

**THE CORPORATION OF THE  
MUNICIPALITY OF WAWA**

**BY-LAW NO. 3352-20**

**BEING A BY-LAW** to adopt Municipality of Wawa Policy No. FT-001:  
Procurement.

**WHEREAS** *Municipal Act, 2001*, S.O. 2001, Chapter 25, Section 9, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purposes of exercising its authority under this or any other Act;

**AND WHEREAS** Section 10 (3) of the *Municipal Act, 2001*, provides that a single-tier municipality may pass by-laws respecting the financial management of the municipality and its local boards;

**AND WHEREAS** the Council of the Municipality of Wawa recognizes the need for the development of a policy for the procurement of supplies and services;

**NOWHEREFORE** the Council of The Corporation of the Municipality of Wawa enacts as follows:

1. **THAT** By-Law No. 2323-10 be and is hereby repealed.
2. **THAT** Policy No. FT-001: Procurement Policy herein attached as Schedule "A" to this By-Law and forming an integral part of this By-Law, be adopted.
3. **THAT** the Mayor and Clerk be and they are hereby authorized to sign this By-Law and to affix the corporate seal thereto.
4. **THAT** this By-Law is enacted upon the third and final reading hereof.

**READ** a first, second and third time and finally passed this 3<sup>rd</sup> day of November, 2020.

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RON RODY, MAYOR

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CATHY CYR, CLERK



**The Corporation of the Municipality of Wawa**  
**Policy Manual**

<b>POLICY TITLE:</b>	Procurement Policy
<b>SUBJECT:</b>	Procurement of Supplies and Services
<b>POLICY NO.</b>	FT-001
<b>EFFECTIVE DATE:</b>	November 3, 2020
<b>ENACTED BY:</b>	By-Law No. 3352-20

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## 1. Policy Purpose

The purpose of this policy is to establish guidelines for the procurement of goods and services.

The *Municipal Act, 2001*, provides that a municipality shall adopt and maintain a policy with respect to its procurement of goods and services. Council, the public and the business community shall have confidence in the integrity of the procurement policy and staff involved in the procurement process.

The Municipality of Wawa upholds and endorses the following purchasing principles:

- To promote the most cost effective and efficient use of municipal funds and resources by acquiring the specified goods and services at the optimum quality, quantity, price, delivery and performance.
- To encourage open competitive bidding on all acquisition of goods and services where practical. The open bidding processes shall be both objective and fair.
- Unless otherwise approved by Council to purchase goods and services only as approved in the annual budgets.
- To obtain the most competitive offers from the most responsible and responsive vendors.
- To always consider the “total acquisition cost” rather than the lowest bid. This includes, but is not limited to, such factors as repairs, staff training, suitability, compatibility, warranty, trade-in values, recycling and disposal concerns.
- When procuring goods and/or services, the Municipality will incorporate accessibility criteria and features, unless it is not feasible (practicable) to do so.

## 2. Definitions

For the purposes of this policy:

- (a) "**Authority**" means the legal right to conduct the tasks as outlined in this policy.
- (b) "**CAO**" means the Chief Administrative Officer for the Corporation of the Municipality of Wawa.
- (c) "**Competitive**" means vendors are given an equal opportunity to compete for municipal business.
- (d) "**Council**" means the Council of The Corporation of the Municipality of Wawa.
- (e) "**Clerk**" means the Clerk of The Corporation of the Municipality of Wawa.
- (f) "**Credit Card**" means a charge card approved by the Municipality that can be used by authorized municipal employees to acquire goods or services as outlined in the credit card policy.
- (g) "**Designate**" means a person authorized by the Director to act on his/her behalf for the purposes of this policy.
- (h) "**Director**" means the individual accountable for the department and services assigned to each section thereof.
- (i) "**Goods**" means all materials, equipment, services, supplies and infrastructure to be delivered, installed or constructed to carry out the operations of the Municipality.
- (j) "**Open Purchase Order**" means an internal document authorizing the purchase of goods and/or services for a defined period of time under set terms and conditions. The quantity may be estimated, and the quantity per release and time of release may not be precisely determined but the intention of the "Order" is to acquire the goods and/or services from the established vendor.
- (k) "**Procurement Process**" means the process by which good and/or services are obtained.
- (l) "**Purchase Order**" means a written offer to purchase goods and/or services.

- (m) **“Purchase Requisition”** means written request to purchase goods and/or services that includes a detailed list or specification of requirements with the appropriate signatures.
- (n) **“Quotation”** means a request for prices on specific goods and/or services from selected vendors, in writing or electronically as required by the policy.
- (o) **“Responsive Vendor”** means a vendor whose bid does not vary from the specifications and terms and conditions set out in the quotations, bids, or request for proposal.
- (p) **“Sole Source”** exists when a vendor provides a unique good or service that cannot be obtained from another source.
- (q) **“Treasurer”** means the Treasurer of the Corporation of the Municipality of Wawa.

### 3. Policy – General

#### 3.1 Approval Levels

Unless otherwise approved by Council, all purchases of goods and services must be approved in the annual budgets. Formal approval of the budget constitutes financial approval to proceed with the procurement process. The ability to incur the actual expenditures is delegated to municipal staff based on the following approval levels:

<b>Spending Limit</b>	<b>Approval Authority</b>
Up to \$10,000	Director or designate
Up to \$50,000	Chief Administrative Officer or Treasurer
Over \$50,000	Council

The dollar limits listed above refer to invoice cost inclusive of taxes for which the municipality does not receive a refund or rebate. As an example, the municipality may receive a refund of 100% of GST paid. In this case, the GST, which must initially be paid to the vendor and subsequently refunded by the Federal Government, will not be considered part of the dollar limits above.

### 3.2 General Procurement Procedures

The following are authorized procedures for the procurement of goods and services:

<b>Procedure</b>	<b>Project Cost</b>
Petty Cash	\$200 or less
Purchasing card or direct purchasing process	\$10,000 or less
Request for Quotation process (CAO approval required over \$25,000)	\$10,001 - \$50,000
Request for Proposal	Greater than \$50,000
Request for Tender	Greater than \$50,000

The dollar limits above refer to invoice cost inclusive of taxes for which the municipality does not receive a refund or rebate.

No requisition, purchase, or contract shall be divided in order to avoid the requirements of the dollar value limits of this section.

Where goods and services of a similar type are to be supplied on a repetitive basis from one or more suppliers either over a period of time in a calendar year or over the course of a season, those goods and services shall be purchased in accordance with the provisions of this Policy applicable to goods and services having a price or value equal to the total estimated cost of all such similar goods and services to be supplied in the whole calendar year or during the course of the entire season as the case may be. The appropriate procedure above will be utilized according to the total dollar value. An Open Purchase Order will be issued in place of the regular Purchase Order.

A brief description of each procedure follows.

#### **(a) Petty Cash – Purchases of less than \$200**

- i. A petty cash fund will be maintained at the Municipal Offices (Corporate Services) and to meet the requirements of the acquisition of goods and services having a value of \$200 or less.
- ii. Petty cash should only be used when it is not feasible to use a credit card.
- iii. Petty cash purchases shall be made from the competitive marketplace where practical.
- iv. All petty cash disbursements shall be evidenced by a Petty Cash Voucher slip with attached receipts.

**(b) Purchases not exceeding \$10,000**

Purchases not exceeding \$10,000 may be made using:

- i. a credit card (within the card holders credit limit)
- ii. a properly authorized Purchase Order
- iii. an Open Purchase Order may be used where:
  - one or more departments repetitively order the same goods or services and the actual demand is not known in advance, or
  - a need is anticipated for a range of goods and/or services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.

**(c) Purchases Greater than \$10,000 and Not Exceeding \$50,000 – Request for Quotation Process**

Purchases with an estimated value greater than \$10,000 and less than \$50,000 shall be obtained:

- i. using a competitive process. The requirements of the competitive process may be waived under authority of the Chief Administrative Officer or Treasurer by the negotiated method. The circumstances in which the negotiated method would be appropriate and the associated procedures are:
  1. when goods or services are available from only one source;
  2. when the required item is covered by an exclusive right such as a patent, copyright or exclusive license;
  3. when the extension or reinstatement of the existing contract would be the most cost effective or beneficial method and is in the best interest of the Municipality;
  4. when an emergency, where goods and services are deemed necessary and time and safety concerns reasonably limit the use of any other prescribed procurement process; this would include fulfilling a statutory order issued by a federal or provincial authority, such as an environmental, public health or workplace safety compliance order;
  5. where the best interest of the Municipality would be served through negotiations.

- ii. The requisitioning department shall submit a purchase requisition to the Accounts Payable Associate containing the relevant specifications, terms and conditions for the purchase.
- iii. The Director is responsible for obtaining written or electronic quotes from suppliers without formal advertising. At least three (3) written or electronic quotes, where practical, shall be obtained from those vendors able to supply the goods or services in a responsible and responsive manner.

**(d) Greater than \$50,000 – Request for Tender / Request for Proposal Process**

The acquisition of all goods and/or services having an estimated value greater than \$50,000 shall be obtained using a Request for Tender or Request for Proposal process as per Policy FT-002 Tendering.

### **3.3 Emergency Purchases**

An emergency includes:

- i. an imminent or actual danger to the life, health or safety of an official or an employee while acting on the Municipality of Wawa's behalf;
- ii. an imminent or actual danger of injury to or destruction of real or personal property belonging to the Municipality;
- iii. an unexpected interruption of a public service;
- iv. an emergency as defined by the Emergency Management and Civil Protection Act, R.S.O., 1990, and/or the emergency plan formulated thereunder by the Municipality of Wawa; and
- v. issuance of a non-compliance or directory order under a statute by a Provincial or Federal authority

Where, in the opinion of the Chief Administrative Officer, an emergency has occurred, the Chief Administrative Officer may

- i. undertake procurement in excess of the preauthorized expenditure limits herein up to a maximum of \$100,000; and
- ii. any expenditures made under such conditions together with a source of financing shall be reported at the next meeting of Council following the date of expenditure by the Chief Administrative Officer.



### **3.4 Conflict of Interest**

Conflict occurs when in the course of an employee's duties, the employee is called upon to deal with, or has been involved in a matter in which the employee has a direct or indirect personal interest.

- i. A **direct** conflict arises when an employee may derive, or be seen to derive, some personal benefit or avoid personal loss.
- ii. An **indirect** conflict arises when the potential benefit or loss would be experienced by another person or corporation having a relationship with the employee.
- iii. Pecuniary interest of a spouse, parent, or any other family member is also deemed to be a conflict of interest.

These benefits, losses, interests and relationships are generally financial in nature but are not limited to such. A conflict arises when any employee participates in activities, which advance personal interest at the expense of the Municipality's interests which include public trust and confidence.

Any employee must make a prompt and full disclosure in writing to the applicable Director, Manager or Chief Administrative Officer of any actual or potential conflict including:

- i. a description of the conflict,
- ii. the nature of the direct or indirect personal interest,
- iii. the identity of any persons or corporations in which there is a personal relationship or interest.

Upon receiving disclosure of a conflict, the Director, Manager or Chief Administrative Officer shall take reasonable steps to ensure the employee is removed from the conflict situation.

### **3.5 Local Preference**

In accordance with the *Discriminatory Business Practices Act*, Revised Statutes of Ontario, 1990, Chapter D.12. All else being equal, preference will be given to the purchase of goods and/or services firstly to Wawa based businesses (listed on the Municipality of Wawa property assessment roll), secondly from businesses located in the Algoma District and thirdly from Canadian owned businesses.

### 3.6 Exemptions from Procurement Policies

In addition to the purchase of goods or services specifically authorized by resolution which waives the purchasing policy, the following chart details goods and services which are exempt from this policy and the method of payment of these types of expenditures.

<b>Exempt Good or Service</b>	<b>Form Required</b>	<b>Authorizing Signature</b>
<b>Reimbursable Expenses</b> <ul style="list-style-type: none"> <li>- Meal allowances</li> <li>- Hotel accommodations</li> <li>- Mileage</li> <li>- Parking Expense</li> <li>- Travel; Airfare, etc.</li> </ul>	Travel Form	Director / Supervisor
<b>Training and Education</b> <ul style="list-style-type: none"> <li>- Registration for conferences, conventions, workshops, etc.</li> <li>- Courses; staff development</li> <li>- Memberships, professional and vocational associations</li> <li>- Magazines, subscriptions, books, periodicals</li> </ul>	Invoice	Director / Supervisor
<b>Utilities</b> <ul style="list-style-type: none"> <li>- Hydro charges</li> <li>- Heating oil</li> <li>- Telephone / communication</li> <li>- Internet connectivity charges</li> <li>- Propane gas</li> <li>- Water &amp; Sewer</li> </ul>	Invoice	None required
<b>Insurance</b> <ul style="list-style-type: none"> <li>- Policy premiums</li> <li>- Damage claims</li> <li>- Deductible</li> </ul>	Invoice	Chief Administrative Officer
<b>Human Resource Expenses</b> <ul style="list-style-type: none"> <li>- Payroll deduction remittance</li> <li>- Group Benefit Premiums</li> <li>- Employment related</li> </ul>	Gov't form, Invoice, Offer of Employment, Union Agree.	None required

<b>Special Services</b> <ul style="list-style-type: none"> <li>- Committee fees</li> <li>- Honorariums</li> <li>- Banking and Service Charges</li> <li>- Maintenance and software licensing agreements</li> </ul>	Invoice where applicable	Software licensing - CAO
<b>General Expenses</b> <ul style="list-style-type: none"> <li>- Licenses (vehicles, radios, etc.)</li> <li>- Postage</li> <li>- Tax remittances</li> <li>- Petty cash replenishment</li> <li>- Advertising</li> <li>- Debenture and loan payments</li> <li>- Legal fees</li> <li>- Bailiff or Collection Agencies</li> </ul>	Various: Agreement, Bylaw, Invoice	By-Law - Mayor and Clerk Invoice – Director Legal Fees - CAO
The rental, lease of property, land or accommodation	Agreement	CAO / Director
The purchase of property, land or accommodation	Agreement	Mayor and Clerk

**3.7 Lease Financing**

In certain circumstances, it may be economically advisable for the Municipality to enter into a financing lease.

**3.8 Tangible Capital Assets**

Users should refer to Policy FT-010 Tangible Assets to determine if a purchase is operational or capital in nature.

**3.9 General**

This policy shall be read with all necessary changes of genders and changes of singular to plural which may be required in its context.

Any question involving the meaning or application of this policy is to be submitted to the Chief Administrative Officer whose interpretation shall be final.

#### 4. Review

This policy shall be reviewed by each term of Council or as determined necessary by Council or the Chief Administrative Officer.

##### Policy Adoption and Review Guidelines

Date of Adoption by Council	By-Law No.	Date of Most Recent Review by Council	Changes Made Yes/No
April 6, 2010	2323-10		
November 3, 2020	3352-20		Yes

##### References to Other Policies or By-laws

Policy Title	Policy Number	By-Law
Tendering Procedures	FT-002	2554-12
Corporate Credit Cards	FT-013	2696-12
Tangible Assets	FT-010	2208-09