

THE CORPORATION OF THE TOWNSHIP OF HILTON

BY-LAW NO. 1485-26

Being a by-law to Adopt a Policy for Procurement and Purchasing of goods and services for the Corporation of the Township of Hilton

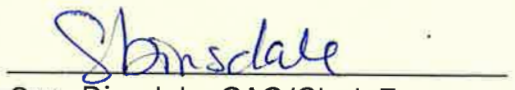
**WHEREAS** Section 270(1)3 of the *Municipal Act, S.O. 2001, c. 25*, as amended, provides that a municipality shall adopt and maintain a policy with respect to its procurement of goods and services;

**NOW THEREFORE** the Council of the Corporation of the Township of Hilton hereby enacts as follows:

1. **THAT** Schedule "A" and Schedule "B", attached hereto, shall form part of this By-law.
2. **THAT** Appendix "I" and Appendix "II", attached hereto, shall form part of this By-law.
3. **THAT** By-law 834-04 is hereby rescinded.
4. **THAT** this By-law shall come into force and effective the day of passing.

Read a first, second and third time and finally passed this 14<sup>th</sup> day of January 2026.

  
Rodney Wood, Reeve

  
Sara Dinsdale, CAO/Clerk-Treasurer

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**Schedule “A” to By-law No. 1485-25**

**Subject: Procurement and Purchasing Policy**  
**Source: By-law 1485-25**  
**Date Approved: January 14, 2025**  
**Resolution No.: 2026-16**

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**PURPOSE:**

The purpose of this policy is to set out guidelines for the Township of Hilton to ensure that all purchases of materials, supplies and services provide the lowest cost consistent with the required quality and services.

The Council of the Township of Hilton is committed to ensuring that all publicly funded goods and services are acquired through a fair, consistent, and transparent process.

The purpose, goals and objectives of this procurement and purchasing process shall:

- Encourage open and competitive bidding
- Maximize savings for tax-payers,
- Ensure fairness among bidders
- Promote the acquisition of the highest quality goods and services at the best overall value
- Uphold the principles of accountability and transparency while safeguarding the financial interests of the Township
- Ensure an open and honest process is maintained that is fair and impartial
- Promote and maintain the integrity of the purchasing process

**DEFINITIONS:**

“Award” shall mean the authorization to proceed with the purchase of Goods or Services from a chosen supplier

“Best Value” shall not be limited to the lowest price but shall be a combination of price, quality and other factors such as transportation costs and logistics. The determination of Best Value shall be made by the Department Head in accordance with the criteria set out in this Policy.

“Bid” shall mean an offer or submission from a supplier in response to a Bid Solicitation

“Bid Solicitation” means a formal request for Bids that may be in the form of a Request for Tender or a Request for Proposal

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“Blanket/Standing Purchase Order” means a Contract between the Township and a supplier for the supply of regularly ordered Goods or Services at a specified unit price with, where possible, maximum dollar limits, or discounts, but not specified quantities

“Bid Bond” shall mean a form of surety guarantee that a contractor will enter into a contract if they win a project bid, which protects the Township by compensating them if the winning bidder fails to sign the contract or provide required performance bonds and acts as a way to pre-qualify bidders.

“Capital Project” shall mean any project included in the annual Capital Budget, or if not budgeted, a project that would normally be classified as a capital expenditure of the Municipality.

“Clerk” shall refer to the Clerk of the Corporation of the Township of Hilton, or their designated alternate.

“Contract” means any agreement, regardless of form or title, for the lease, purchase or disposal of Goods or Services authorized in accordance with this Purchasing Policy

“Corporation” shall mean the Corporation of the Township of Hilton or its successors.

“Council” shall mean the Council of the Corporation of the Township of Hilton.

“Department Head” shall mean any person having responsibility for an annual departmental budget, or a person designated by Council resolution to act in that capacity.

“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 Township of Hilton, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level

“Fair Market Value” means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arms-length where fully informed and not under compulsion to transact

“Goods” means moveable property including:

- The cost of installing, operating, maintaining or manufacturing such moveable property, and
- Raw materials, products, equipment and other physical objects of every kind and description

“Immediate Family Member” shall mean a spouse, common-law partner, same-sex partner, child, or stepchild.

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“Lowest Compliant Bid” means the bid that would provide the Township of Hilton with the desired Goods or Services at the lowest Total Acquisition Cost, meets all the specifications and contains no irregularities requiring automatic rejection

“Non-Competitive Method” means negotiation of an agreement of purchase of Goods or Services from a supplier where there is no open competition

“Proposal” means an offer submitted in response to a Request for Proposal, acceptance of which may be subject to further negotiation

“Purchase Order” means a Contract between the Corporation of the Township of Hilton and a supplier to supply a specific quantity of Goods or Services defined by such things as time period, location(s) and price

“Request for Proposal” means a Bid Solicitation that is used to acquire Goods or Services, the suitability of which is dependant upon non-price factors, and which may result in further negotiations between the parties

“Request for Quotation” means a Bid Solicitation that is used to acquire Goods or Services where the Township has pre-determined the required quantity and/or quality of Goods or Services and the evaluation criteria determining the best value is generally the lowest bid without any material contract negotiations

“Services” includes all professional consulting services, all services in relation to real property or personal property including, without limiting the 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 Corporation of the Township of Hilton in accordance with the contract terms and conditions

“Single Source” means selection of a specific supplier even though there may be more than one supplier capable of delivery of Goods or Services

“Sole Source” means there is only one supplier capable of delivery of Goods or Services that meet the requirements of the Township

“Tender” means publicly advertised Bid Solicitation or, in the case of an Emergency, a Bid Solicitation from an invited bidder or solicited bidder

“Treasurer” shall refer to the appointed Treasurer of the Corporation of the Township of Hilton, or their designated alternate.

“Total Acquisition Cost” means an evaluation of quality and service in the assessment of a Bid and the sum of all costs including purchase price, all taxes, warranties, local service

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costs, life cycle costs, time of completion or delivery, inventory, carrying costs, operating and disposal costs for determining the Lowest Compliant Bid

### **GENERAL PROCUREMENT POLICY:**

1. Township Council has ultimate authority for all expenditures. Council shall delegate this authority by the approval of budgets or by specific resolution. Payment cannot be made for any item that has not been authorized by Council through budget approval, authorized policy, or specific resolution.
2. Any Capital Expenditure not provided for in the annual budget requires Council approval by resolution.
3. Should it be deemed expedient, most efficient, and in the best interest of the Township, Council may pass a resolution to authorize purchasing procedure that is not consistent with this policy.
4. The CAO/Clerk-Treasurer shall be responsible for the overall administration and execution of this Policy.
5. In the absence of the CAO/Clerk-Treasurer, authority under this policy may be delegated to the Deputy Clerk-Treasurer.
6. To ensure that budgets are being maintained as per this policy and cost overruns are not occurring without Council approval or knowledge, the Treasurer shall provide an unaudited update of the revenues and expenditures incurred to date, compared to the budget. Such updates shall occur a minimum of every fourth month.
7. Department Heads, or those designated by resolution as Department Heads, shall be responsible for the purchase of goods or services not maintained within the municipal warehouse or office supplies inventory.
8. To be compliant with the Township's Code of Conduct and delegated authority established under the *Municipal Act*, staff and delegated authorities (Department Heads, Clerk, Treasurer etc.) shall be the only party(s) that communicates with vendors on behalf of the Township. This communication shall include the compiling of quotes, purchasing, tender/proposal submissions and communication results, and all other related procurement matters. Council shall not manage any aspect of the procurement process unless required for the purpose of approving purchases/contracts as per this policy.

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9. It shall be the policy of the Corporation to maintain a fair, transparent, and efficient purchasing process that is administratively practical, promotes sound financial management, and ensures equitable access for all qualified suppliers.

**EMERGENCY PURCHASES:**

- 1) For purchases that are required to address an Emergency, the following approvals are authorized and must be made based on the listed values exclusive of applicable taxes:
  - (a) Expenditures up to \$2,499.99 must be approved by the CAO/Clerk-Treasurer or designated alternate and filed as per section 2
  - (b) Expenditures between \$2,500 and \$9,999.99 must be approved by the CAO/Clerk-Treasurer with Council being notified of the expense.
  - (c) Expenditures of \$10,000 or more require Council Approval.
  
- 2) After an emergency purchase is made, the Department Head will file with the CAO/Clerk-Treasurer, a full written report on the circumstances of the Emergency purchase.

**PROCUREMENT PROCESS:**

Refer to Schedule “B”, attached hereto and forming part of this By-law, for types of procurement permitted under this Policy.

**APPROVAL OF EXPENDITURES:**

1. Adherence to this Policy shall not be required for the items listed below:
  - Utilities, including hydro, propane, telephone, and internet services
  - Payroll (including OMERS and Council/Board Honorariums)
  - Payment to government agencies, Receiver General, Ministry of Finance, etc.
  - Employee Insurance and Benefit Programs
  - Municipal Insurance Policies
  - Vehicle license
  - Ongoing maintenance and Contracts for equipment, i.e. photocopies, software, alarm systems etc.
  - Licenses, certificates, and other regulatory approvals
  - Petty cash vouchers
  - Postage, Courier and other shipping charges
  - Employment contracts or contracts for services
  - Fuel and Maintenance products

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- Subscriptions and memberships
  - Training and education
  - Refundable employee expenses
  - Travel advances, meal allowances, hotel accommodations and travel claim forms
  - Professional and skilled services provided to individuals as part of approved programs within Corporate or community services;
  - Engineering consulting services
  - Other professional and special services, including additional non-recurring accounting and auditing, insurance services, legal services, banking services where covered by agreements, group benefits, realty services related to the lease, acquisition, demolition, sale of land, & appraisal of land
  - Policing contracts; and
  - Reciprocal or shared agreements.
2. No provision of this policy precludes the Clerk from requesting Council approval or review if they believe it is in the best interest of the Township to do so.
  3. No contract for goods, services, or construction shall be divided into two (2) or more parts for the purpose of avoiding the application of this policy.
  4. No contract for services shall be awarded where the services would result in the establishment of an employee-employer relationship.
  5. For clarification purposes, when an expenditure is authorized by the relevant party as per this policy, then the Treasurer has the authority to issue payment(s) for the expenditure if the payment is reviewed and approved by the CAO/Clerk-Treasurer or Department Head.
  6. Only those individuals authorized to purchase on behalf of the Municipality, in accordance with this Policy, shall be permitted to contact bidders in writing during the procurement process for the purpose of clarification. No individual involved in the procurement process shall contact bidders during the evaluation stage.
  7. No one associated with the Municipality, including members of Council and employees, shall accept any gifts or gratuities from suppliers participating in, or who have previously participated in, a municipal procurement process where the value of the gift exceeds \$100.00. Any gift, benefit, or hospitality exceeding

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this amount shall be immediately disclosed in writing to the Treasurer for review and record-keeping.

8. If a Department Head intends to purchase goods or services for the Municipality from a Member of Council, employee, or an immediate family member of either, and the purchase exceeds \$500.00, a minimum of two written quotations must be obtained and retained for audit or reference purposes.
9. The Municipality shall not consider in-house bids as an acceptable form of procurement.

### **BLANKET/STANDING PURCHASE ORDERS**

Blanket/Standing Purchase Order may be used where:

- (a) One or more department repetitively order the same Goods or Services, and the actual demand is not known in advance, or
- (b) A need is anticipated for a range of Goods or Services for a specific purpose and for which convenience and location are major factors, but the actual demand is not known at the outset.

The Department Head(s) shall establish and maintain Blanket/Standing Purchase Orders.

To establish prices and selected sources, the Department Head(s) shall employ the provisions contained in this Purchasing Policy for the acquisition of Goods or Services.

More than one supplier may be selected where it is in the best interests of the Township, and the Bid Solicitation allows for more than one.

The expected quantity of the specified Goods or Services to be purchased over the period of the Contract will be as accurate an estimate as practical.

Where the Department Head(s), in consultation with the Clerk, deems that a current service provider engaged with the Township in providing specialized Goods or Services demonstrates an ongoing preferable economy of scale, then the Department Head(s) may exercise to continue hiring their services without going through the procurement process.

### **Conflict of Interest**

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

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- Immediately disclose the interest and the general nature to Council;
- Not take part in the award of the contract; and
- Not attempt, in any way, to influence the award of the contract.

An employee is deemed to have an indirect pecuniary interest in any contract in which the Municipality is concerned if the employee, or their spouse;

- Is a shareholder in, or a 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;
- Is a member of an incorporated association or partnership that has a pecuniary interest in the contract; or
- Is employed by a person, unincorporated association, or partnership that has a pecuniary interest in the contract.

2. Where a member of Council, either on his or her own behalf or while acting for, by, with, or through another person, has any pecuniary interest, direct or indirect, in a contract, that Member of Council shall:

- Not take part in the award of the contract; and
- Not attempt, in any way, to influence the award of the contract.

A member of Council is deemed to have an indirect pecuniary interest in any contract in which the Municipality is concerned if the Member, or their spouse:

- Is a shareholder in, or a 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;
- Is a member of an incorporated association or partnership that has a pecuniary interest in the contract; or
- Is employed by a person, unincorporated association, or partnership, that has a pecuniary interest in the contract.

### **A. Petty Cash**

Petty cash funds are intended for purchases under \$100.00 from local suppliers, except in circumstances where the use of petty cash funds is not feasible due to

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time constraints. Petty cash shall be replenished through a request to the Treasurer, accompanied by all receipts, account charges, and a complete reconciliation of the fund. Petty cash reconciliation shall be completed on a regular basis and filed with the Treasurer for review and record-keeping.

### **B. Co-Operative Purchasing**

The Municipality may participate with other government agencies and/or local boards in co-operative purchasing arrangements when it is in the best interest of the Municipality to do so. Where the Municipality participated in such co-operative purchasing, the policies and procedures of the lead agency or local board issuing the co-operative tender shall govern the procurement process.

### **C. Non-Competitive Purchases**

#### 1. Sole Source Purchases:

An exemption from this Policy is permitted where there is only one supplier available and no reasonable alternative or substitute exists, or where there is a statutory monopoly on the required good or service.

#### 2. Single Source Purchases:

An exemption from this Policy is permitted if the Municipality deems a non-competitive contract desirable following a competitive process, provided the original Bid Solicitation identified the potential for a subsequent contract.”

### **D. Purchasing Procedures**

#### 1. Purchasing Responsibilities:

Council oversees all municipal procurement and holds final authority over expenditures. Contracts require Council approval unless delegated by resolution. Designated staff may be authorized to make purchases under this Policy. The Treasurer cannot approve payments not authorized by Council through the budget or resolution. This Policy defines the limits and conditions of spending authority.

#### 2. Cancellation of Bid Solicitation:

Council may cancel a bid solicitation at any time prior to the award of a contract.

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### 3. Access to Information:

Requests for information relating to bid solicitations or contract awards shall be made in writing to the Clerk, or such other person as designated by Council, by submitting a completed Municipal Freedom of Information and Protection of Privacy Act Request Form, located in the Municipal Township office or on the Township's website. The release of such information shall be governed by the *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*, as amended.

### 4. Contract Without Budgetary Approval:

Where a requirement exists to initiate a project for goods, services, or construction and funds have not been included in the approved budget, the Department Head requesting the purchase shall, prior to commencing the procurement process, submit a report to Council that includes:

- Information surrounding the requirement for the contract;
- The proposed terms of reference for the contract;
- Details on the availability of funds within existing approved estimates or the need for additional funding.

No procurement shall proceed without Council authorization confirming the availability of funds.

### 5. Annual Review:

Department expenditures and purchasing activity shall be included on the Monthly Payment Voucher to be reviewed at each regular Council meeting. Council may also request to review annually to ensure compliance with this Policy.

## **PROPOSAL PROCEDURES:**

### **A. Tender and Proposal Procedures (\$15,000 and over)**

#### Bid Solicitation:

Bid Solicitation may be called by public advertisement or by invitation only. All bids issued by way of public advertisement shall follow the procedures outlined in this section.

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### Request for Quotation (RFQ)

This competitive method of purchase shall demonstrate that Fair Market Value was achieved. Specifications for the Goods or Services will be established to permit comparable quotations. A sufficient number of suppliers shall be requested to submit quotations to ensure that at least two (2) responsive quotes are received. If all reasonable efforts fail to result in two (2) quotations, sole sourcing of the purchase may be considered.

The purchase of Goods or Services of an ongoing nature over a calendar year must be made using a Request for Quotation where the Department Head, in consultation with the Clerk, will provide approval. Such Goods or Services include equipment rental and certain materials.

### Request for Proposal (RFPs)

A Request for Proposal shall be used where the requirement is best described in a general performance specification. Some or all of the specifications of the contract terms may not be finally determined with sufficient certainty to form the basis of a final contract before proposals are solicited and submitted.

Depending on the nature of the requirement, suppliers are invited to propose innovative solutions to a problem and the selection of the supplier is based on the effectiveness of the proposed solution rather than price alone.

### Exceptions

Due to the complexity of some requests and to reduce the rigidity of the bidding process, the Township may issue RFQs and/or RFPs for items over \$100,000 if it is in the best interest of the Township to do so and the requests relate to the following:

- Vehicles or large commercial equipment
- Aggregate, calcium (liquid/flake), culverts, cold patch
- Contracts for services

### Request for Tender

Requests for Tenders shall be used where the following criteria apply: two (2) or more sources are considered capable of supplying the requirement and the requirement is adequately defined to permit the evaluation of the Tenders against clearly stated criteria.

Tender documents, plans and specifications will be prepared, where possible, by Municipal staff or by Engineers retained by the Township to work on general or specific projects. The CAO/Clerk-Treasurer, in consultation with the Township's Engineering contactor, will determine if bid bonds or tender deposits are required and the value of same.

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### Advertisement Requirements:

- Details of any mandatory site meeting, including date, time, and location;
- Contact names for technical and purchasing inquiries;
- Document fee, if applicable;
- Location where tender packages may be obtained;
- Location for submission of completed tender packages;
- Deadline for submission; and
- The privilege clause: “The lowest or any bid may not necessarily be accepted.”

#### 1. Closing Date:

The closing date for all publicly advertised bid solicitations shall be a minimum of ten (10) calendar days after the date of advertisement. A shorter or longer period may be permitted depending on the urgency or complexity of the goods or services being requested.

#### 2. Notice Requirements:

All bid solicitation advertisements shall be issued in accordance with the Municipality’s notice requirements as prescribed by By-law 1457-25.

#### 3. Professional Assistance:

Where deemed necessary due to the complexity of the goods or services being procured, Council may request that Department Heads obtain professional assistance from qualified individuals to assist in the preparation of bid specifications and completion of the bid solicitation process.

#### 4. Submission Requirements:

All submissions must be addressed to the Clerk and returned in a sealed envelope. Upon receipt, the Clerk shall:

- Record date and time on the sealed envelope;
- Assign a tender number and record the submission on the Tender Log (Appendix I) attached hereto and forming part of this By-law; and
- Deposit the sealed tender in a designated secure location.

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### 5. Rejection of Tenders:

The Clerk shall refuse to accept any submission that is:

- Not sealed;
- Received after the closing deadline (late submissions shall be date- and time-stamped, copied for record, and returned unopened to the bidder); or
- Submitted after a tender has been cancelled.

### 6. Withdrawal of Tenders:

A request for withdrawal of a tender shall be permitted if received in writing prior to the closing time for the contract to which it applies. Requests must be submitted by a senior official of the bidding company to the Clerk, either in person or by written letter, and must include a signed statement of withdrawal. Telephone and email requests will not be accepted. The withdrawal of a tender does not disqualify the bidder from submitting another tender for the same contract.

### 7. Tender Opening:

Tenders will be opened by the Clerk, in the presence of at least one (1) staff member or one (1) Member of Council. The amount of each bid shall be recorded on the Tender Log.

### 8. Review of Tenders:

The Clerk shall review each tender submission to determine whether any bid irregularities exist and shall take appropriate action in accordance with the procedures set out in Appendix II, attached to and forming part of this By-law.

### 9. Report to Council:

The Clerk shall prepare and submit a report to Council for consideration and approval by resolution. The report shall include:

- A list of rejected bids and reasons for each rejection;
- A recommendation in support of one of the bids; and
- The rationale supporting this recommendation.

**B. Bid Irregularities**

1. For the purposes of this Policy, bid irregularities are classified as either “major irregularities” or “minor irregularities”. Refer to Appendix II, attached hereto and forming part of this By-law, for examples and classifications of bid irregularities.
2. A major irregularity is a deviation from the bid request that affects price, quality, quantity, delivery, or other material aspects of the award. If such a deviation were permitted, the bidder would gain an unfair advantage over competitors. The Municipality must reject any bid that contains a major irregularity.
3. A minor irregularity is a deviation from the bid request that affects form rather than substance. Such a deviation has no material impact on price, quality, quantity, or delivery, and if permitted or corrected, would not provide the bidder with an unfair advantage. The Municipality may allow a bidder to correct a minor irregularity.
4. The Clerk shall be responsible for determining the nature of a bid irregularity and for taking appropriate action as follows:
  - Major irregularity – automatic rejection of the bid;
  - Minor irregularity – bidder may be permitted to rectify the irregularity.

**C. Procurement Documentation**

1. All procurement documentation for bid requests shall avoid the use of specific products or brand names, except where necessary to define a minimum standard of quality or performance.
2. Where possible, the Municipality shall use standards certified, evaluated, qualified, registered, or verified by independent and nationally recognized organizations, such as the *Standards Council of Canada* or other industry-supported bodies.
3. Notwithstanding subsection C. 1, Council may specify a particular product or brand name where such specification is required to ensure essential functionality, to mitigate unacceptable risk, or for another valid purpose.
4. Awards shall normally be made to the lowest compliant bidder meeting the terms and conditions set out in the ‘Request for Quotation’ or ‘Request for Tender’, all other factors being equal. However, consideration may also be

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given to the following additional factors when determining the successful bidder:

- Ability and experience to perform the work in accordance with the terms of the invitation;
- Record of past performance with the Municipality;
- Location and transportation logistics;
- Past performance with other municipalities or public sector organizations;
- Financial and technical resources;
- Knowledge of the Municipality's operations, systems, and services;
- Compatibility with other goods and services currently used by the Municipality;
- Percentage of local content, including supplies, materials and subcontractors sourced within the municipal boundaries;
- Any other relevant factors, including a scoring system or evaluation system approved by Council for bid assessment.

All bid requests shall include the following privilege clause:

*"The lowest or any bid may not necessarily be accepted."*

When this clause is invoked, the specific reasons for not accepting a bid shall be documented and disclosed to all bidders upon request.

### **D. Guarantee of Contract Execution and Performance**

#### 1. Bid Security:

Council may require that a bid bond or other form of security to guaranteeing entry into a contract be submitted with all bids. Unless otherwise specified, when such security is required, the refundable deposit for a Request for Tender shall normally be a minimum of ten percent (10%) of the total bid price, unless otherwise determined by Council based on project scope.

#### 2. Performance and Payment Security:

Prior to the commencement of work, the successful bidder may be required to provide additional security, as specified in the original tender documents, including but not limited to:

- A performance bond, in a pre-determined percentage, to guarantee the satisfactory performance of the contract; and

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- A payment bond, in a pre-determined percentage, to guarantee payment for all labour and materials supplied in connection with the contract

### 3. Forms of Security:

Council shall determine the appropriate form(s) of security to guarantee execution and performance of the contract. Acceptable forms may include, but are not limited to certified cheque, bank draft, irrevocable letter of credit, money-order, or a bid bond issued by an approved guaranteed company properly licensed in the Province of Ontario, using bond forms acceptable to Council.

### 4. Insurance and Health & Safety Requirements:

Prior to the commencement of work, the successful bidder shall provide evidence satisfactory to the Municipality of: Health and Safety training and orientation, liability insurance coverage, and Workplace Safety Insurance coverage. Such documentation must ensure the Municipality is indemnified against any and all claims, demands, losses, costs, or damages arising from the bidder's performance under the contract or from any risk identified by the Municipality as requiring coverage.

### 5. Workplace Safety and Insurance Board Clearance:

Prior to any payment being issued to a supplier, the Municipality shall obtain a Certificate of Clearance from the Workplace Safety and Insurance Board (WSIB), confirming that all premiums or levies have been paid to date.

## **E. Evaluation of Bids Received and Award**

### 1. Bid Review and Evaluation:

The Clerk and Department Head requesting the goods or services shall jointly review all bids against the established criteria. A consensus shall be reached on the final rating results, and the Clerk shall ensure that the final evaluation documentation is retained in the procurement file.

### 2. Recommendation for Award:

The Clerk shall prepare a summary of the procurement process and provide a recommendation to Council regarding the award of the contract to the bidder whose submission meets all mandatory requirements and offers the

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best overall value to the Municipality, based on the evaluation criteria specified in the bid solicitation.

### 3. Identical Tenders:

If the Lowest Compliant Bids from two (2) or more bidders are identical in Total Acquisition Cost or unit price, the Clerk or designate is authorized to enter into negotiations with these bidders in an attempt to obtain a lower price unless one vendor is located within the Township. The Clerk or designate shall not reveal information pertaining to such negotiations or the manner in which the final price was determined to any of the other bidders concerned. A report concerning the results of any such negotiations shall be included as part of the record.

If negotiations are not successful in breaking the identical Tenders, then the successful bidder shall be determined by means of draw. The names of the tied bidders shall be placed in a container, and the winning bidder shall be drawn by a member of Council. The Clerk shall set the time and location of the draw and notify all affected bidders so they may attend if desired.

### Local Content

All Tenders and Requests for Proposal/Requests for Quotation will incorporate Local Content, where appropriate. Bids must outline the minimum local content requirements, and all bidders are encouraged to use local labour, materials and equipment to the fullest extent.

Department Heads are encouraged to purchase goods and services from local suppliers as much as possible. In the event that a local (Hilton) supplier of goods and/or services bids against an outside supplier. Department Heads are encouraged to accept the local bid if the price is within 5% (higher) than the outside supplier.

If goods and services are not available locally, inquiries should be made in the following order:

- District (Algoma)
- Region (Northern Ontario)
- Province (Ontario)
- Canada

**F. Bids in Excess of Project Estimates**

1. Negotiation with Lowest Responsive Bidder:

Where bids are received that exceed the approved project estimate, the Clerk, with the authority of Council, may enter into negotiations with the Lowest Responsive Bidder in an effort to achieve an acceptable bid within the approved budget.

2. Rejection and Reissuance:

If a negotiated agreement within budget limits cannot be achieved, Council may cancel the competition or authorize the issuance of a new bid solicitation.

**G. Contractual Agreements**

1. Use of Formal Agreements:

A formal written agreement may be required when a contract is complex or includes terms and conditions beyond the Municipality's standard provisions.

2. Changes to Contract:

Any and all changes to a contract that affect the price, scope, terms, or any material condition of the original agreement shall be subject to prior Council approval.

3. Termination Provisions:

All contracts shall include clear conditions under which the agreement may be terminated by either the Municipality or the contractor.

**SUPPLIER PERFORMANCE**

Suppliers may be subject to disqualification if there is sufficient evidence of consistent failure to meet the standards specified by the Township of Jocelyn. The township will maintain supplier performance files. Information in this file is supplied by the requisitioners, receivers and the procurement staff. Suppliers may be evaluated based upon competitive price quality of a product, contract adherence and performance, after sales service and replies to invited tenders. Upon reasonable notice, a supplier can be

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disqualified for a period not exceeding three (3) years from participating a solicitation for goods and services.

Suppliers shall be disqualified when:

- Conviction from a criminal offence of a person or director/official/person relating to obtaining or attempting to obtain a contract or subcontract. An indication of lack of business integrity or honesty which directly and seriously effects the responsibility of the contractor.
- There is a serious breach of contract indicating an unwillingness to perform a contract in accordance with the terms and conditions or specifications or a record of unsatisfactory performance of one or more contracts in accordance with the terms and conditions thereof or in accordance with its specifications or both.
- The offer of any gratuity to an official or employee of the Township by a supplier or contractor for consideration.

When a supplier is disqualified, a written issue will be provided to the vendor/supplier setting out its reasons for disqualification or suspension, including the timeline of suspension, which shall be addressed to the usual business address of that person as shown in the records of the purchasing section.

Disqualifications may be authorized by the CAO/Clerk-Treasurer

### **CONTRACT OPTIONS**

#### **A. Exercise of Contract Renewal Options**

1. Where a contract includes an option for renewal, Council may exercise such option provided that:
  - The supplier's performance in delivering the goods, services or construction has met the requirements of the contract;
  - Council determines that exercising the renewal option is in the best interest of the Municipality; and
  - Sufficient funds are available within the Municipality's approved budget, including any authorized revisions, to cover the proposed expenditure.

#### **B. Execution and Custody of Documents**

1. The Head of Council and the Clerk are authorized to execute, on behalf of the Municipality, all formal agreements that have been approved by by-law.
2. The Department Head requesting the goods or services shall have the authority to execute purchase documents issued in accordance with this by-law.

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3. The Treasurer shall be responsible for safeguarding all original purchasing and contract documentation related to the procurement of goods, services or construction.

### **REVIEW AND EVALUATION**

The Municipality shall review this Policy every three (3) years from the date of adoption. The review shall include an evaluation of the effectiveness, efficiency, and continued relevance of all procurement policies and procedures.

No provision of this policy precludes the Clerk from requesting Council approval or review if they believe it is in the best interest of the Township to do so.

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**Schedule “B” to By-Law No. 1485-26**

<b>Amount of Purchase</b>	<b>Procurement Process to be Used</b>	<b>Conditions/Explanation</b>
\$0 to \$1499.00	Direct acquisition (including petty cash purchases)	Department Head is permitted to purchase goods and/or services without Council approval.
\$1500.00 to \$4,999.00	Informal Quotations	Department Head is permitted to purchase goods and/or services provided that: <ul style="list-style-type: none"> <li>• The goods and/or services have been included in the annual budget estimates approved by Council.</li> <li>• Dept. Head obtains a minimum of three (3) verbal quotations, where possible and practicable.</li> <li>• Written record retained for each quotation.</li> <li>• Where only one supplier is available, the Treasurer will file that supplier’s quote plus details of refusals.</li> </ul>
\$5,000.00 to \$14,999.00	Quotations (Request for Quotations – RFQ)	<ul style="list-style-type: none"> <li>• Dept. Head obtains a minimum of three (3) quotations where possible and practicable.</li> <li>• Copies of quotations are submitted to Council with a recommendation.</li> <li>• Council shall make the final decision, by resolution, based on the quotations provided.</li> <li>• Expenditures shall be made to obtain the best value for the Corporation.</li> <li>• Where only one supplier is available, the Treasurer will file that supplier’s quote along with details of refusals.</li> </ul>
\$15,000.00 and greater	Tendering (Request for Tenders – RFT)	Formal tender process outlined in “Proposal Procedures.”
No \$ Limit	Proposal (Request for Proposal – RFP)	Used when a unique proposal is sought to meet a broad outcome or complex need with no clear single solution.

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**Appendix I to By-Law No. 1485-26**

**TENDER LOG**

**The Corporation of the Township of Hilton**

Project Name:	
Tender Deadline:	

Name of Bidder	Envelope No.	Date Submitted	Time Submitted	Tender Amount*

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**Appendix II to By-Law No. 1485-26**

<b>Description of Irregularity</b>	<b>Major</b>	<b>Minor</b>	<b>Action to be Taken</b>
Late bid (by any amount of time).	X		Automatic rejection
Bids completed in pencil.	X		Automatic rejection
Bid surety not submitted with the bid when the bid request (or any addenda) indicated that such surety is required.	X		Automatic rejection
Execution of Agreement to bond: a) Bond company corporate seal or equivalent proof of authority to bind company or signature missing. b) Surety company not licensed to do business in Ontario.	X		Automatic rejection
Execution of Bid Bonds: a) Corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both is missing. b) Corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY is missing.	X		Automatic rejection
Other Bid Security: Bid deposit cheque not certified.	X		Automatic rejection
Bidders not attending mandatory site meeting.	X		Automatic rejection
Unsealed tender envelopes.	X		Automatic rejection
Proper response envelope or label not used.		X	Acceptable if officially received on time.
Pricing or signature pages are missing.	X		Automatic rejection
Insufficient financial security (i.e. no deposit or bid bond or insufficient deposit).	X		Automatic rejection
Bid received on documents other than those provided in request.	X		Not acceptable unless specified otherwise in the request.
Part bids (all items not bid).	X or	X	Acceptable unless complete bid has been specified in request.
Bids containing minor clerical or typographical errors.		X	Two (2) working days to correct errors and initial changes. Township of Hilton reserves the right to waive initialing and accept bids.
Other mathematical errors which are not consistent with the unit prices.		X	Two (2) working days to correct errors and initial changes. Unit prices will prevail.
Pages requiring completion of information by vendor are missing.	X		Automatic rejection
Bid documents indicating that the bidder has made a significant or fundamental error.			Consultation with a solicitor on a case-by-case basis and referenced within the staff report if applicable.