

**THE GODERICH BUSINESS IMPROVEMENT AREA
BOARD OF MANAGEMENT
PROCUREMENT BY-LAW NO. 1 of 2010**

A by-law of the Town of Goderich BUSINESS IMPROVEMENT AREA BOARD of MANAGEMENT to provide for procurement procedures

WHEREAS the Board of Management the Goderich Business Improvement Area of the Corporation of the Town of Goderich, hereinafter the “Goderich B.I.A.” or “B.I.A.”, has deemed it desirable to have a by-law to provide for fair, transparent and accountable purchasing and tendering procedures and to provide Members of the Goderich B.I.A., vendors and staff involved in the process clear direction;

AND WHEREAS the Board of Management of the Goderich Business Improvement Area of the Town of Goderich has deemed it desirable to repeal any and all existing policies, practices and procedures, and pass a new by-law as herein set out;

AND WHEREAS the *Municipal Act*, S.O. 2001. c. 25 Part VI, s. 271 states that before January 1, 2005, a municipality and a local board shall adopt policies with respect to its procurement of goods and services, including policies with respect to;

- a) the types of procurement processes that shall be used;
- b) the goals to be achieved by using each type of procurement process;
- c) the circumstances under which each type of procurement process shall be used;
- d) the circumstances under which a tendering process is not required;
- e) the circumstances under which in-house bids will be encouraged as part of a tendering process;
- f) how the integrity of each procurement process will be maintained;
- g) how the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
- h) how and when the procurement processes will be reviewed to evaluate their effectiveness; and
- i) any other prescribed matter

NOW THEREFORE THE BOARD of MANAGEMENT of the GODERICH BUSINESS IMPROVEMENT AREA, the Goderich “B.I.A.”, of the CORPORATION OF THE TOWN OF GODERICH ENACTS AS FOLLOWS:

1. That the Procurement Procedures Policy of the Goderich B.I.A. attached as Schedule “A” is hereby adopted.
2. That any by-laws, resolutions or motions inconsistent with the provisions herein are hereby repealed.
3. That this By-law comes into effect _____, 2010.

**READ, APPROVED, ADOPTED AND FINALLY PASSED THIS
_____ DAY OF _____ 2010**

Chair

B.I.A. Board **Recording Secretary**

Goderich B.I.A. Procurement Policies, Cont'd

SCHEDULE "A"

**PROCUREMENT PROCEDURES POLICY for the
GODERICH BUSINESS IMPROVEMENT AREA BOARD of MANAGEMENT
(Goderich B.I.A.) of the Corporation of the Town of Goderich**

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Goderich B.I.A. Procurement Policies, Cont'd

PART I – DEFINITIONS, INTERPRETATION AND APPLICATION

1.1 Definitions

In this by-law:

“Authority” or “Authorized” means the legal right to conduct the tasks outlined in this by-law as directed by the B.I.A. Board of Management and as delegated by the B.I.A. Chair, or in the Chair’s absence, by the B.I.A. Vice-Chair.

“Authorized Purchases” are those that have prior approval of either the B.I.A. Board of Management through resolution, or, if routine operating requirements, through the annually approved B.I.A. budget, and in accordance with this by-law.

“B.I.A.” means the Town of Goderich Business Improvement Area

“Buyer” means a staff or B.I.A. Member who is authorized to make purchases of \$5,000 or less.

“Chair” means the duly appointed Chair of the Goderich B.I.A. Board of Management

“CAO” means the Chief Administrative Officer of the Corporation of the Town of Goderich.

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

“Contract” means any formal legal agreement for supply of goods, services, equipment or construction.

The “Corporation” or “the Town” means the Corporation of the Town of Goderich.

“Council” means the Council of the Corporation of the Town of Goderich.

“Department” means any department within the Corporation which include General Administration, Operations, Treasury, Public Works, Parks, Airport, Building, Tourism, Custodial, Child Care or other department as Council may establish from time to time.

“Department Head” means the director of a department.

“Designate” means a person authorized by the B.I.A. Board Chair, or B.I.A. Vice-Chair, or B.I.A. Board Committee Chair to act on his/her behalf, for the purposes of this by-law.

“Emergency” means an event that occurs, which in the opinion of the B.I.A. Board Chair or designate, requires immediate expenditure to repair or replace equipment, services, or facilities in order to maintain a required public service, or to maintain the objectives, image or functions of the B.I.A., or to prevent danger to life, limb or property within the B.I.A. in the Town of Goderich.

Goderich B.I.A. Procurement Policies, Cont'd

PART I – DEFINITIONS, INTERPRETATION AND APPLICATION (continued)

“Engineer” means the Town of Goderich consulting engineer.

“Goods and Services” means 1) all supplies, materials or equipment, 2) capital projects such as for grounds, infrastructure or buildings, and 3) general, special and consulting services, computer maintenance, and items such research, reporting, engineering, legal counsel, planning, development, training, signage, advertising, and promotion. This may include installation, training, inspection, maintenance and repairs, but does not include land purchases, realty sales and realty leases.

“Procedures” means internal instructions or guidelines approved by the B.I.A. Board of Management.

“Procurement” includes the identifying, locating, buying and testing/checking of goods and services and includes the disposal of same.

“Purchase Order” means the legal document that is the B.I.A.’s commitment to the supplier for the value of the goods or services ordered. It is also the supplier’s authority to ship and charge for the goods specified on the order.

“Quotation” means a statement of price(s) on specific goods or services obtained formally through a Request for Quotations or informally from selected sources, which is submitted verbally, in writing, by email or transmitted by facsimile as determined by authorized person.

“Request for Proposal” (RFP) means a call or request to provide/supply goods or services in which end results are outlined but no detailed specifications are given to the bidders as to the goods or how the work is to be performed.

“Request for Qualification” (RFQ) means a call or request to provide a document demonstrating capacity to provide goods or services in which end results are outlined but no detailed specifications are given as to the goods or how the work is to be performed.

“Requisition” means an in-house procedure/request on an approved form, which authorizes the purchasing of goods or services.

“Tender” means an offer in writing, usually resulting from an Invitation to Tender, to execute certain specified work or to supply certain specified goods or services at a specific rate in response to the information contained in the call for tender.

“Vice-Chair” means the duly appointed Vice-Chair of the Goderich B.I.A. Board of Management.

1.2 Interpretation

Dollar amounts shown in this by-law setting parameters for the Procurement process shall be the total cost excluding taxes and freight.

a) Application

Schedule “A” Procurement Procedures Policy applies to all procurement activities of the Goderich B.I.A., but shall not apply to the activities of firms or agents to which municipal projects or services have been contracted.

Goderich B.I.A. Procurement Policies, Cont'd

PART II – EXPENDITURE AUTHORIZATION and RESPONSIBILITY

2.1 Procurement Authorization under By-law or by B.I.A. Board of Management Resolution

No expenditure, purchase or commitment shall be incurred or made, and no account shall be paid for Goods and Services, except as provided in this By-law or otherwise approved by the Goderich Business Improvement Area Board of Management. Payment of invoices are confirmed as soon as is practicable by the Goderich B.I.A. Board of Management by way of an Accounts Report and with the B.I.A. Manager's approval and B.I.A. Board Chair's approval, or in the Chair's absence, with the B.I.A. Board Vice-Chair's approval, or by specific Motion to approve such, as passed by the B.I.A. Board of Management.

2.2 Authorization from Annual Budget

The Goderich B.I.A. Manager will monitor expenditures to ensure that the B.I.A. stays within the Goderich B.I.A.'s annual budget. Where there is a concern that an item or area in the budget may be exceeded, the Manager will advise the Chair and Vice-Chair, who will consider whether the overall annual budget will be complied with. If deemed necessary, the Chair or Vice-Chair will recommend to the B.I.A. Manager that priorities be reviewed with the Goderich B.I.A. Board of Management, and/or that approval of the Goderich B.I.A. Board of Management will be requested to adjust expenditures or amend the budget.

2.3 Authorization Prior to Annual Budget Adoption

In the interim period prior to the passage of the annual budget in any given year, each B.I.A. Committee is authorized to make expenditures in accordance with the previous year's operating portion of the budget for necessary and routine operating and/or statutory purposes. Procurement for significant or new items, or projects of a capital nature, requires specific approval of the Goderich B.I.A. Board of Management.

2.4 The Responsibilities of the Goderich B.I.A. Manager are:

To monitor, and to respond in a timely manner to, issues relating to the administration of and adherence to this by-law, including:

2.4.1 To advise B.I.A. Members, B.I.A. Committee Members, and the Chair, Vice-Chair and all B.I.A. Board of Management Members/Directors in the administration of this by-law.

2.4.2 To act as the Purchasing Agent, or to delegate such responsibility to a "buyer", for Procurement, unless otherwise determined by the Goderich B.I.A. Board of Management.

2.4.3 To replenish usual inventory of office supplies in the Goderich B.I.A. Administration Office to avoid running out of necessary materials.

2.4.4 To report in writing failure to comply with the By-law to the Chair and Vice-Chair, and if non-compliance continues, to report such excessive and/or unauthorized expenditures to the Board of Management in writing.

2.4.5 To research specific goods, services or suppliers prior to the calling of tenders or quotations for B.I.A. Procurement.

2.4.6 To deal with inquiries regarding materials, prices, services, delivery, terms, conditions and adjustments for the B.I.A. Administration Office.

2.4.7 To work to ensure that the Goderich B.I.A. can demonstrate to the B.I.A. ratepayers and to those with whom it does business that it is accountable in its expenditures.

Goderich B.I.A. Procurement Policies, Cont'd

2.5 The Responsibilities of the Chair of the Goderich B. I. A. Board of Management are:

To monitor, and to respond in a timely manner to, issues relating to the administration of and adherence to this by-law, including:

- 2.5.1 As much as possible, to help to advise the B.I.A. Manager and B.I.A. Members, B.I.A. Committee Members, and Vice-Chair and all B.I.A. Board of Management Members/Directors in the administration of this by-law.
- 2.5.2 To assist as possible to aid the B.I.A. Manager, or to act as the Purchasing Agent if desired or necessary, or to delegate such responsibility to a “buyer”, for Procurement, unless otherwise determined by the Goderich B.I.A. Board of Management.
- 2.5.3 To help the B.I.A. Manager replenish usual inventory items in the Goderich B.I.A. Administration Office, in compliance with this by-law.
- 2.5.4 To report failure to comply with the By-law to the B.I.A. Manager and Vice-Chair, and if non-compliance continues, to report such to the Board of Management in writing.
- 2.5.5 To assist as possible, in the research of specific goods, services or suppliers prior to the calling of tenders or quotations for the B.I.A. Administration Office, or other requirements.
- 2.5.6 To deal with inquiries regarding materials, prices, services, delivery, terms, conditions and adjustments for the Administration Office.
- 2.5.7 To work to ensure that the Goderich B.I.A. can demonstrate to the B.I.A. ratepayers and to those with whom it does business that it is accountable in its expenditures

2.6 The Responsibilities of a B. I. A. Committee Chair, or in his/her absence or if duly delegated, the Committee Vice-Chair, are:

- 2.6.1 When authorized by the B.I.A. Board of Management, to act as the Purchasing Agent or to delegate such responsibility to the B.I.A. Manager, or other “buyer”, for Procurement for his/her Committee.
- 2.6.2 To replenish usual inventory items for his/her Committee, in compliance with this by-law.
- 2.6.3 To ensure adherence to this by-law and the procedures adopted for its use and to report failure to comply with its provisions to the B.I.A. Manager and Chair and Vice-Chair of the Goderich B.I.A..
- 2.6.4 To assist as possible, in the research of specific goods, services or suppliers prior to the calling of tenders or quotations for his/her authorized B.I.A. Committee requirements.
- 2.6.5 To assist the B.I.A. Manager and B.I.A. Chair, and B.I.A. Vice-Chair, and B.I.A. Board of Management to deal with inquiries regarding materials, prices, services, delivery, terms, conditions and adjustments for the Committee.
- 2.6.6 To work to ensure that the Goderich B.I.A. can demonstrate to the B.I.A. ratepayers and to those with whom it does business that it is accountable in its expenditures

PART III – GOALS AND GENERAL POLICY

3.1. Procurement By-law Goals

The Goderich B.I.A. Board of Management’s goals are as follows:

- 3.1.1 To maintain the B.I.A. financial integrity.
- 3.1.2 To obtain best value in the procurement of goods, services and equipment through open competition, and to offer fair opportunity to qualified vendors, suppliers, businesses and/or persons, including Members of the B.I.A. and others
- 3.1.3 To establish procurement processes that are clear, open and transparent and that apply equitably.
- 3.1.4 To ensure goods, services and equipment are obtained in quantities, of a quality and in a time so as to meet the B.I.A.’s requirements.

Goderich B.I.A. Procurement Policies, Cont'd

- 3.1.5 To ensure that the Goderich B.I.A. can demonstrate to the B.I.A. ratepayers and to those with which it does business that it is accountable in its expenditures.

3.2 General Procurement Policies

The Goderich B.I.A. Board of Management general Procurement policies are as follows:

- 3.2.1 To procure goods, services and equipment in an efficient and timely manner through informal and expeditious procurement processes for low value items.
- 3.2.2 To economize on procurement activities and to obtain best value through competitive processes that establish purchase contracts, bulk purchase contracts and cooperative purchasing agreements as deemed available and appropriate.
- 3.2.3 To use competitive procurement methods for higher priced and for high value items.
- 3.2.4 To use a non-competitive procurement process, as set out in section 6.2, for outsourcing select services which may include “department like” or “process service type” functions such as auditing, financial services, information technology, consulting, engineering or legal services and under which special considerations may apply:
- i) The service provider may possess unique and/or in-depth knowledge of the municipality and/or
 - ii) The service provider may provide readily accessible, direct and timely service to attend meetings and consultations.
- 3.2.5 In considering non-competitive Procurement procedures, the B.I.A. Manager will ensure that rates are within the appropriate range for such service.
- 3.2.6 Further, it is the Goderich B.I.A. policy to restrict:
- i) In-house bids in competition with outside firms;
 - ii) Splitting of purchases to avoid any of the purchasing processes or requirements.

3.3 General Purchasing Process:

The purchasing process contained in Appendix 1 provides an administrative guideline for purchases that exceed \$5,000.00.

PART IV – PROCUREMENT PROCESSES ACCORDING TO SPENDING THRESHOLDS

4.1 Low Value Goods and Services (less than \$500)

- 4.1.1 The goal is to provide a process that permits small cost items to be acquired expeditiously at competitive prices.
- 4.1.2 After checking inventory, and if the item is duly approved by the B.I.A. Board of Management current Budget, the Manager or Chair, or if duly delegated, the Vice-Chair may purchase routinely used office supplies and other goods or services to a **limit of \$500.00** upon assuring themselves that prices are fair and equitable, and if considered necessary, after obtaining verbal quotes.

4.2 Mid-Value Goods and Services (Between \$500 and \$5,000)

- 4.2.1 For Board of Management authorized **Procurements of other goods and/or services valued at from \$500.00 to \$5,000.00**, the non-competitive or negotiation process of section 6.2 may be used, or the process according to Section 4.1.4 may be used, as determined by decision of the Board of Management.

4.3 High Value Goods and Services (Between \$5,000 and \$50,000)

- 4.3.1 Where goods or services for a B.I.A. Board of Management duly authorized Procurement have an estimated value **between \$5,000.00 and \$50,000**, the B.I.A. Manager or the Board of Management Chair, or if duly delegated the B.I.A. Vice-Chair, or if duly delegated the B.I.A. Board of Management Committee Chair (or designated person) will process the purchase, request a minimum of two written quotations, based on uniform minimum B.I.A. provided specifications or requirements.

Goderich B.I.A. Procurement Policies, Cont'd

4.4 Hiring a Consultant for less than \$10,000

- 4.4.1 Where a consultant is to be retained for services valued at \$10,000 or less, the non-competitive negotiation process of section 6.2 may be used.
- 4.4.2 Where the required quotations (RFQ) or Request for Proposal(s) (“RFP”) cannot be obtained, justification shall be provided to the B.I.A. Board of Management.

4.5 Higher Value Goods and Services (\$50,000 and higher)

- 4.5.1 The goal is to provide a process for acquiring higher cost items through a competitive purchasing process that ensures good value and timeliness.
- 4.5.2 Where goods or services are estimated to cost \$50,000 or more, the B.I.A. Manager, the B.I.A. Chair and the B.I.A. Vice-Chair and the whole B.I.A. Board of Management, including all appropriate B.I.A. Committee Chairs, will determine the best process for obtaining competitive bids or proposals, AFTER full consultation with the Town of Goderich municipal management personnel, including consideration of whether:
 - i) to request quotations as outlined in section 5.2,
 - ii) to request proposals as outlined in sections 5.3,
 - iii) to use a tender process as outlined in sections 5.4 or,
 - iv) to use a Part VI procurement process.

PART V – POLICIES ON COMPETITIVE PROCUREMENT

5.1 General Policy on Competitive Procurement

- 5.1.1 The B.I.A. Board of Management, in consultation with the Town of Goderich CAO, may designate an official who may be the Town engineer or other contracted expert to process a tender or request for proposal, and such official shall issue/process all tenders and proposals and receive/process all bids and replies.
- 5.1.2 The B.I.A. and Town may pre-qualify persons or firms or obtain desired information for any RFP or tender.
- 5.1.3 Invitations to tender, and requests for quotations and proposals may be sent to known qualified, potential bidders in addition to general advertising to ensure the best possible response.

5.2 Request for Quotation

- 5.2.1 The goals are a) to conduct objective, fair, open, accountable, economical and efficient process for obtaining competitive bids by invitation based on precisely defined requirements for which there is a clear or single solution and b) to accept the lowest bid meeting the defined requirements.
- 5.2.2 The B.I.A. or Town of Goderich will advertise and, as appropriate, specifically request quotations from known firms, businesses and/or consultants.
- 5.2.3 The request for quotation will set the requirements for the goods and/or service, and will include a deadline for receipt of sealed quotations.
- 5.2.4 The B.I.A. and Town may decide to open quotations in a public meeting.
- 5.2.5 The goods and/or service may be procured by way of purchase order, agreement or other duly approved purchase document.

5.3 Requests for Proposals (RFPs)

5.3.1 Goals

- i) To conduct an objective, fair, open, accountable, economical and efficient process for obtaining proposals designed to meet broadly described outcomes to a complex problem/need for which there is no single or clear solution.

Goderich B.I.A. Procurement Policies, Cont'd

5.3.1 Goals (continued)

- ii) To select a proposal that meets the requirements specified in the competition based on qualitative, technical and price considerations.
- iii) An RFP may be preceded by a request for qualifications (RFQ) from consultants, services agents or vendors (or a request for initial expression of interest).
- iv) RFPs or RFQs may be prepared by the Goderich B.I.A., or with B.I.A. Board of Management approval, by the Town of Goderich CAO, Treasurer, Department Head, Engineer or other contracted expert, as determined by the Goderich B.I.A.. Proposals shall be evaluated by a B.I.A. approved selection committee and awarded by specific approval of the Goderich B.I.A. Board of Management.

5.3.2 Two Staged Approval Process

As a variation to the RFP process alone or the RFQ-RFP process, the Goderich B.I.A. may use a two staged approval process in its RFP:

- i) The B.I.A. first selects qualified proposals, without opening proposal price bids, on the basis of the technical and qualitative aspects, relating to a) qualifications, expertise and experience, b) personnel time allocations, c) methodology and thoroughness of approach and d) quality and completeness of proposal.
- ii) Second, the proposal considered to have submitted the lowest bid will be chosen from the list of submissions qualifying for consideration.

5.4 Tenders

5.4.1 Goals

- i) To conduct an objective, fair, open, economical and efficient process for obtaining competitive bids based on precisely defined requirements for which there is a clear or single solution.
- ii) To accept the lowest bid meeting the requirements specified in the competition.
- iii) The B.I.A. will determine the need to pre-qualify bidders.
- iv) The B.I.A. may notify qualified firms of the tender call to potential bidders in addition to the general notification process.
- v) Tenders will be opened at meetings of the B.I.A.
- vi) The lowest qualified tender and tender documents are approved by Motion/resolution of the Goderich B.I.A. Board of Management, subject to satisfactory review re specifications and contractor performance and subject to satisfactory negotiation of a contract document, if necessary, as well as all pricing and documentation being subject to review and approval of the Town of Goderich municipal Management.
- vii) The B.I.A. Manager and Chair, or if delegated, the Vice-Chair, shall report to the B.I.A. Board of Management recommending on the disposition of a contract where the lowest bid exceeds the estimated amount and/or where only one bid is received.
- viii) Except where otherwise authorized, no work may commence or purchase shall be made until a contract is signed and associated documents and approvals are received.

PART VI - OTHER PROCUREMENT PROCESSES

6.1 Co-operative Tenders

- 6.1.1 The Goderich B.I.A. shall have the authority, or may authorize the B.I.A. Manager or B.I.A. Chair or, if delegated Vice-Chair, and/or a B.I.A. Committee Chair, to participate with other B.I.A.s, municipalities, boards, commissions and agencies in co-operative purchasing, and bulk buying of goods or services.

Goderich B.I.A. Procurement Policies, Cont'd

6.1.2 B.I.A. Board of Management approval is required where the B.I.A.'s portion of such purchase will exceed \$500.00 in value.

6.2 Purchase by Negotiation

6.2.1 Subject to Goderich B.I.A. Board of Management approval, the B.I.A. may negotiate the Procurement of **any goods and services valued at under \$5,000.00, as well as, for a service contract** for engineering, legal, accounting, information technology, financial, administrative, architectural, artistic, design, creative and/or planning services:

- i) where the service contract provides a "municipal department like" or qualitative "process service type" of service and
- ii) where the firm, business or person under consideration possesses particular and/or unique knowledge of the B.I.A. and is readily accessible to serve as required.

6.2.2 Under the following conditions and subject to B.I.A. Board of Management approval, the B.I.A. may also negotiate with one or more goods and/or services suppliers in the place of inviting tenders, RFPs or quotations:

- i) when goods are judged to be in short supply due to market conditions;
- ii) where there is only one identified source of supply for the goods or services;
- iii) where a competitive process results in two or more identical bids;
- iv) where the lowest tender, bid or quotation meeting specifications substantially exceeds the estimated cost and it is impractical to recall the tender or quotation;
- v) when all bids received fail to meet the specifications or tender terms and conditions and it is impractical to recall tenders or quotations;
- vi) when no bids or only one bid are received in a tender, RFP or quotation call.

6.2.3 When negotiations are deemed necessary they shall be carried out by the B.I.A. Chair, and/or if duly delegated, the B.I.A. Manager, the B.I.A. Vice-Chair, and/or other designated B.I.A. Member or representative.

6.2.4 Any negotiated purchase contract for \$5,000 or more in value shall be subject to approval from the B.I.A. Board of Management.

6.3 Emergency or Urgent Purchases

6.3.1 When an emergency or urgent requirement occurs, the B.I.A. Manager with the agreement of the Chair or Vice-Chair in the Chair's absence, or person(s) whom the Chair may designate, has the authority to issue a purchase order or other written Procurement agreement, up to but **not in excess of \$500.00** upon receiving a written or verbal request from the Board Chair, or Committee Chair concerned.

6.3.2 As soon as practicable, after the emergency/urgency is over, any such emergency/urgency expenditure pursuant to this provision and this By-law's authorization, shall be reported to the B.I.A. Board of Management.

PART VII – ADMINISTRATION POLICIES

7.1 Inventory Control

The B.I.A. Manager shall be responsible for monitoring the prices of routinely consumed goods and may establish supply contracts so that stock of such routinely used items can be replenished as needed to avoid running out of such items. The source or method of supply may be changed when it is beneficial to do so.

7.2 Recyclable Content

The Goderich B.I.A. will endeavour to include criteria for the inclusion of products and services that contain post-consumer recyclable waste and/or recyclable content,

- i) wherever possible and economical, and
- ii) provided the product's use or performance is not significantly adversely affected.

Goderich B.I.A. Procurement Policies, Cont'd

7.3 Notwithstanding Reports

Where the Procurement process to be used is outside the terms of this by-law, the B.I.A. Manager and B.I.A. Chair shall request B.I.A. Board of Management authorization to proceed.

7.4 Conduct of B.I.A. and Town Officials

- 7.4.1 No bid shall be opened or considered, and no goods or services may be acquired from a B.I.A. Board of Management Director or Town elected official, officer or employee unless he/she obtains B.I.A. Board of Management approval prior to the submission of any pricing or proposal, or to the acquisition of any goods or services from the B.I.A..
- 7.4.2 No B.I.A. Board of Management Member, B.I.A. Member, Town of Goderich Council member or employee of the Town, may purchase goods or services for personal use through the B.I.A. unless specifically authorized by the B.I.A. Board of Management in each and every instance.
- 7.4.3 Unless authorized to do so, no B.I.A. Board of Management Director, nor the B.I.A. Manager, nor any Town representative whether an elected official, officer or employee, shall discuss a submitted bid that is under review, or a bid that is being prepared for submission, with the bidder, or his/her employee or agent.
- 7.4.4 No unauthorized person shall solicit bids, quotations or proposals or make contact with any person to encourage such submissions.

7.5 Legal Claims

No tender, proposal or quotation will be accepted from any party including any sub-contractor, which has a claim or a legal proceeding against the Town or the Goderich B.I.A., or against whom the Town or Goderich B.I.A. has a claim or a legal proceeding with respect to any previous goods or services procurement, without prior approval of the Goderich B.I.A..

7.6 Purchase Order Not Required

A purchase order is not required for the following items or class of items:

- i) Petty Cash Items;
- ii) Training and Education;
- iii) Refundable Employee Expenses;
- iv) Items \$5,000 and under as outlined in section 4.1.2;
- v) Utilities;
- vi) Freight Charges;
- vii) Approved rent and lease payments; and
- viii) Taxes

7.7 Payment

Authorization of payments

- 7.7.1 The B.I.A. Board Chair, or in his/her absence the B.I.A. Board Vice-Chair or other designate appointed by the Board Chair, shall authorize and process payment for all goods or services covered by a Purchase Order, Contract, Progress Certificate on Construction, or in accordance with other authorized purchase methods applicable to Town of Goderich requirements.

Goderich B.I.A. Procurement Policies, Cont'd

7.7 Payment (continued)

Deposits

7.7.2 Except for any Board approved required deposit, no prepayment of all or part of any goods, services or equipment shall be made unless provided for in a Board approved purchasing agreement, a tender, purchase order, or other form of purchasing contract.

7.8 Providing Assistance

Provided there is no adverse impact on B.I.A. operations, and when duly approved by a Motion/resolution of the B.I.A. Board of Management, the B.I.A. may lend, lease, rent or otherwise provide any vehicle, equipment, or other goods and services:

- i) to any federal, provincial, county or municipal body, ministry, agency, board, corporation or authority to assist any co-operative efforts involving B.I.A. projects, objectives and/or operations, or where such B.I.A. participation is needed because of unforeseen conditions; or
- ii) to a Service Club or Charitable Organization for community purposes involving the B.I.A..

PART VIII – PERFORMANCE EVALUATION

8.1 The B.I.A. Manager shall undertake, or cause to be undertaken, a performance evaluation of Procurement practices, reporting to the B.I.A. Board of Management whenever requested by the Chair or Board, or at least once every two years:

- i) On the results/performance of the By-law in general,
- ii) On the results/performance specifically of the procurement procedures in meeting the policy's goals,
- iii) On the compliance of procurement practices with the By-law and,
- iv) On new initiatives and practices that would further the goals of the By-law.

8.2 To assist in the completion of the Procurement practices evaluation, input may be obtained from the B.I.A. Board of Management Directors and B.I.A. Members, Town of Goderich municipal Management personnel, Council, suppliers, Town engineer, staff and/or the Town auditor, and others as deemed appropriate.

PART IX – DISPOSAL OF SURPLUS

9.1 Where any goods are surplus, obsolete or unrepairable, they shall be declared surplus and may be disposed of through public auction, tender, quotation, or as otherwise directed by Motion/resolution of the B.I.A. Board of Management.

9.2 Rolling stock that is declared surplus may be offered, for a fair price, to other municipal agencies within the County of Huron prior to public disposal.

9.3 Intentionally deleted.

PART X – BY-LAW ADMINISTRATION

10.1 The B.I.A. Chair, Vice-Chair and Manager may bring forward recommended amendments to the B.I.A. Board of Management at any time.

10.2 The By-law review required by Section 8 will be submitted to the B.I.A. Board of Management on or before the July meeting of the B.I.A. Board of Management in every other year of its term.

Goderich B.I.A. Procurement Policies, Cont'd

APPENDIX 1

General Purchasing Process:

For purchases that exceed \$5,000 and that fall outside a Purchase Contract and except as otherwise provided in the Procurement By-law, the recommended purchasing process is as follows:

1. A Purchase Requisition, written request, or approved Motion of the B.I.A. Board of Management shall be made or processed by the B.I.A. Manager and B.I.A. Chair or B.I.A. Vice-Chair, or Committee Chair requesting the procurement of goods or services, stating specifications.
2. Upon reviewing the purchase requisition or written request or Board Motion/resolution, or other specified approved procurement requirements as stated herein, and confirming that the purchase is necessary and within budget, specifications are confirmed/clarified by the B.I.A. Manager, B.I.A. Chair and/or Vice-Chair (or designate) or other duly approved B.I.A. designate such as B.I.A. Committee Chair.
3. The B.I.A. Manager and B.I.A. Chair or other duly approved B.I.A. designate such as B.I.A. Committee Chair, shall decide on the method (quotations, tenders or RFP) recommending to the B.I.A. Manager whether tender or RFP is needed. The B.I.A. Manager will then initiate and carry out the approved quotation/pricing process.
4. The B.I.A. Manager, B.I.A. Chair and/or B.I.A. Vice-Chair (or designate) assess quotations re specifications and price. Then, the acceptable supplier is selected. In the event no acceptable bid is received, the competitive process shall be expanded or amended/restarted. Or, an alternative procurement method may be used under this By-law.
5. If and as approved by Motion/resolution of the B.I.A. Board of Management, the B.I.A. Chair, or Vice-Chair or designate, authorizes the issuance and execution of a Purchase Order or other written purchase agreement documentation to the selected supplier. If complex, unfamiliar or potentially difficult, the B.I.A. Manager and Chair, or in the absence of the Chair, the Vice-Chair, or designate, are encouraged and authorized to obtain review and advice from the Town of Goderich municipal Management personnel, as well to obtain legal counsel *prior to* executing or issuing or agreeing to any procurement documentation.
6. Upon delivery and receipt of the purchased goods and/or services, the B.I.A. Manager, or B.I.A. approved designate, reviews and approves receipt of purchased goods and/or services verifying that all items are received as ordered, that the supplier Invoice(s) are correct as rendered or as corrected. Then the B.I.A. Manager presents to the B.I.A. Board Chair, or in the Chair's absence, the Vice-Chair or other designate appointed by the Chair, verification that such review and approval has been completed by the B.I.A. Manager.
7. The B.I.A. Manager, or B.I.A. approved designate, submits a) copy of purchase order or document making the purchase agreement, b) supplier's invoice(s), and c) receiving report or B.I.A. Manager's and B.I.A. Chair, or in the Chair's absence, the B.I.A. Vice-Chair's approval, to Accounts Payable to make payment.