

**THE MUNICIPALITY OF SOUTHWEST MIDDLESEX
BYLAW NO. 2014/033**

**Being a By-law to Define the Purchasing Policies and Procedures
for the Municipality of Southwest Middlesex and to Repeal By-law No. 97/2004**

WHEREAS Section 271 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, requires a municipality to adopt policies with respect to the purchase of goods and services;

AND WHEREAS the Council of The Municipality of Southwest Middlesex has deemed it desirable to set out its policies with respect to its purchasing of goods and services in this By-law;

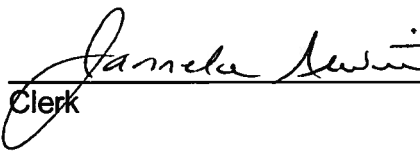
NOW THEREFORE BE IT ENACTED AS FOLLOWS:

1. That the Purchasing Policy as attached and approved by council on December 18, 2013 and subsequently amended on January 10, 2014.
2. If any Section or Sections of this By-law or parts thereof are found by an adjudicator of competent jurisdiction to be invalid or beyond the power of Council to enact, such Section or Sections or parts thereof shall be deemed to be severable and all other Sections or parts of the By-law shall be deemed to be separate and independent therefrom and shall continue in full force and effect unless and until similarly found invalid or beyond the power of Council to enact.
3. This by-law rescinds Southwest Middlesex By-law No. 97/2004.
4. That this By-law shall come into force and take effect on the final passing thereof.

Read a first and second time this 19th day of March, 2014.



Mayor

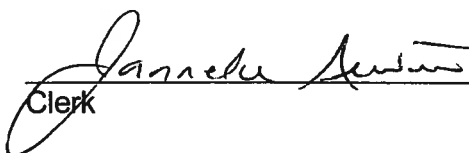


Clerk

Read a third time and finally adopted this 19th day of March, 2014.



Mayor



Clerk

SUBJECT: PURCHASING POLICY	SCOPE: ALL EMPLOYEES & COUNCILLORS
ISSUE DATE: December 18, 2013	REVISED: January 10, 2014

1. PURPOSE

- 1.01 To ensure that goods and services are purchased by the Municipality of Southwest Middlesex meet using processes that are open, transparent and fair.

2. LEGISLATIVE AUTHORITY

- 2.01 In order to meet the requirements of the Municipal Act, 2001, Part VI, Section 271, municipalities and local boards shall adopt a policy with respect to its purchasing of goods and services before January 1, 2005. The Municipality of Southwest Middlesex currently follows the Purchasing Policy as adopted by By-law 097/2004, which this policy will replace.
- 2.02 When procuring goods, services and facilities, the Municipality will comply with the requirements of the Ontario Human Rights Code, Ontarians with Disabilities Act, 2001, the Accessibility for Ontarians with Disabilities Act, 2005 and its associated standards enacted through regulation. The Municipality will integrate appropriate accessibility design, criteria and features into the purchasing process.
- 2.03 Where it is not practicable to incorporate accessibility design, criteria and features, the Municipality will prepare an explanation as to why accessibility is not included, and provide this explanation to the public, upon request.
- 2.04 In accordance with section 6 of Ontario Regulation 429/07 (Accessible Standards for Customer Service) and section 7 of Ontario Regulation 191/11 (Integrated Accessibility Standards Regulation), the Supplier is responsible to ensure that all of its employees and volunteers are adequately trained. The Municipality may request training logs from Suppliers.

3. DEFINITIONS

- 3.01 "BID" means an offer or submission received from a Supplier in Response to a request, which offer or submission may be subject to acceptance or rejection.
- 3.02 "BID REQUEST" means a formal request for Bids or a solicitation, which may be in the form of a Request for Quotation, Request for Tender or Request for Proposal.

- 3.03 “COMPETITIVE METHOD” means an Acquisition Method where vendors are given an equal opportunity to submit Bids in accordance with the Municipality’s policy and procedures.
- 3.04 “CONFLICT OF INTEREST” shall mean a direct or indirect pecuniary interest as defined in the *Municipal Conflict of Interest Act*, and shall apply to municipal staff as well as municipal council members.
- 3.05 “CONTRACT” means an agreement by way of a written agreement approved by the Council of the Municipality of Southwest Middlesex.
- 3.06 “COUNCIL” means the Council of the Municipality of Southwest Middlesex.
- 3.07 “DEPARTMENT HEAD” means the Manager of a department.
- 3.08 “DIRECT PURCHASE” is where goods and/or services are acquired directly from a services Supplier, retailer, wholesaler or by ordering through a catalogue or product guide.
- 3.09 “MUNICIPALITY” shall mean the Corporation of the Municipality of Southwest Middlesex.
- 3.10 “NEGOTIATED METHOD” means an Acquisition Method whereby the Municipality may confer with one or more vendors leading to an agreement on needed goods or services under the conditions outlined in this policy.
- 3.11 “PURCHASING METHOD” shall mean the process by which goods or services are purchased.
- 3.12 “REQUEST FOR PROPOSAL” means a request made either generally or to selected potential Suppliers for undefined goods or services including a request to propose solutions or methods to arrive at the desired result.
- 3.13 “REQUEST FOR QUOTATION” means a Competitive Method of purchase made either generally or to selected potential Suppliers for prices not anticipated to exceed a specified cost limit on specific goods and/or services whether made orally or in writing;
- 3.14 “REQUEST FOR TENDER” means a Competitive Method of purchase which may include Supplier or contractor pre-qualification for goods and/or services anticipated to exceed a specified cost limit.
- 3.15 “RESPONSE” includes:
- i. a quotation issued by a Supplier in response to a Request for Quotation;
 - ii. a tender submitted in response to an invitation to tender; and
 - iii. a proposal issued in response to a request for a proposal.
- 3.16 “SUPPLIER” means any individual or organization providing goods and/or services to the Municipality.
- 3.17 “TOTAL PROJECT COST” means the sum of all costs that would normally be paid to one vendor for goods or services required to meet a major objective over a period of time;

4. EXEMPTIONS

4.01 Goods and services not subject to this policy are:

(a) Training and Education including:

- i. Conferences
- ii. Courses
- iii. Conventions
- iv. Magazines
- v. Memberships
- vi. Periodicals
- vii. Seminars
- viii. Staff Development
- ix. Staff Workshops
- x. Staff Relations

(b) Refundable Employees Expenses including:

- i. Cash advances
- ii. Meal allowances
- iii. Travel expenses
- iv. Accommodation

(c) Employer's General Expenses including:

- i. Payroll deduction remittances
- ii. Medicals
- iii. Insurance premiums
- iv. Tax remittances

(d) Licenses, certificates and other approval required.

(e) Ongoing maintenance for existing computer hardware and software.

(f) The following Professional and Special Services:

- i. Additional non-recurring Accounting and Auditing Services
- ii. Legal Counsel
- iii. Banking Services where covered by agreements
- iv. Borrowing and investing of money
- v. Public Debenture Sales
- vi. Group Benefits
- vii. Realty Services regarding the Lease, Acquisition, Demolition, Sale of Land and Appraisal of Land
- viii. Project Management Services
- ix. All utilities including hydro, gas, basic telephone
- x. The hiring of Contract employees
- xi. Engineering for drainage and bridges

(g) Real Property acquisitions, including the leasing of property.

5. GENERAL

- 5.01 Unless otherwise accepted by resolution of Council, the policies herein apply to all purchasing by or in the name of the Municipality of Southwest Middlesex except as specified in clause #4 above.
- 5.02 The spending and purchasing authorization limits set forth herein shall apply to all purchasing by or on behalf of the Municipality of Southwest Middlesex, except in the case of an emergency, in which case the provisions of section 19 shall apply.
- 5.03 Where purchasing has been pre-authorized in accordance with this policy, Contracts may be signed by the Department Head responsible for the purchase on behalf of the Municipality of Southwest Middlesex.
- 5.04 Where purchase has been authorized by Council resolution, the Contract shall be signed by the Clerk and the Mayor.
- 5.05 This policy shall be read with all necessary changes of genders and changes of singular to plural which may be required in its context.
- 5.06 Unsolicited proposals received by the Municipality of Southwest Middlesex shall be rejected but may be retained on file for future reference.
- 5.07 Notwithstanding the provisions of this policy, the Municipality shall have the right to reject the lowest or any Bid in its absolute discretion.
- 5.08 Any question involving the meaning or application of this policy is to be submitted to the Administrator who will resolve the question.

6. PURCHASING PRINCIPLES:

- 6.01 The Municipality of Southwest Middlesex's purchasing principles are as follows.
 - a) That the general practice of obtaining competitive pricing shall be observed using competitive processes that are open, transparent and fair.
 - b) To consider the total costs of acquisition, repair, staff training, operation and disposal rather than only the lowest invoice price;
 - c) To consider the total project cost of an undertaking prior to determining the appropriate acquisition method;
 - d) To procure necessary goods and services with due regard to the preservation of the natural environment, to encourage vendors to supply goods made by a method resulting in the least damage to the environment and to encourage vendors to supply goods incorporating recycled materials where practicable;
 - e) To promote and maintain the integrity of the purchasing process and to protect Council, vendors and staff involved in the process by providing clear direction and accountability.

7. PURCHASING METHODS

7.01 PETTY CASH ITEMS

a) Purpose:

To permit the acquisition of small or incidental items in a timely and cost effective way without incurring undue administrative expenses or undermining the more formal purchasing requirements.

b) Limits:

A petty cash fund will be maintained by the Treasurer to meet the requirements of goods and services having a value of \$200 or less. Petty cash purchases shall be made from the competitive marketplace where practical. All petty cash disbursements shall be evidenced by receipts. The receipts will accompany the cheque requisition form used to replenish the fund as required.

7.02 DIRECT OR INFORMAL, LOW VALUE PURCHASE

a) Purpose:

To obtain competitive pricing for a one-time purchasing in an expeditious and cost effective manner through phone, fax, e-mail, other similar communication method, vendor advertisements or vendor catalogues; or
To allow for purchasing in an efficient and timely manner without seeking competitive pricing only if one or more of the following conditions apply:

- The required goods and services are available from only one source by reason of the scarcity of supply in the market or the existence of exclusive rights held by any Supplier or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes with the concurrence of Council.
- The goods and services are required as a result of an emergency which would not reasonably permit the use of a method other than Direct Purchase; or
- The required goods and/or services can only be supplied by one particular Supplier having special knowledge, skills, expertise or experience with the concurrence of Council.

b) Limits:

Goods, services and equipment with a value up to \$5,000.00 may be purchased by the Department Head provided the item is in the budget and sufficient funds remain, with the understanding competitive quotes will be obtained whenever possible.
Notwithstanding the procedure chosen, it shall demonstrate that fair market value was achieved.

7.03 REQUEST FOR QUOTATIONS

a) Purpose:

Bid solicitation is done primarily on an invitational basis from a predetermined bidders list but may be supplemented with public advertising of the bidding opportunity.

b) Limits:

Purchases with an estimate value not greater than \$10,000.00 shall be obtained using a competitive process. The requirements of the competitive process may be waived under authority of the Council of the Municipality of Southwest Middlesex. In this case, the competitive process will be replaced by the *Negotiated Method*. Should the *Negotiated Method* of purchase be employed, the Council of the Municipality of Southwest Middlesex must clearly state that this was the case and give the jurisdiction for the decision;

The Department Head shall obtain written quotes from Suppliers without formal advertising or receipt of sealed Bids. At least three (3) written quotes, where practical, shall be obtained from those vendors able to supply the goods or services in a responsible and responsive manner;

The supporting documentation will be submitted to and reviewed by the Department Head to ensure completeness and compliance with the prescribed policy and procedures and estimated budget as approved by Council.

c) Process:

Purchasing by Request for Quotation shall be initiated by the preparation of a Request for Quotation in writing containing the relevant specifications and terms and conditions for the purchase of goods and services.

A competitive process shall be undertaken whereby a minimum of 3 quotations are obtained, and generally speaking the lowest compliant quotation is awarded the Contract. Care must be taken as to how quotations are sought, bidder's lists are maintained and how competition is encouraged. Although a minimum of 3 quotations are required, if possible, an open process will be more competitive, and is encouraged.

Municipal staff will take no action to allow any potential Supplier an unfair advantage.

A summary of the quotations received shall be prepared and all quotations shall be reviewed for compliance with the Request for Quotation.

The Municipality reserves the right to accept or reject any or all quotations.

7.04 REQUEST FOR TENDERS

a) Purpose:

To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive Bids based on precisely defined requirements for which a clear or single solution exists and where all the following criteria apply:

- i. Two or more sources are considered capable of supplying the requirements;
- ii. The requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria;
- iii. The market conditions are such that tenders can be submitted on a common pricing basis; and
- iv. It is intended to accept the lowest priced compliant Bid without negotiations.

b) Limits:

The acquisition of all goods and/or services having an estimated value greater than \$10,000.00 shall be obtained using a Request for Tender or Request for Proposal process and may require vendor pre-qualification. The requirements of the competitive process may be waived under the authority of the Council of the Municipality of Southwest Middlesex. In this case, the competitive process will be replaced by the Negotiated Method. Should the Negotiated Method of purchase be employed, the Council of the Municipality of Southwest Middlesex must clearly state that this was the case and give the justification for the decision;

c) Process:

Purchasing by calling Requests for Tenders shall be initiated by the preparation of a tender document containing the relevant specifications and terms and conditions for the purchase of goods and/or services

The Tender/Proposal documents submitted to the Municipality must be addressed and sealed.

The issuing department shall be responsible for arranging for the public opening of tenders at the time and date specified in the tender document. Tenders shall be opened and summarized by a committee comprised of the Department Head or designate and one other staff member;

A written report with recommendations will be forwarded to the Council for approval; The Municipality reserves the right to reject any or all Bids, to waive irregularities, informalities therein, and to award the Contract in the best interest of the Municipality in its sole discretion.

A summary of the tenders received shall be prepared and reviewed for compliance.

The Municipality reserves the right to accept or reject any or all tenders.

7.05 REQUEST FOR PROPOSALS

a) Purpose:

To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution, with the intention to select the proposal that earns the highest score and meets the requirements specified in the competition based on qualitative, technical and pricing considerations.

To be used where one or more of the criteria for issuing a Request for Tender cannot be

met, such as:

- i. Owing to the nature of the requirements, Suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the Supplier is based on the effectiveness of the proposed solution rather than on price alone; or
- ii. It is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement.
- iii. In general, the Request for Proposals process encourages different solutions from vendors and actively searches for better and more creative ideas for the supply of goods and services. It provides a process whereby the negotiation and award is based on demonstrated competence, qualifications and the technical merits of the Proposal at a fair price.

b) Limits:

The provisions Request for Tenders in section 7.04 b) above apply.

c) Process:

A Request for Information or Request for Expression of Interest may be issued in advance of Request for Proposals to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified potential Suppliers.

Where the requirement is not straightforward or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number or any combination thereof a procedure may be used that would include a pre-qualification phase.

The Department Head involved in issuing the RFP shall prepare an evaluation summary of the purchase, as well as recommendation for award of a Contract, if any, to the Supplier meeting all mandatory requirements and providing best value as stipulated in the Request for Proposal. The report shall be forwarded to Council for approval.

Reporting shall not include summaries of proposals as this information will remain confidential. Any disclosure of information shall be made by the designated staff in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990.

The Municipality of Southwest Middlesex reserves the right to accept or reject any proposals.

All proposals are subject to a formal Contract being negotiated.

7.06 STANDING SUPPLIER

a) Purpose:

A standing Supplier arrangement may be used where:

- i. the same goods and/or services will be required on a repetitive basis over a period of time and the actual demand is not known in advance, or

- ii. a need is anticipated for a range of goods and services for a specific purpose such as office supplies or snowplowing services, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.

Selection of a standing Supplier or Suppliers shall be made in accordance with provisions contained in this Policy.

More than one standing Supplier may be selected where it is in the best interests of the Municipality and the purchase documentation allows for more than one.

Existing standing Supplier arrangements shall be utilized unless the proposed purchase is related to an emergency in accordance with section 19.

In the purchase documentation for a standing Supplier arrangement, the expected quantity of the specified goods and/or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.

b) **Limits:**

The use of a standing Supplier shall be subject to approval of Council.

8. PURCHASING DOCUMENTATION

8.01 Purchasing documentation shall avoid use of specific products or brand names.

8.02 Notwithstanding section 8.01 a specific product or brand name may be specified to ensure consistency or functionality with existing equipment or installations, to avoid unacceptable risk or for some other documented valid purpose.

8.03 Preparation of the specifications shall generally be the responsibility of the department initiating the purchasing process. The use of standards in purchase documentation that have been certified, evaluated, qualified, registered or verified by independent nationally recognized organizations shall be preferred.

9. ELIGIBLE SUPPLIERS

9.01 Exclusion of Suppliers in litigation

The Municipality of Southwest Middlesex may, in its absolute discretion, reject a quotation, tender or proposal if the potential Supplier, or any officer or director of the potential Supplier is or has been engaged, either directly or indirectly through another corporation, in a legal action against the Municipality of Southwest Middlesex, its elected or appointed officers and employees in relation to:

- any other Contract or services; or
- any matter arising from the Municipality of Southwest Middlesex's exercise of its powers, duties or functions.

In determining whether or not to reject a quotation, tender or proposal under this clause, the Municipality of Southwest Middlesex will consider whether the litigation is likely to affect the potential Supplier's ability to work with the Municipality, its consultants and

representatives and whether the Municipality's experience with the potential Supplier indicates that the Municipality is likely to incur increased staff and legal costs in the administration of the Contract if it is awarded to the potential Supplier.

9.02 Exclusion of Supplier due to poor performance

All Department Heads shall document evidence and keep records where the performance of a Supplier has been unsatisfactory in terms of failure to meet Contract specifications, terms and conditions or for Health and Safety violations. Council may prohibit an unsatisfactory Supplier from participating in future Contracts for a period of up to three years.

10. IN HOUSE BIDS

10.01 Due to the small size and limited staff resources of the Municipality, in-house Bids will not be encouraged as part of a tendering process, unless the call for tenders relates to services currently being provided by municipal staff.

11. NOTICE PROCEDURES

11.01 The following notice procedures shall apply to all purchasing through quotation, tender and proposal processes.

11.02 Where only selected potential Suppliers will be eligible to participate in a purchasing process, notice of the purchase process shall be given by way of notice to the selected Suppliers by fax; courier, e-mail or such other method as may ensure notification and integrity of the process.

11.03 Where a purchasing process will be open to all who wish to participate, notice may be given by one or more of the following methods:

- a) by publication of a notice in a trade journal or other publication likely to be read by the group of potential Suppliers; and/or
- b) publication of an advertisement in a daily or weekly newspaper that, in the opinion of the Clerk, has such circulation within the Municipality as to provide reasonable notice to potentially interested parties; and/or
- c) publication on the Municipality of Southwest Middlesex website.

12. SUBMISSION & EVALUATION OF QUOTATIONS, TENDERS AND PROPOSALS

12.01 Tenders shall be accepted in paper form up to the time and date specified by the tender call.

12.02 Tenders received later than the specified closing time shall not be accepted.

12.03 A tender requiring a Bid deposit shall be void if such security is not included with the tenderer's Bid.

12.04 All tenderers may be requested to supply a list of all subcontractors to be employed on a project. Any changes to the list of subcontractors or addition thereto must be approved by the Department Head responsible for the project.

12.05 In addition to price, consideration may be given to the following in determining the lowest responsible bidder:

- a) The ability of, capability and skill of the bidder to provide the goods or services requested;
- b) The ability of the bidder to perform the Contract or provide the services promptly or at the time specified without delay or inference;
- c) The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- d) The quality and performance of previous Contracts, goods or services;
- e) The sufficiency of the financial resources and ability of the bidder to perform the Contract or provide the goods or services;
- f) The quality, availability and adaptability of the goods or contractual services to the particular use required;
- g) The ability of the bidder to provide future maintenance and services for the items required; and
- h) The number and scope of conditions attached to the Bid.

13. LOCAL PREFERENCE

13.01 In accordance with the Discriminatory Business Practices Act, R.S.O., 1990, Chapter D. 12, there will be no local preferences for purchases. All else being equal, preference will be given to purchase goods and/or services firstly from the Municipality of Southwest Middlesex based businesses subject to price, quality and service considerations, secondly from businesses located in the County of Middlesex, thirdly from Ontario owned businesses, and fourthly from Canadian owned businesses.

14. RESPONSES RECEIVED

14.01 Where the Responses received in a purchasing process exceed budget are not responsive to the requirement, or do not represent fair value, a revised solicitation may be issued in an effort to obtain an acceptable Response unless section 14.02 applies.

14.02 Council may determine that the changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the Bid solicitation. In that circumstance, Council may waive the need for a revised Bid solicitation and grant permission for the applicable Department Head and the Administrator jointly to enter into negotiations with the lowest responsive bidder, or the highest responsive bidder for a revenue-driven Bid selection emanating from a Bid solicitation.

- 14.03 Negotiations undertaken under section 14.01 b) shall be undertaken in a manner to ensure that all ethical public purchasing practices are followed.
- 14.04 The Municipality has the right to cease negotiations and reject any offer at any time.
- 14.05 If two equal Responses are received, the Municipality of Southwest Middlesex will offer an opportunity for Suppliers to re-submit. Should a tie persist the equal bidders shall draw straws.
- 14.06 In the event that only one Response is received in a purchasing process, the Department Heads may:
- a) Return the unopened Bid to the bidder when, in the opinion of the Department Head, using criteria based on the number of Bids which might reasonably be expected on a given type of bid, additional Bids could be secured, in which case the bidder shall be informed that the Municipality of Southwest Middlesex may be recalling the tender at a later date; or
 - b) Cause the Bid to be opened and evaluated in accordance with the Municipality's usual procedures and, following evaluation, if the Bid is found not to be acceptable, the procedures set out in section 14.01 may be followed.

15. GUARANTEES OF CONTRACT EXECUTION AND PERFORMANCE

- 15.01 Quote, tender and proposal Bids shall be accompanied by a Bid Deposit.
- 15.02 Prior to issuing a request for quote, tender or proposal, the Department Head shall determine the amount, if any, of Bid deposit required.
- 15.03 In addition to the Bid Deposit referred to in Subsection 15.01, the successful bidder may be required to provide:
- a) a Performance Bond to guarantee the faithful performance of the Contract,
 - b) a Labour & Material Payment Bond to guarantee the payment for labour and materials to be supplied in connection with the Contract and/or,
 - c) an irrevocable letter of credit.
- or such other performance security that may be determined by the Municipality to be suitable.
- 15.04 The Department Head shall select the appropriate means to guarantee execution and performance of the Contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks.
- 15.05 Prior to commencement of work and where deemed appropriate, evidence of Insurance Coverage satisfactory to the Department Head must be obtained, ensuring indemnification of the Municipality and any municipality on whose property the work may be carried out.

15.06 Prior to payments to Suppliers, Certificates of Clearance from the Workplace Safety and Insurance Board shall be obtained ensuring all premiums or levies have been paid to the Board to date.

15.07 In addition to all other holdbacks, a maintenance holdback may be specified by the Department Head in the quote, tender or proposal documents.

16. CONTRACT AMENDMENTS AND REVISIONS

16.01 No amendment or revision to a Contract shall be made unless the amendment is in the best interest of the Municipality of Southwest Middlesex.

16.02 No amendment that changes the price of a Contract shall be agreed to without a corresponding change in requirement or scope of work.

16.03 Amendments to Contracts are subject to the identification of sufficient funds within the Council approved budget, including authorized budget amendments for the project or the services that are the subject of the proposed contract amendment.

16.05 Approved amendments to a Contract must be accompanied by proper written documentation.

16.04 Where expenditures for the proposed amendment combined with the price of the original Contract exceeds the Council approved budget for the project, a report prepared by the Department Head shall be submitted to Council detailing the proposed amendment, and proposing the source of financing.

16.05 Where a Contract contains an option for renewal, such option may be recommended to Council provided that all of the following apply:

- a) the Supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the Contract;
- a) the Department Head is of the opinion that the exercise of the option is in the best interest of the Municipality.
- b) funds are available in appropriate accounts within Council approved budget including authorized revisions to meet the proposed expenditure.

17. CO-OPERATIVE PURCHASING

17.01 The Municipality of Southwest Middlesex may participate with other governments or public authorities in co-operative purchasing where it is in the best interests of the Municipality Southwest Middlesex to do so.

17.02 The policies of the government or public authorities calling the co-operative tenders are to be the accepted policy for that particular tender.

18. CUSTODY OF DOCUMENTS

- 18.01 The original purchasing and Contract documentation for the purchase of goods and services shall be provided to the Clerks Department for record management purposes.

19. EMERGENCY PURCHASES

- 19.01 Where a situation arises requiring the immediate purchase of goods or services essential to prevent serious delays in the work of any Department or which might involve danger to life, health or safety of employees, or the public, or to prevent damage to property, a Department Head may purchase the required goods or services notwithstanding any other provision of this policy. As soon after the purchase as reasonably possible, the Department Head shall advise the Administrator/Clerk and provide a written report to Council.

20. DISPOSAL OF SURPLUS OR OBSOLETE ASSETS

- 20.01 Disposal of surplus assets of under \$2,000.00 in value is the responsibility of the Treasurer. The Treasurer may delegate responsibility for disposal of certain assets, if it is beneficial to the Municipality to do so;
- 20.02 Disposal of surplus assets of over \$2,000.00 in value shall be approved by Council prior to disposal;
- 20.03 Where any goods, equipment or inventory stocks are surplus, obsolete or not repairable, they shall be declared surplus by the disposing department. All departments shall notify the Treasurer when items become obsolete or surplus to their requirements. The Treasurer shall have the authority to transfer surplus assets to other departments. When no other use can be found, they will be added to the surplus list for disposal. The using department will be credited with the net proceeds from the sale of their surplus assets. If, in the opinion of the Department Head or Council, a higher return can be achieved by trade-in or, in the case of inventory items, by sale to the original vendor or similar vendor, he/she shall have the authority to sell such goods at the highest price. If it is determined that the goods have no residual value, the Municipality may dispose of them in an environmentally acceptable manner;
- 20.04 Sale of surplus assets shall be made to the highest responsive bidder. This may be by sealed Bid or by offering the goods at public auction. It is the responsibility of the Treasurer to maintain a list of the various auctions and to determine which auction provides the most cost effective and efficient means of disposal of the assets. The sale shall be made in accordance with the provisions of this policy where applicable. No surplus asset will be sold directly to a municipal employee unless an internal sale is authorized by Council. This does not prohibit any municipal employee from purchasing surplus assets being sold through public auction.
- 20.05 The revenue from the sale of obsolete material shall be credited to the appropriate departmental account.

21. CONFLICTS OF INTEREST AND VENDOR GIFTS:

- 21.01 In some situations, personal or business activities and interests may conflict with those of Southwest Middlesex. In order to prevent such disruption to Southwest Middlesex's best interests, elected and appointed public officials and staff may not engage in any activity that creates a Conflict of Interest.
- 21.02 Conflict of interest includes but is not limited to any obligation, interest, distraction or participation that would interfere with Council or staff's independent exercise of judgment and efforts in Southwest Middlesex's best interests.
- 21.03 No requisition, voucher, petty cash fund or any other order, written or verbal, shall be issued for personal goods and/or services for employees of the Municipality, any member of Council, or the public.
- 21.04 No purchase of goods or services shall be made from any employee of the Municipality, or from any company in which an employee of the Municipality has an interest. Employees shall be required to declare a conflict of interest, if applicable, when a Contract for goods and services is awarded to a relative of said employee and that employee shall not be placed in a position to supervise or approve the execution of that Contract.
- 21.05 No employee or elected official shall purchase surplus assets except by bidding on the same at public auction, by sealed Bid or by an internal method of sale as authorized by Council;
- 21.06 It is the responsibility of each individual to identify and report any possible or actual Conflict of Interest, regardless of whether or not the individual benefits from a possible or actual conflict.

22. ADMINISTRATION

- 22.01 The municipal auditor shall review and report not less than once in each term of Council upon the effectiveness of the purchasing policy.

~ ~ ~