval from the CAO/Clerk.

Where time requirements and cost effectiveness require a faster response, written price quotations may be waived by the Department Manager if prices can be confirmed by telephone and properly documented.

All copies of the written quotation will be received by the Administration department for documentation except where authorized by the CAO/Clerk.

#### **6.3.2. Purchases not exceeding \$20,000**

Where the price of an acquisition is between \$5,000.00 and \$20,000.00 properly documented or noted telephone quotations will be required from three different sources. Any deviation from the number of quotations required will be subject to documented rationale and approval from the CAO/Clerk.

### **6.4. Non-Competitive Procurement**

#### **6.4.1. Purchases not exceeding \$5,000**

Where the value of the acquisition is less than \$5,000 competitive quotations need not be recorded.

#### **6.4.2. Petty Cash Purchases not exceeding \$200.00**

Cash purchases (petty cash) may be used by approved departments in accordance with established procedures and where the value is less than \$200.00.

They are not to be grouped to achieve larger purchases.

#### **6.4.3. Corporate Credit Cards**

Where corporate credit cards are utilized, it is the Department Managers responsibility to ensure purchases are consistent with this policy.

### **6.5. Vendor Selection**

Notwithstanding section 6 and adhering to principle 3.2, the Municipality of Central Manitoulin reserves the right to deviate from the established policy if in the opinion of the CAO/Clerk it is in the best financial interests of the Municipality.

The Municipality is therefore under no obligation to accept the lowest cost or any of the amounts as submitted and can request further submissions conforming to the provisions of section 5.

#### **6.6. Exemptions**

- 6.6.1.** The purchase of goods and services listed in Schedule "A" to this Bylaw may be made provided that sufficient funds are available and identified in Council's approved budget. The purchase of goods and services in Schedule "A" may be made without following the procedures set out.

#### **6.7. Irregularities**

- 6.7.1.** The process for administering irregularities contained in bids shall be set out in Schedule "B".

### **7. Procedures for procurement**

The following procedures shall be observed for all the procurement of all materials and services.

#### **7.1. Approved Vendors**

Administration will, in cooperation with the user departments, compile a list of approved vendors from which no quotes will be required. Such vendors are such that they supply a specific contracted service, or product.

When the Department Manager has selected a vendor as the single source of an item the acquisition may be made by the regular means . Items exceeding \$25,000 will require the approval of Council.

#### **7.2. Emergency purchases**

Where an emergency exists requiring the immediate procurement of goods, services and construction, the CAO/Clerk may authorize the purchase required by the most expedient and economical means.

- 7.2.1.** During working hours, the CAO/Clerk or designate shall be contacted to approve the applicable purchase.
- 7.2.2.** After working hours, the Department Manager may arrange to make the applicable purchase and provide the relevant documentation and rationale in a timely manner to Administration for review of the CAO/Clerk or designate

### **8. Purchase control**

The Administration Department will maintain a system of controls and provide guidance and review of all purchasing policy activities.

These controls shall ensure that:

- 8.1.** The proper methods and procedures for procurement are used.
- 8.2.** The purchase of goods and services cannot be divided into two or more parts to avoid the provisions of this policy or the purchasing procedure.
- 8.3.** All purchases are made from approved vendors where applicable.
- 8.4.** All deviations will be monitored and brought to the attention of the department manager with a copy of the CAO/Clerk.

### **9. Addendum**

Schedules "A", and "B" attached hereto shall form part of the Bylaw.

## **SCHEDULE A**

The purchasing methods described in this bylaw do not apply to the following goods and services:

1. Training and Education

- a. registration and tuition fees for conferences, conventions, courses and seminars
- b. magazines, books and periodical unless the purchase of such magazines, books and periodicals are subject to value-added services
- c. memberships

2. Refundable employee/councillor expenses

- a. Advances
- b. meal allowances
- c. travel and entertainment
- d. miscellaneous – non travel

3. Employer's general expenses

- a. payroll deductions remittances
- b. medical
- c. licenses, (vehicles, etc)
- d. debenture payments, grants, tax remittances, petty cash
- e. damage claims

4. Professional Services

- a. legal fees and other professional services related to litigation or legal matters  
utilities
- b. advertising services required by the Municipality on or in but not limited to radio, television, newspaper and magazines
- c. Engineering Services

**SCHEDULE B**

Irregularity	Response
Late Bids	Automatic rejection and not opened or read publicly.
Unsealed Envelope	Automatic rejection
Insufficient financial security	Automatic rejection (no bid security or agreement to bond or insufficient bid bond or agreement to bond)
All required sections of bid	Automatic rejection, unless, in the documents not completed consensual opinion of the agent, the Department Manager in charge and the CAO/Clerk, the incomplete nature is trivial or insignificant
Bids received on documents other than those provided or specified by the Municipality	Automatic rejection
Bids containing minor obvious clerical errors	48 hours to correct and initial errors
Failure to execute agreement to Bond (surety consent) or bonding company corporate seal or signature missing from agreement to bond	Automatic rejection
Failure to execute bid bond by Bidder and bonding company	Automatic rejection
Corporate seal of the Bidder and bonding company missing	48 hours to correct
Document Execution corporate seal or signature missing; signatory's authority to bind the corporation or signature missing	48 hours to rectify situation

In the event that any particular provision or provisions or part of a provision is found to be invalid or unenforceable for any reason whatsoever, then the particular provision or provisions or the part of the provision shall be deemed to be severed from the remainder of this By-law and all other provisions shall remain in full force and shall be valid and enforceable to the fullest extent permitted by law.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 26<sup>th</sup> DAY OF AUGUST, 2021.

\_\_\_\_\_  
Mayor-Richard Stephens

\_\_\_\_\_  
CAO/Clerk – Ruth Frawley

I, \_\_\_\_\_, Clerk of the Municipality of Central Manitoulin, hereby certify that the following is a true copy of By-Law Number 2021-18 passed by the Municipality of Central Manitoulin on \_\_\_\_\_.