

**THE CORPORATION OF THE
TOWN OF SMITHS FALLS**



**POLICIES RESPECTING THE
PROCUREMENT OF GOODS AND SERVICES
CONSOLIDATED BY-LAW**

Enacted by By-Law No. 7850-2004

October 4, 2004

List of Amending By-laws: 7943-2006, 8063-2007, 8083-2007

Updated: October 2007

Disclaimer: The following consolidation is for convenience purposes only. It is not an official copy of the original by-law. Official versions can be obtained through the Clerk's office.

**TABLE OF CONTENTS
- PROCUREMENT POLICIES -**

Section 1
GENERAL PROVISIONS3

Section 2
DEFINITIONS4

Section 3
GOODS AND SERVICES LESS THAN \$2,000.....4

Section 4
GOODS AND SERVICES BETWEEN \$2,000 AND \$20,000 (QUOTATIONS)
4.1 General Provisions.....4
4.2 Advertisement.....5
4.3 Documents.....5
4.4 Tender/Quotation Requirements.....5
4.5 Review and Acceptance of Quotations6

Section 5
GOODS AND SERVICES BETWEEN \$20,000 OR MORE (TENDERS)
a) General Provisions8
b) Tender Documents8
c) Tender Advertisement8
d) Tender Requirements9
e) Tender Opening11
f) Tender Acceptance12

Section 6
PROFESSIONAL SERVICES.....13

BY-LAW NO. 7850-2004 (AS AMENDED BY 7943-2006, 8063-2007)
A By-Law to Establish Procurement Policies for the Town of Smiths Falls.....14

BY-LAW NO. 7943-2006
A By-law to Amend By-law No. 7850-2004 being a By-Law to Establish Procurement Policies for the Town of Smiths Falls.....15

BY-LAW NO. 8063-2007
A By-law to Amend By-law No. 7850-2004 being a By-Law to Establish Procurement Policies for the Town of Smiths Falls.....16

BY-LAW NO. 8083-2007
A By-law to Amend By-law No. 7850-2004 being a By-Law to Establish Procurement Policies for the Town of Smiths Falls.....17

1. GENERAL PROVISIONS

- a) Procurement of goods and services by the Town of Smiths Falls will be carried out under the following processes:
 - 1) Purchases of goods and services with a value of less than \$2,000 – At the discretion of authorized personnel.
 - 2) Purchases of goods and services with a value of \$2,000 or more and less than \$20,000 – A minimum of 3 written quotations to be obtained by authorized personnel.
 - 3) Purchase of good and services with a value of \$20,000 or more – To be obtained by tender.
 - 4) Purchase of professional services – Terms and conditions to be established by Council on an individual basis, in accordance with Section 5 hereto.

- b) The goals to be achieved by using the four procurement processes are:
 - 1) To allow those responsible for the procurement of goods and services to obtain these goods and services in the most expedient, cost effective manner possible.
 - 2) To ensure that the higher the value of the goods and services the more stringent the rules governing their acquisition.
 - 3) To ensure that the best value is received.

- c) The circumstances under which each procurement process is to be used is outlined in Section 1. a).

- d) The tendering process is not required where it is determined by Council that there is only one, or at most a very limited number, of specialized suppliers of a product.

- e) In-house bids will be encouraged when it is deemed by Council that a good or service can be most effectively provided by existing Town resources.

- f) The integrity of the procurement process will be maintained by requiring that each Director ensure that the policies are adhered to in their respective Departments, and by way of an annual audit by the Town's outside auditors.

- g) The interest of the municipality, the public, and persons participating in the procurement process will be protected by the terms and conditions set down by Council for each individual procurement process.

- h) The procurement process will be reviewed by Council every five years to ensure that it still meets the community's needs.

- i) The Town of Smiths Falls will adhere to any other regulations prescribed by the Province affecting the procurement process.

- j) The day-to-day interpretation of the provisions of this By-law is hereby delegated to the Chief Administrative Officer/Treasurer.

- k) Where a ruling of the Chief Administrative Officer/Treasurer differs from that of any person granted authority under this By-Law, with the exception of the Council, the Chief Administrative Officer/Treasurer will take precedence.

2. DEFINITIONS

For the purposes of this Policy the following definitions will apply:

- a) “authorized personnel” shall mean the Chief Administrative Officer/Treasurer and Directors, or the person or persons given authority by the Chief Administrative Officer and/or Directors, to procure goods and services required for the operation of the Town.
- b) “designated person” shall mean the person or persons designated by the Chief Administrative Officer/Treasurer or Director to carry out the duties required under the “Request for Proposals” and/or “Tender” sections of this Policy. The designated person will not normally be the person or persons making the final decision on acceptance of the bids.

3. POLICIES FOR PROCURING GOODS AND SERVICES VALUED AT LESS THAN \$2,000

- a) All employees with authorization to purchase goods and services on behalf of the Town having a value of less than \$2,000 shall adhere to this Policy and be held accountable for their actions.
- b) All employees with authorization to purchase goods and services shall:
- 1) Ensure that the expenditure is within the approved Budget.
 - 2) Make every reasonable effort to ensure that they obtain good value. The lowest price may not necessarily be the best value for the Town. The final decision shall take into account price, quality, availability, economic benefit to the local economy, and where applicable, shall take into account compatibility with other Town goods, warranties, supplier experience and repair facilities.
 - 3) Make every reasonable effort to purchase from local suppliers when the conditions in Section 3. b) 2) are comparable.
 - 4) Where all other factors under Section 3 b) 2) are comparable and the comparable bidders are located within Town boundaries, the lowest price will be awarded the tender.
 - 5) Obtain their respective Directors approval for any purchase of goods and services having a value of less than \$2,000 that may not be covered by this policy.

4. POLICIES FOR PROCURING GOODS AND SERVICES VALUED BETWEEN \$2,000 AND \$20,000

4.1 General Provisions

- a) Written quotations shall be obtained for all purchases of goods and services with a value of \$2,000.00 but less than \$20,000.

- a) The person authorized to make such purchases shall make every reasonable effort to obtain at least three written quotations from reputable suppliers.
- b) Should the person authorized to make such purchases be unable to obtain three written quotes a list of the names, addresses and phone numbers of all suppliers requested to submit quotations shall be kept and made available to the public.

4.2 Advertisement

Advertisements for quotations may be drafted and published at the discretion of the appropriate Director.

4.3 Documents

a) The person authorized to purchase the required goods and services shall advise the Director of the Department purchasing the item(s) that quotations are being sought and shall prepare and distribute all necessary documents including:

- 1. A clear description of the specific goods or services required.
- 2. If alternative goods or services are acceptable, such shall be stated in the specifications.
- 3. Any Plans or Drawings applicable to the purchase.
- 4. The closing date and time for receipt of quotations, location where quotations are to be submitted and the name and phone number of the contact person.

b) Each supplier submitting a quotation shall provide a minimum of the following information:

- i) Name, address and phone number of the supplier.
- ii) Specifications of goods or services being quoted on.
- iii) Warranty terms and conditions.
- iv) Date of delivery.
- v) Price and terms of payment.
- vi) Status of Taxes.
- vii) Signature of the supplier.

4.4 Tender/Quotation Requirements

- a. All quotations shall be returned to one clearly specified person.
- b. Quotations must be in the possession of the designated person on or before the closing date and time established for receipt of quotations. Quotations received after the closing time shall not be considered but shall be returned to the supplier and the supplier shall be advised that the quotation was received late.

- c. The quotation must be legible, written in ink or typewritten and signed by an duly authorized person with authority to bind the supplier. Erasures, overwriting or strikeouts must be initialled by the official signing on behalf of the supplier.
- d. Alternative proposals shall not be considered unless requested by the Town.
- e. All suppliers requested to submit quotations shall be advised of all revisions, deletions, substitutions and additions to the specifications or of any extension to the closing time or of cancellation of the request for quotations. Suppliers who have submitted quotations prior to notification of any change shall be given the opportunity to withdraw and resubmit their quotations.
- f. Any supplier who has submitted a quotation may request that the same be withdrawn. A withdrawal request shall be made in writing to the designated person and the withdrawal shall be permitted if the request is made prior to the closing time. Withdrawn quotations shall be returned to the supplier. The withdrawal of a quotation shall not disqualify a supplier from submitting another quotation. Withdrawal requests received after the closing time shall not be permitted. The supplier shall be informed that the withdrawal request was received subsequent to the closing time.
- g. All quotations shall be kept confidential until after the closing date and time established for receipt.

4.5 Review and Acceptance of Quotations

- a) All quotations submitted in accordance with the above conditions shall be considered. After the closing time, the designated person shall promptly prepare a Summary of Quotations containing the name of each supplier, the general specifications and the total amount of each quotation. The Summary of Quotations shall be made available to the public.
- b) The designated person and/or appropriate Director shall check the quotations to ensure that all requirements and conditions have been met. If a quotation is rejected on the basis of a defect, the supplier shall be so advised.
- c) The lowest price may not necessarily be the best value for the Town. The designated person and/or appropriate Director shall consider price, delivery and availability, economic benefit to the local economy, compatibility with other Town goods, warranties, product specifications and supplier's experience and repair facilities in making the selection.
- d) The designated person and/or appropriate Director shall make every reasonable effort to purchase from local suppliers when the conditions in Section 4.5(c) are comparable.

- e) Where all other factors under Section 4.5(c) are comparable and the comparable bidders are located within Town boundaries, the lowest price will be awarded the tender.
- f) The Director of the department purchasing the budgeted goods or services shall in consultation with the Chief Administrative Officer/Treasurer approve the awarding of all Quotations. The Director of the department purchasing the budgeted goods or services shall advise Council of the outcome of the procurement process

POLICIES FOR PROCURING GOODS AND SERVICES VALUED AT \$20,000 OR MORE

a) General Provisions

- 1) All goods and services required with a value of \$20,000 or more shall be procured through a public tendering process, unless a specific exemption is granted by Council.
- 2) The purpose of tendering is to ensure the purchase of acceptable quality goods or services at a competitive price and to ensure that all interested parties are given equal opportunity to submit estimates.

b) Tender Documents

- 1) The designated person shall prepare and distribute all necessary tender documents, including:
 - a) Specifications of the work to be performed or the goods acquired. If alternative goods or services are acceptable such shall be stated in the specifications.
 - b) Any pertinent plans or drawings.
 - c) Agreement to bond if the estimated cost of project warrants. The Director of the appropriate Department shall in consultation with the Chief Administrative Officer/Treasurer consider inclusion of an Agreement to Bond for all projects in excess of \$50,000.00.
 - d) A copy of the Tender Form, in accordance with subsection 5)b)2).
- 2) Tenders submitted on other than the Tender Form supplied by the Corporation shall not be accepted. The Tender Form shall provide the bidder sufficient space to complete a minimum of the following information:
 1. Name, address and phone number of bidder.
 2. Specifications of goods or work to be performed.
 3. Date of completion/delivery.
 4. Price and terms of payment.
 5. Disposition of Taxes.
 6. Warranty terms and conditions.
 7. Signature of the bidder.
 8. Acknowledgment of receipt of addendums.

c) Tender Advertisement

- 1) All tenders shall be advertised to the public. The appropriate Director shall determine the geographical scope of the advertising, and as a minimum, all tenders shall be advertised locally in printed media in the most cost effective and cost efficient means.
- 2) The closing date for the tender shall be no sooner than three weeks following publication in the local media unless the urgency of the requirement dictates otherwise and approval by resolution of Council has been obtained.

- 3) Each advertisement for tender shall typically contain the following information:
 1. Location where tender documents may be obtained.
 2. Amount of non-refundable fee for the documents if applicable.
 3. Date and Time of tender closing.
 4. Date and Time of tender opening.
 5. General specifications of the goods or work to be performed.
 6. Name and phone number of contact person.
 7. Each tender advertisement shall contain the following statements:

“Tenders on the prescribed Tender Form and sealed in an envelope clearly marked as such will be received by the Clerk at the Town Hall - Smiths Falls, Office of the Clerk, 77 Beckwith Street North, P.O. Box 695, Smiths Falls, Ontario K7A 4T7”.

and

“The lowest or any tender will not necessarily be accepted”

d) Tender Requirements

Record of Tender Documents Distributed

- 1) The designated person responsible for the tender shall keep a list of all persons taking out tender documents. Such list shall contain the prospective bidder's name, address, and telephone number, and shall be made available to the public.

General

- 2) The Tender Form, supplied by the municipality must be fully completed and in the possession of the Clerk on or before the Tender Closing date and time. Tenders received after the closing time shall not be considered but shall be returned unopened to the bidder.
- 3) The Tender Form must be signed by a duly authorized official of the bidding organization.
- 4) The tender must be legible, written in ink or typewritten and all items on the Tender Form must be included in the bid upon unless otherwise specified. Erasures, overwriting or strike-outs must be initialized by the official signing on behalf of the organization.
- 5) Alternative proposals shall not be considered unless requested in the tender documents.
- 6) Any correspondence by mail or telephone, pertaining to adjustments or corrections to a Tender already submitted, shall not be considered. A bidder wishing to make adjustments to a tender must first withdraw the original tender in accordance with section 5d)11) and resubmit the alternative bid on the prescribed Tender Form and in accordance with the provisions contained herein prior to the closing.

Financial Requirements

- 7) Tenders shall be accompanied by a tender deposit, in the form of a certified cheque or other security acceptable to the Corporation, in an amount no less than 10% of the tender price and made payable to the Corporation of the Town of Smiths Falls. Tender deposit cheques or other security shall not be cashed or deposited unless the successful bidder fails to enter into a formal contract with the Corporation or fails to supply the goods tendered within a specified period of time. The security of the successful bidder shall be forfeit to the Corporation if the bidder fails to meet the above requirements. The security of all unsuccessful bidders, except the security of the second most appropriate bidder, shall be returned promptly after a tender has been accepted. The second most appropriate bidder's security and the successful bidder's security shall be returned no later than the date on execution of the contract or delivery of the goods or services.

- 8) If the estimated cost of the project warrants, tenders shall also be accompanied by an Agreement to Bond. If an Agreement to Bond is required, the successful bidder shall be required to submit a Performance Bond issued by an approved Bonding company for 100% of the amount of the tender prior to the execution of a contract by the Corporation.

Revisions

- 9) All revisions, deletions, substitutions and additions to the tendering material shall be prepared in writing by the designated person and a copy sent to each individual or company that acquired tender documents. If it is deemed necessary to extend the closing date, an advertisement setting out the new closing date shall be inserted in the publications originally used, and a copy of the extension information shall be mailed to each person or company that obtained tender documents. A copy of each addendum shall also be stapled to each set of tender documents not yet distributed. Bidders who have submitted tenders prior to the release of an Addendum shall be given the opportunity to withdraw and resubmit their tenders in accordance with section 5d)11).

Cancellation

- 10) When in the opinion of the Corporation it is advisable to cancel a tender call, an advertisement shall be inserted in the same publications originally used stating that the tender has been cancelled, the reason for such cancellation and whether or not the tender will be recalled. Each person who obtained tender documents shall be mailed written notice of the cancellation of the contract and all tenders received shall be returned unopened to the bidder.

Withdrawal of Tender

- 11) Any person who has submitted a bid on a tender may request that their tender be withdrawn. A withdrawal request shall be made in writing to the Clerk and the withdrawal shall be permitted if the request is made prior to the closing time. Withdrawn tenders shall be returned unopened to the bidder. The withdrawal of a tender shall not disqualify a bidder from submitting another tender on the same contract. Withdrawal requests received after the tender has closed shall not be permitted. The bidder shall be informed, during or after the opening, that the withdrawal request was received subsequent to the closing time.

Receipt of Tenders

- 12) Tenders on the prescribed Tender Form, sealed and clearly marked as such shall be returned to The Town of Smiths Falls, Office of the Clerk, 77 Beckwith Street, North, P.O. Box 695, Smiths Falls, Ontario K7A 4T6. Regardless of the time received, the tender shall be timed and date stamped on the exterior of the unopened envelope. Tenders received on or before the date and time for closing of the tender shall become the property of the Corporation and shall be kept in safekeeping by the Clerk. Tenders received subsequent to the date and time for closing of the tender shall be returned unopened to the bidder.
- 13) The number of bids received and the names of bidders shall not be divulged prior to the Tender opening.

e) Tender Opening

- 1) The Corporation shall endeavour to open all tenders promptly after the date and time of closing. Tender openings shall be open to the public and shall be attended by the Clerk, the person responsible for the tender, the Director of the department undertaking the project, and two members of Council. Should the above attendees be unavailable, a date and time for the opening shall be established as soon as all required witnesses are available, and all bidders shall be advised.
- 2) The Clerk shall open all submitted tenders, and the envelope, Form of Tender and agreement to bond for each individual tender shall be clipped together. The Clerk shall announce the name of the bidder, the general specifications, the total amount of each bid and the total number of bids received. All persons present at the Tender Opening shall be advised that the tenders will be referred to the Director of the department undertaking the project and the Director will make a recommendation to Council.
- 3) The designated person and/or the Director of the department undertaking the project shall check the tenders to ensure that all tender requirements and conditions have been met. If an improper tender or a defect in the tender is discovered and if it is deemed necessary to reject the tender by reason of the improper or defective tender, the bidder shall be advised in writing that the tender has been rejected and reasons for same.

- 4) The Clerk shall promptly file all certified cheques or other security with the Treasurer for safekeeping and prepare a Summary of Tenders containing the name of each bidder, the general specifications and the total amount of each bid. The Summary of Tenders shall be made available to the public.

f) Acceptance of Tender

- 1.1 The Director of the department undertaking the purchase shall accept a tender without a resolution of Council only if the following provisions occur:
 - a) The value of the product or service being acquired is less than \$150,000.00
 - b) The submitted tender is within budget
 - c) There are no decisions to be made regarding local suppliers
 - d) The Director has consulted with the Chief Administrative Officer/Treasurer.The Director shall then advise Council of the outcome of the procurement process.
- 1.2 The Council of the Town of Smiths Falls will make the final decision on the awarding of the Tender when the provisions outlined in 5(f) 1.1 do not occur. The appropriate Director shall in consultation with the Chief Administrative Officer/Treasurer make a recommendation to Council and the acceptance of a tender shall be in the form of a resolution or by-law passed at a meeting of Council.
- 2 The lowest price may not necessarily be the best value for the Town. The designated person and/or appropriate Director and Chief Administrative Officer/Treasurer shall consider price, delivery and availability, economic benefit to the local economy, compatibility with other Town goods, warranties, product specifications and supplier's experience and repair facilities in making the recommendation to Council.
- 3 The designated person and/or Director shall make every reasonable effort to recommend local suppliers when the conditions of Section 5)f)2) are comparable.
- 4 Where all other factors under Section 5f)2) are comparable and the comparable bidders are located within Town boundaries, the lowest price will be awarded the tender.
- 5 The successful bidder shall be advised of Council's acceptance by the Clerk and, where appropriate, the contract documents shall be supplied for execution. Where contract documents are required or when the goods or services are to be delivered in the near future, the bidder shall be advised that documents must be signed or goods received or services performed by a specific date. Failure by the successful bidder to comply with the above shall be grounds to permit the Corporation to accept the second most appropriate tender or cancel the contract and the bidder's security deposit shall be forfeit to the Corporation.
- 6 All unsuccessful bidders save and except the second most appropriate candidate, shall be notified as to the name of the successful bidder and the deposit cheques or securities shall be returned with such notice. The deposit cheque or security of the top two candidates shall be return no later than the date of execution of the contract documents or delivery of the goods.

6. POLICIES FOR PROCUREMENT OF PROFESSIONAL SERVICES

- 1) The procurement of professional services shall be at the discretion of Council.
- 2) Professional Services may be procured for the following reasons:
 1. On-going pre-defined services. (eg banking, auditing, insurance)
 2. On-going non pre-defined services. (eg legal, engineering, planners, HR Specialists, property appraisers, land surveyors)
 3. One-time services. (eg consultants for specific projects)
- 3) On-going pre-defined services shall be procured for three year periods under section 3 or 4, depending on the dollar value of the service. Council retains the right to extend the three year period should they be satisfied with the price and quality of work.
- 4) On-going non pre-defined services shall be procured at the discretion of the Director based on the area of expertise and reputation of the various practitioners.
- 5) One time services shall be procured at the discretion of Council based on the area of expertise and reputation of the various practitioners.

**CORPORATION OF THE TOWN OF SMITHS FALLS
BY-LAW NO. 7850-2004**

(Replacing Resolution 90-12-468, 90-12-470 as amended by 91-07-211, and 92-11-403)

AS AMENDED BY 7943-2006, 8063-2007

A By-Law to Establish Procurement Policies for the Town of Smiths Falls

WHEREAS pursuant to Section 271 of the Municipal Act, 2001 a municipality or local board must 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 procedure 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 the 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; and

WHEREAS the Council of the Corporation of the Town of Smiths Falls has deemed it expedient to establish terms and conditions for the procurement of goods and services;

NOW THEREFORE the Council of the Corporation of the Town of Smiths Falls enacts follows:

1. THAT the attached document, "Policies Respecting the Procurement of Goods and Services", be hereby adopted as the Corporations official procurement policies.
2. THAT the attached document, "Policies Respecting the Procurement of Goods and Services", be read with and form part of this By-law.
3. THAT Resolutions No. 90-12-468, 90-12-470 as amended by 91-07-211, and 92-11-403 and any other By-law or Policy inconsistent with the provisions of this By-law is hereby repealed.
4. THAT this By-law will come into force and take effect on the passing thereof.
5. THAT this By-law may be referred to as the "Purchasing By-law".

Read a first and second time this 20th day of September, 2004

Read a third time and passed this 4th day of October, 2004

ORIGINAL SIGNED

Mayor

ORIGINAL SIGNED

Clerk

CORPORATION OF THE TOWN OF SMITHS FALLS

BY-LAW NO. 7943-2006

A By-law to Amend By-law No. 7850-2004 being a By-Law to Establish Procurement Policies for the Town of Smiths Falls

WHEREAS pursuant to Section 271 of the Municipal Act, 2001 a municipality or local board must adopt policies with respect to its procurement of goods and services, including policies with respect to:

- j) the types of procurement processes that shall be used;
- k) the goals to be achieved by using each type of procurement process;
- l) the circumstances under which each type of procurement procedure shall be used;
- m) the circumstances under which a tendering process is not required;
- n) the circumstances under which in-house bids will be encouraged as part of the tendering process;
- o) how the integrity of each procurement process will be maintained;
- p) 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;
- q) how and when the procurement processes will be reviewed to evaluate their effectiveness; and
- r) any other prescribed matter; and

WHEREAS the Council of the Corporation of the Town of Smiths Falls has deemed it appropriate to amend the purchasing policy;

NOW THEREFORE the Council of the Corporation of the Town of Smiths Falls enacts follows:

1. THAT Section 4.5(f) be amended to read:

“The Director of the Department purchasing the budgeted goods or services shall advise Council of the outcome of the procurement process.”

2. THAT this By-law will come into force and take effect on the passing thereof.

Read a first and second time this 16th day of January, 2006.

Read a third time and passed this 16th day of January, 2006.

ORIGINAL SIGNED

Mayor

ORIGINAL SIGNED

Clerk

CORPORATION OF THE TOWN OF SMITHS FALLS

BY-LAW NO. 8063-2007

A By-law to Amend By-law No. 7850-2004 being a By-Law to Establish Procurement Policies for the Town of Smiths Falls

WHEREAS pursuant to the Municipal Act, as amended a municipality or local board must adopt policies with respect to its procurement of goods and services, including policies with respect to:

- s) the types of procurement processes that shall be used;
- t) the goals to be achieved by using each type of procurement process;
- u) the circumstances under which each type of procurement procedure shall be used;
- v) the circumstances under which a tendering process is not required;
- w) the circumstances under which in-house bids will be encouraged as part of the tendering process;
- x) how the integrity of each procurement process will be maintained;
- y) 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;
- z) how and when the procurement processes will be reviewed to evaluate their effectiveness; and
- aa) any other prescribed matter; and

WHEREAS the Council of the Corporation of the Town of Smiths Falls has deemed it appropriate to amend the purchasing policy;

NOW THEREFORE the Council of the Corporation of the Town of Smiths Falls enacts follows:

1. THAT Section 5)f 1 and 2 be amended to read:
 - 7 *The Director of the department undertaking the purchase shall accept a tender without a resolution of Council only if the following provisions occur:*
 - 7.1 *The value of the product or service being acquired is less than \$150,000.00*
 - 7.2 *The submitted tender is within budget*
 - 7.3 *There are no decisions to be made regarding local suppliers**The Director shall then advise Council of the outcome of the procurement process.*
 - 2) *The Council of the Town of Smiths Falls will make the final decision on the awarding of the Tender when the provisions outlined in 5(f) 1 do not occur. The appropriate Director shall make a recommendation to Council and the acceptance of a tender shall be in the form of a resolution or by-law passed at a meeting of Council.*
3. THAT this By-law will come into force and take effect on the passing thereof.

Read a first and second time this 4th day of June, 2007

Read a third time and passed this 4th day of June, 2007

ORIGINAL SIGNED

Mayor
ORIGINAL SIGNED

Clerk

CORPORATION OF THE TOWN OF SMITHS FALLS
BY-LAW NO. 8083-2007

*A By-law to Amend By-law No. 7850-2004 being a By-Law to Establish
Procurement Policies for the Town of Smiths Falls*

WHEREAS pursuant to the Municipal Act, as amended a municipality or local board must adopt policies with respect to its procurement of goods and services, including policies with respect to:

- bb) the types of procurement processes that shall be used;
- cc) the goals to be achieved by using each type of procurement process;
- dd) the circumstances under which each type of procurement procedure shall be used;
- ee) the circumstances under which a tendering process is not required;
- ff) the circumstances under which in-house bids will be encouraged as part of the tendering process;
- gg) how the integrity of each procurement process will be maintained;
- hh) 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;
- ii) how and when the procurement processes will be reviewed to evaluate their effectiveness; and
- jj) any other prescribed matter; and

WHEREAS the Council of the Corporation of the Town of Smiths Falls has deemed it appropriate to amend the purchasing policy to reflect the current Organizational Structure and to amend the advertisement requirements;

NOW THEREFORE the Council of the Corporation of the Town of Smiths Falls enacts follows:

1. That Section 1 j) be added:
The day-to-day interpretation of the provisions of this By-law is hereby delegated to the Chief Administrative Officer/Treasurer.
2. That Section 1 k) be added:
Where a ruling of the Chief Administrative Officer/Treasurer differs from that of any person granted authority under this By-Law, with the exception of the Council, the Chief Administrative Officer/Treasurer will take precedence.
3. That Section 2 a) be deleted and replaced with the following:
a) "authorized personnel" shall mean the Chief Administrative Officer/Treasurer and Directors, or the person or persons given authority by the Chief Administrative Officer and/or Directors, to procure goods and services required for the operation of the Town.
4. That Section 2 b) be deleted and replaced with the following:
b) "designated person" shall mean the person or persons designated by the Chief Administrative Officer/Treasurer or Director to carry out the duties required under the "Request for Proposals" and/or "Tender" sections of this Policy. The designated person will not normally be the person or persons making the final decision on acceptance of the bids.
5. THAT Section 3. b) 4) be deleted and replaced with the following:
4) Where all other factors under Section 3b)2) are comparable and the comparable bidders are located within Town boundaries, the lowest price will be awarded the tender.
6. That Section 4.5(e) be deleted and replaced with the following:
e) Where all other factors under Section 4.5(c) are comparable and the comparable bidders are located within Town boundaries, the lowest price will be awarded the tender.

7. That Section 4.5 f) be deleted and replaced with the following:
 - f) The Director of the department purchasing the budgeted goods or services shall in consultation with the Chief Administrative Officer/Treasurer approve the awarding of all Quotations. The Director of the department purchasing the budgeted goods or services shall advise Council of the outcome of the procurement process.
8. That Section 5b)1)c) be deleted and replaced with the following:
 - c) Agreement to bond if the estimated cost of project warrants. The Director of the appropriate Department shall in consultation with the Chief Administrative Officer/Treasurer consider inclusion of an Agreement to Bond for all projects in excess of \$50,000.00.
9. THAT Section 5c) 1) be amended to reflect the following wording:
 - 1) All tenders shall be advertised to the public. The appropriate Director shall determine the geographical scope of the advertising, and as a minimum, all tenders shall be advertised locally in printed media in the most cost effective and cost efficient means.
10. That Section 5f)1) be renumbered 5f)1.1
11. That Section 5f)1.1.d) be added:
 - d) The Director has consulted with the Chief Administrative Officer/Treasurer.
12. That Section 5f)2) be renumbered 5f)1.2 and replaced with the following:
 - 1.2) The Council of the Town of Smiths Falls will make the final decision on the awarding of the Tender when the provisions outlined in 5(f) 1.1 do not occur. The appropriate Director shall in consultation with the Chief Administrative Officer/Treasurer make a recommendation to Council and the acceptance of a tender shall be in the form of a resolution or by-law passed at a meeting of Council.
13. That the following section be added as Section 5 f) 2):
 - 2) The lowest price may not necessarily be the best value for the Town. The designated person and/or appropriate Director and Chief Administrative Officer/Treasurer shall consider price, delivery and availability, economic benefit to the local economy, compatibility with other Town goods, warranties, product specifications and supplier's experience and repair facilities in making the recommendation to Council.
14. That Section 5f)4) be deleted and replaced with the following:
 - 4) Where all other factors under Section 5f)2) are comparable and the comparable bidders are located within Town boundaries, the lowest price will be awarded the tender.
15. THAT this By-law will come into force and take effect on the passing thereof.

Read a first and second time this 4th day of September, 2007

Read a third time and passed this 4th day of September, 2007

Mayor

Clerk