



THE CORPORATION OF THE MUNICIPALITY OF RED LAKE

BY-LAW No. 68-2022

BEING A BY-LAW TO ADOPT POLICIES AND PROCEDURES TO GOVERN THE PROCUREMENT OF GOODS, SERVICES OR CONSTRUCTION AND DISPOSAL OF ASSETS

WHEREAS *Section 270 of the Municipal Act, 2001, S.O. C.25, as amended,* requires that a municipality shall adopt and maintain a policy with respect to its procurement of Goods and Services; and

WHEREAS this By-Law establishes the authority and sets out the methods by which Goods, Services and/or Construction will be purchased and disposed of for the purposes of The Corporation of the Municipality of Red Lake subject to certain exceptions set out herein;

NOW THEREFORE the Council of the Corporation of the Municipality of Red Lake hereby **ENACTS AS FOLLOWS:**

1. Definitions

- 1.1 “Blanket Purchase Order” means a Contract between the Municipality of Red Lake and a supplier for the supply of regularly ordered Goods or Services at specified unit prices with, where possible, maximum dollar limits, or discounts, but no specified quantities, not to exceed \$1,000 (one thousand dollars) including taxes.
- 1.2 “C.A.O.” shall mean the person appointed by the Corporation to be responsible for exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operation of the municipality.
- 1.3 “Construction” shall mean a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, soil investigation, the supply of products and materials and the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering design or architectural work, but does not include professional services related to the construction contract unless they are included in the specifications for the procurement.
- 1.4 “Corporation” shall mean The Corporation of the Municipality of Red Lake.
- 1.5 “Council” shall mean the Council of The Corporation of the Municipality of Red Lake.
- 1.6 “Department Head” shall mean the person appointed by Council to be responsible for the operations of a Department.

1. Definitions - Continued

- 1.7 "Emergency" means a situation or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public or the property of the residents of the Municipality of Red Lake, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level, subject to provisions of the Emergency Plan By-Law.
- 1.8 "Goods" shall mean moveable property including:
- (i) the cost of installing, operating, maintaining or manufacturing such moveable property;
 - (ii) raw materials, products, equipment and other physical objects of every kind and description.
- 1.9 "Municipality" shall mean The Corporation of the Municipality of Red Lake.
- 1.10 "Quotation" shall mean to state or provide, in writing, a price for securities, goods, services or construction.
- 1.11 "Request for Proposal" means a written Bid or Offer Solicitation that is used to acquire Goods, Services or Construction. The Request for Proposals process encourages different solutions from vendors and actively searches for better and more creative ideas for supply contracts. It is a wide-open alternate bidding process. Request for Proposals provide a process whereby the negotiation and award is based on demonstrated competence, qualifications and the technical merits of the Proposal at a fair price.
- 1.12 "RFP" means Request for Proposal.
- 1.13 "Services" shall include all professional and consulting services, all services in relation to real property or personal property including without limiting or foregoing the delivery, installation, construction, maintenance, repair, restoration, demolition or removal of personal property and real property and all other services of any nature and kind save and except only services to be delivered by an officer or employee of the Municipality of Red Lake in accordance with terms of employment.
- 1.14 "Supplier" means any vendor, contractor or consulting business.
- 1.15 "Surplus Asset" shall include new or used equipment, vehicles or materials, which are of no further use to the Corporation.
- 1.16 "Tender" shall mean a publicly advertised Bid or Offer Solicitation with a formal bid or offer, in writing, based on tender documents outlining specifications, materials, description and quantities, security, insurance, completion date, etc.
- 1.17 "Treasurer" shall mean the person appointed by the Corporation to perform the statutory duties of Municipal Treasurer and is responsible for handling all the financial affairs of the municipality on behalf of and in the manner directed by Council of the municipality. The Treasurer may delegate authority with respect to the requirements of this By-Law and that person shall have the authority of the Treasurer.

2. Objectives

The Objectives of this By-Law and of each of the methods of procurement authorized are:

- 2.1 To obtain best value when purchasing goods, construction and services for the Municipality while treating all suppliers equitably.
- 2.2 To be using a competitive process that is open, transparent and fair to all suppliers.
- 2.3 To ensure these objections and principles are reflected in this By-Law.

3. Authority

The Treasurer:

- 3.1 Is hereby authorized to establish administrative procedures as may be required to carry out the intent of this By-Law.
- 3.2 Shall exercise administrative control over the procurement of Goods, Services or Construction within the limits and policies established by the Council.
- 3.3 Shall investigate areas or other procedures, which could have an advantageous result to the Corporation in purchasing procedures; such as cooperative buying with other organizations, whether public or private.
- 3.4 May delegate to any other properly authorized Corporation employee any part or parts of the responsibilities indicated in this By-Law.
- 3.5 Is authorized and shall arrange for the payment of Goods, Services or Construction pursuant to the provisions of this By-Law or Resolutions by the Council.

4. Conditions for Procurement of Goods, Services and Construction

The following conditions shall apply to the procurement of Goods, Services or Construction for the Corporation:

- 4.1 All purchases shall be in accordance with approved budgets except where the Council has by By-Law or Resolution directed otherwise.
- 4.2 Goods, Services or Construction may be obtained from suppliers on terms and conditions, as would normally be good business practices, subject to the following conditions:
 - (i) on purchases up to and including \$5,000 (five thousand dollars) plus taxes, as deemed most economical, practical and competitive by the Treasurer;
 - (ii) on purchases in excess of \$5,000 (five thousand dollars) but not exceeding \$30,000 (thirty thousand dollars) plus taxes, two (2) written quotations shall be obtained from appropriate suppliers; should two written quotations not be received from the appropriate suppliers, then documentation from the appropriate Department Head which indicates that a letter was forwarded to the supplier(s) requesting a quotation for the goods, services or construction but none has been received, must be submitted to the Treasurer.

- (iii) on purchases in excess of \$30,000 (thirty thousand dollars) but not exceeding \$150,000 (one hundred fifty thousand dollars) plus taxes, three (3) written quotations shall be obtained from the appropriate suppliers; should three written quotations not be received from the appropriate suppliers, then documentation from the appropriate Department Head which indicates that a letter was forwarded to the supplier(s) requesting a quotation for the goods, services or construction but none has been received, must be submitted to the Treasurer.
- (iv) on purchases in excess of \$150,000 (one hundred fifty thousand dollars) plus taxes, sealed tenders, sealed RFP or (three) sealed written quotations shall be obtained. The C.A.O. or designate will determine the process which shall be deemed the most economical to the Municipality; should three written quotations not be received from the appropriate suppliers, then documentation from the appropriate Department Head which indicates that a letter was forwarded to the supplier(s) requesting a quotation for the goods and services but none has been received, must be submitted to the Treasurer.

4.3 Tenders, Requests for Proposals, Quotations

Tenders, Request for Proposals, Quotations shall be received by the C.A.O. or designate and remain sealed until opened at the public meeting at the time and place indicated in the advertisement. Proponents wishing to submit shall be advised of the public meeting.

The public meeting shall be conducted by the C.A.O. or designate who shall open the sealed packages as follows;

(i) Tenders and Quotations:

The C.A.O. or designate shall read aloud and record the proponent's name and the Tender or Quotation amount.

(ii) Request for Proposals:

The C.A.O. or designate shall read aloud and record the proponent's name, but shall not read aloud the Request for Proposal amount.

The evaluation process for Tenders, Request for Proposals and Quotations will be outlined in respective packages. A Selection Committee may be established by the C.A.O. and may comprise of Council and Department Head staff with relevant expertise.

- 4.4 Sealed Tenders, sealed Request for Proposal's or sealed Quotations shall be received by the C.A.O. or designate and remain sealed until opened at a public meeting at a time and place indicated in the tender call. The public meeting shall be conducted by the C.A.O. or designate who shall open the sealed tenders and read the tender amount which shall be recorded by a person designated by the C.A.O or designate.

4.5 Consulting Services

Consultants may be used to prepare specifications for tenders, quotations, or funding applications for other government agencies. The services must be obtained as is defined in 4.2 (i), (ii), (iii), and (iv).

4.6 In the event of an emergency, the conditions and practices as outlined in the By-Law may be waived by the C.A.O. or designate.

5. Purchase Orders and Contracts

5.1 Treasurer shall establish procedures and practices for the issuance of purchase orders. Any such properly issued purchase order shall be considered a legal and binding document. Where a purchase order is based on a quotation, tender or request for proposal, such quotation, tender or request for proposal must appear on the purchase order.

5.2 All purchase orders shall show a firm unit price if applicable and a lump sum total.

5.3 Any formal contract required as a result of these policies or practices shall be approved by Council by By-Law and subsequently signed by the Mayor and the Municipal Clerk.

5.4 Fixed end dates for issuing new purchase orders applicable to Capital Projects for all Departments shall be September 30th of each fiscal year.

5.5 Fixed end dates for issuing new purchase orders applicable to the Operating Budgets for all Departments shall be November 30th of each fiscal year.

6. Surplus Goods and Equipment

6.1 No asset shall be declared to be surplus if it can be used by any other department, board or commission of the Corporation.

6.2 The Council is the only Municipal body empowered to declare an asset as surplus and dispose of such asset.

6.3 All surplus assets will be disposed of to the best possible monetary advantage of the Corporation. These assets shall be disposed of at or near fair market value, as nearly as may be possible, and such value may be established with the aid of a qualified appraiser where deemed necessary.

6.4 No employee of the Corporation shall be allowed to bid on, purchase or otherwise acquire any surplus asset being disposed of by the Corporation except as noted in Section 6.6, unless approved by Council.

6.5 Surplus assets, that have a monetary value of \$200 (two hundred dollars) or more, shall be disposed of in the following manner:

(i) Municipal Property (equipment, vehicles, materials)

By sealed public tender after due notice thereof has been given. Council shall cause notice to be given to the public of the proposed sale and such notice shall include the following:

- (a) Advertising in the Municipal Newsletter; and

Council may direct in the By-Law or Resolution that notice may also include the following:

- (b) Advertising in a newspaper having general circulation in the Municipality.
- (c) Advertising in the Ontario Gazette.
- (d) Any other means of communication, which is deemed, appropriate by Council acting reasonable and in good faith in the circumstances.

- (ii) Real Property

As per the By-Law governing the sale of real property.

6.6 Surplus assets, that have a monetary value of \$200 (two hundred dollars) or less, shall be disposed of in the following manner:

- (i) The Supervisor in charge of the department shall complete a Request for Disposal of Capital Asset form (attached hereto as Schedule "A").
- (ii) Any employee within that department shall have first option to purchase the surplus asset. If more than one employee in the department has requested to purchase the surplus asset, the successful purchaser shall be drawn by lot.
- (iii) Should the surplus asset not be disposed of within the department, an employee or staff from another department may put his/her name forward and shall be determined by lot.
- (iv) If there are no purchasers as per Item (ii) and (iii), the surplus asset may be disposed of at the discretion of the Supervisor.

6.7 Buildings

An appraisal of each building by an authorized licensed appraiser may first be obtained. Council shall cause notice to be given to the public of the proposed sale and such notice shall include one or more of the following:

- (i) Advertising in the Municipal Newsletter, and

Council may direct in the By-Law or Resolution that notice may also include the following:

- (ii) Advertising in a newspaper having general circulation in the Municipality.
- (iii) Other means of communication, which is deemed, appropriate by Council acting reasonable and in good faith in the circumstances.

Council may accept a lower price than the appraised value if no higher price is offered.

- 6.8 Council may establish such terms and conditions of sale of surplus assets, as it deems advisable or necessary.
- 6.9 Sealed tenders, proposals, and quotations shall be opened as soon as possible after the closing date and time as advertised.
- 6.10 Disposal of surplus assets shall be authorized by By-Law or Resolution passed at a regular meeting of Council.
- 6.11 The Council shall observe all procedures contained in the Municipal Act, relative to those public streets and lanes stopped up and offered for sale by the Corporation.
- 6.12 Park lands shall not be offered for sale by the Corporation.
- 6.13 Any and all assets valued at less than \$1,000 (one thousand dollars) each may be disposed of at Council's discretion without adherence to the provisions of this By-Law. The appropriate Department Head shall estimate the value of assets.
- 6.14 In all instances of disposal of any asset, the "Request for Disposal of Capital Asset" Form shall be completed. The "Request for Disposal of Capital Asset" Form is attached hereto as Schedule "A" and forming a part of this By-Law.

7. General

- 7.1 No deviations from the approved Municipal Annual Budget shall be processed through these policies and practices without a prior By-Law or Resolution of the Municipal Council, except in an emergency as provided for in this By-Law.

8. Purchase Order Procedure

8.1 Signing Authority

- (i) Purchase Orders may be signed by the Department Head for purchases not exceeding \$1,000 (one thousand dollars) including taxes. The Treasurer must sign all purchase orders over \$1,000 (one thousand dollars) including taxes.
- (ii) In the absence of the Treasurer, approval of a Purchase Order made on his/her behalf can be signed by any person to whom the Treasurer has delegated authority with respect to the requirements of this By-Law.

8.2 Issuance of Purchase Orders

The following procedures are to be followed in processing Purchase Orders:

- (i) The Purchase Order must have the following information:
 - (a) name of supplier;
 - (b) description and quantity of goods;

- (c) method of shipping and terms required; with any shipping costs noted separately;
 - (d) date of Purchase Order and date goods are required;
 - (e) account to be charged;
 - (f) actual unit prices if available, otherwise approximate price(s);
 - (g) total dollar amount without taxes and with each applicable tax shown separately.
- (ii) Obtain a Purchase Order number from the Accounts Payable Clerk, record it on the Purchase Order, sign and date the Purchase Order
 - (iii) A copy of the completed Purchase Order shall be forwarded to the vendor/supplier, who must cross-reference and attach same to the applicable invoice(s); a copy shall be retained by the issuing department; the original shall be forwarded to the Accounts Payable Clerk who shall match, reconcile and attach to the applicable invoice, shall on the vendor's copy, record "closed" and shall keep a file by month and year of all closed Purchase Orders.
 - (iv) Physical control of Purchase Orders including maintaining separate records of all outstanding and closed Purchase Orders and reconciling same on a monthly basis is to be the responsibility of the Accounts Payable Clerk.
 - (v) There shall be kept a record of all Purchase Orders issued; this record shall state the following:
 - (a) date Purchase Order issued;
 - (b) name of supplier;
 - (c) Purchase Order number;
 - (d) person whom requested purchase order;
 - (e) method of request;
 - (f) authorization; and
 - (g) a record of closure.

8.3 Accounting Procedures

- (i) When the Purchase Order is received, it is filed according to length of time outstanding. The Department Head must assist the Accounts Payable Clerk in this process.

Current	30 – 45 days
Blanket Purchase Orders	45 – 60 days

- (ii) If the Purchase Order is outstanding after 45 days and no correspondence has been received, then a form letter is to be sent to the Department Head requesting the current status of the Purchase Order.
- (iii) If after sixty (60) days, the Purchase Order remains outstanding and there had been no response from the Department Head, the Purchase Order is to be cancelled and all parties notified.

- (iv) Blanket Purchase Orders are to be kept on file and a photocopy is to be submitted with each invoice or batch of invoices processed. The final invoice shall indicate "complete - cancel purchase order". The Purchase Orders are to be cancelled at the end of a calendar year or terms of time given with the Purchase Order or whichever comes first.
- (v) Blanket Purchase Orders shall have a limit of \$1,000 (one thousand dollars) including taxes.

9. Accessibility

- 9.1 Accessibility criteria and features shall be incorporated when procuring goods, services and/or facilities in accordance with the Accessibility Standards for Ontarians with Disabilities Act, 2005 (AODA), Integrated Accessibility Standard Regulation – O.Reg. 191/11 (IASR).
- 9.2 Where applicable, procurement documents will specify the desired accessibility criteria to be met and provide guidelines for the evaluation of proposals.
- 9.3 Where impractical for the Municipality to incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities, the appropriate Department Head will provide a written explanation upon request.

10. Enactment

- 10.1 **THAT** By-Law Nos. 1574-12 and 1819-13 are hereby repealed.
- 10.2 **THAT** this By-Law shall come into force and take effect on the final passing thereof.

READ a FIRST TIME and SECOND TIME this 18th day of July, 2022.

Fred Mota, Mayor

Christine Goulet, Clerk

READ a THIRD TIME and FINALLY PASSED this 18th day of July, 2022.

Fred Mota, Mayor

Christine Goulet, Clerk



Schedule "A" to By-Law No. 68-2022
The Corporation of the Municipality of Red Lake

REQUEST FOR DISPOSAL OF CAPITAL ASSET

Date: _____ Department: _____

Asset Description: _____

Details: Manufacturer: _____ Serial No.: _____
 Model: _____ Style: _____
 Value (est.): \$ _____

Method of Disposal: _____

Date of Disposal: _____ Approval Resolution No.: _____

Notes/Comments: _____

<u>Employee – Option to Purchase</u>	
Employees Name(s):	_____

Sold to:	_____
Department Head – Signature:	_____
<i>(subject to the provisions of Sections 6.4 and 6.6)</i>	

Signature – Department Head

Signature – Treasurer

Distribution: Original – Master File Copy (1) – Department Head Copy (2) – Accounting