

THE CORPORATION OF THE CITY OF NORTH BAY

BY-LAW NO. 99-84

A BY-LAW TO PROVIDE FOR PURCHASING PROCEDURES
AND TO DEFINE THE PURCHASING DEPARTMENT.

WHEREAS it is deemed advisable to provide for purchasing procedures;

AND WHEREAS it is deemed advisable to define the administration of a Purchasing Department.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF NORTH BAY HEREBY ENACTS AS FOLLOWS:

PART I - DEFINITIONS

1. In this by-law;
 - (a) "City" means The Corporation of the City of North Bay.
 - (b) "Chief Administrative Officer" means the Chief Administrative Officer of the City.
 - (c) "Consultant" means any person exercising a profession including architects, professional engineers, accountants, lawyers, doctors, managements consultants, appraisers and Ontario Land Surveyors.
 - (d) "Council" means the Municipal Council of the City.
 - (e) "Department Head" means any City employee so designated by by-law.
 - (f) "Director of Planning and Works" means the Director of Planning and Works for the City.
 - (g) "Engineer" means the City Engineer of the City.
 - (h) "City Solicitor" means the Solicitor of the City.
 - (i) "City Treasurer" means the Treasurer of the City.
 - (j) "Goods" includes all supplies, materials, services, publications, and every other commodity or service purchased or engaged by the City, excluding services of the City employees for which salaries are paid.
 - (k) "Purchasing Agent" means the Purchasing Agent for the City.
 - (l) "Purchase Orders" means the forms approved by the Chief Administrative Officer from time to time as the Purchase Orders.

- (m) "Rapid Purchase Order" means the form approved by the Chief Administrative Officer from time to time as a rapid purchase order for goods costing less than \$200.00.

PART 2 - PURCHASING AGENT

2. Council may appoint a Purchasing Agent from time to time by by-law who shall be responsible to the Treasurer for the purchase, storage and distribution of goods required by the City.
3. The Purchasing Agent shall:
- (a) establish and maintain a central purchasing department;
 - (b) administer the storage of goods and inventory control;
 - (c) maintain an accounting system for the storage of goods;
 - (d) estimate, coordinate, purchase and distribute goods required by the City in consultation with Department Heads subject to the terms hereof;
 - (e) issue all City tender calls, including all supporting documents as approved by Department Heads except construction contract, which may be issued by the Department Head with the approval of the Chief Administrative Officer;
 - (f) receive all City tenders;
 - (g) dispose of all redundant City goods, upon the recommendation of Department Heads, in a manner approved by the Chief Administrative Officer;
 - (h) assess the ability of and maintain good relations with suppliers of goods;
 - (i) encourage the supply of goods with Canadian content.

PART 3 - PURCHASE ORDERS

4. (a) The Purchasing Agent and, in his absence, the Treasurer or Deputy Treasurer, shall sign all Purchase Orders, except Rapid Purchase Orders, subject to such prior approvals as are required herein.
- (b) All purchase of goods or services shall be on a competitive basis consistent with quality, service and delivery.

4. (c) The Purchasing Agent shall purchase goods to replenish stocks for current needs subject to the dollar limit approvals provided herein.

Rapid
Purchase
Orders

(d) Where the cost of goods does not exceed \$200.00 and where such goods may be acquired within 5 days, a Department Head and his authorized delegates, upon 2 signatures, may purchase such goods by issuing a Rapid Purchase Order to a list of suppliers approved by the Purchasing Agent.

(e) The Purchasing Agent is authorized to purchase goods with a value of less than \$3,500.00 from such suppliers and upon such terms and conditions as are in the best interests of economy, efficiency and effectiveness.

Purchase
Orders Up
to \$7,500.

(f) Upon the prior written approval of the Chief Administrative Officer, the Purchasing Agent is authorized to purchase:

(i) transit and fire truck replacement parts with a value of less than \$10,000.00; and

(ii) all other goods with a value of less than \$7,500.00 from such supplier and upon such terms and conditions as are approved by the Chief Administrative Officer.

More
than
\$7,500.

(g) Where the value of goods is estimated to exceed \$7,500.00 the Purchasing Agent shall request tenders to be submitted to the Council according to the Tender Regulations set out in Part 4.

(h) Subject to the terms of this by-law as to dollar limits, a by-law to authorize capital work is authority to purchase any goods required for the capital work.

Petty
Cash

(i) Where the value of goods does not exceed \$15.00 and where a Department Head has approved the purchase of such goods, no Purchase Order is required.

5. (a) Where the cost for services by consultants is estimated to be less than \$5,000.00, the Consultant may be retained, on terms submitted by the Department Head, by Purchase Order approved by the Chief Administrative Officer.

(b) Where the cost of consultant or professional services may exceed \$5,000.00, Council approval by resolution is required.

6. When goods or services cannot be clearly specified and would result in specific offers by bidders, a Request for Proposals may be made upon the approval of the Chief Administrative Officer is estimated to be under \$7,500.00 in cost or upon approval by Council Resolution if over \$7,500.00 in cost.

7. Where an emergency occurs which, in the opinion of the Chief Administrative Officer or designate, requires immediate repair or replacement of equipment or facilities to maintain a required public service or to prevent danger to persons or property within the City, the Purchasing Agent may issue or confirm a purchase order upon the request of the user Department Head and the Department Head shall report and justify such Purchase Order according to the dollar limit approvals required herein, within 14 days.

8. The Chief Administrative Officer is authorized to enter into agreement for the purchase of land, and to pay a deposit therefore of up to \$1,000.00 provided that any such agreement is conditional upon approval by the Council.

PART 4 - PAYMENT

9. (a) The Treasurer shall pay for all goods or services:

(i) covered by Purchase Order signed by the Purchasing Agent and endorsed as received by an authorized employee

(ii) covered by Rapid Purchase Order signed by 2 authorized employees and endorsed as received, where

9. (a) (iii) the invoice terms agree with the Purchase Order, or
(iv) where the invoice varies from the Purchase Order by less than 10% with the approval of the Purchasing Agent.

Utilities

- (b) The Treasurer may pay without a Purchase Order, proper invoices for the supply or relocation of utilities including gas, telephone, electricity or railways and for government fees.
- (c) The Treasurer is authorized to pay for work or goods supplied under a contract authorized by by-law upon receipt of a progress certificate to certify the value of the work completed and signed by a Department Head or his authorized designate directly responsible for the work, provided that the final payment upon substantial completion shall require approval by Council resolution.
- (d) Where a professional engineer or architect is retained to supervise the work, the progress certificate signed by the Department Head shall include the certificate of the professional engineer or architect.
- (e) Payment under this by-law is subject to the notice and lien requirements of the Construction Lien Act for labour or materials supplied to land.

PART 5 - TENDER REGULATIONS

Advertisement

10. Requests for tenders shall be published on at least two occasions in a newspaper with a general circulation in the City of North Bay and capital projects shall also be advertised at least once in a construction trade journal.

Instructions to Bidders

11. (a) Every person requesting tender material shall provide his name, address and telephone number for a public list to be kept by the Purchasing Agent.

11. (b) Every tender shall:

- (i) be on the Form of Tender supplied by the City;
- (ii) be in the Tender Envelope supplied by the City;
- (iii) be delivered to the Office of the Purchasing Agent prior to the time fixed to no longer accept tenders;
- (iv) be legibly printed in ink or typed;
- (v) include a bid for all stipulated items;
- (vi) not include any amendments, qualification or qualifying correspondence;
- (vii) be signed by the individual or bear the corporate seal and signature of duly authorized officers of a corporation;
- (viii) include all documents required by the Form of Tender and instructions to bidders;
- (ix) not include any erasure, overwriting or strikeout unless it is legible and initialled.

(c) Any bid which is received after the time tenders close shall be returned unopened by the Purchasing Agent.

12. (a) In this section,

- (i) "tender deposit" means money to enforce execution of a Form of Agreement, in the form of cash, certified cheque, money order or irrevocable letter of credit in the form issued by the City.
- (ii) "designated goods" means Building Materials; Calcium; Culvert Pipe; Equipment Replacement Parts; Gasoline and Diesel Fuel; Lumber, Office Supplies and Furniture; Oils and Greases, Road Salt; Sewer Supplies, Street Name Signs; Waterworks Supplies, Water Treatment Chemicals; Traffic Lights; Signs and Paint.
- (iii) "bid bond" means an agreement by a licensed bonding or surety company to enforce execution of an agreement by a tenderer in the form issued or approved by the City.

(b) No tender deposit shall be required where the estimated value of the goods is less than Ten Thousand Dollars.

(\$10,000.00)

Form
of
Tender

Deposits

12. (c) Subject to subsection (d) and except for designated goods, a tender deposit of 5% of the tender shall be submitted with the Form of Tender where the estimated value of the goods exceeds \$10,000.00.
- (d) Where the estimated value of goods exceeds \$500,000.00:
- (i) a bid bond in the amount of 15% of the tender amount may be provided in lieu of the tender deposit;
 - (ii) the tender deposit may be an amount stipulated by the Department Head.
- (e) Every tender deposit except that of the recommended tender, the second low qualified tender and any tender lower than the recommended tender shall be returned by the City Clerk upon his receipt of the recommendation to accept the tender and every tender deposit except that for the tender accepted by Council shall be returned by the City Clerk upon such acceptance.
- (f) Where a performance bond is required, the Tender Deposit shall be returned to the person awarded the contract after receipt of all bonds and certificates and after the contract is adopted by by-law.
- (g) Where a performance bond is not required, the tender deposit shall be returned to the person awarded the contract upon completion of the work or after the value of any holdback exceeds the value of the tender deposit.
- (h) Where a performance bond is not required and where the completion is estimated by the Department Head to exceed 60 days after the close of tenders, the City Treasurer shall cash the deposit and hold the funds in trust for the benefit of the tenderer until completion of the contract. The Treasurer shall determine the rate of interest to be paid on deposit funds held in trust by the City according to the current Bank account savings rate received by the City from time to time.

Deposits

- (i) If the person recommended to be awarded a tender contract fails to execute the specified Form of Agreement after reasonable notice to do so by the City Clerk, the tender deposit shall be cashed and retained by the City.

Security 13. (a) In this section "contract security" means a fund available to enforce completion of the contract or payment of labour and material suppliers, in the form of cash, certified cheque, money order, irrevocable letter of credit in the form issued by the City or performance bond issued by a licensed bonding or surety company.

- (b) Contract security equal to 100% of the amount of the tender shall be provided prior to execution of the Form of Agreement by the City Clerk where the estimated value of the tender exceeds \$100,000.00.

Addenda 14. Where necessary to amend tender specifications, an addendum shall be prepared by the Department Head, attached to the Form of Tender and delivered by personal delivery, registered mail or courier to every person listed as requesting tender material.

15. (a) Notice of any extension of a closing date for receiving tenders shall be given by:

- (i) telephone and by registered mail to each person listed as receiving tender material, and

- (ii) publication at least once in the local newspaper.

(b) If any extension is for more than 2 weeks, all tenders shall be returned unopened.

(c) If any extension is for 2 weeks or less, the Purchasing Agent shall advise those persons who have submitted tenders that their tender will be returned upon request.

16. (a) Where a tender call is cancelled, notice shall be given:

- (i) by publication in each newspaper in which the original advertisement appeared; and

- (ii) by registered mail and by telephone to each person listed as receiving tender material.

16. (b) No tender shall be accepted where a tender is cancelled and all tenders received shall be returned unopened by hand or by registered mail.

17. (a) Each tender envelope shall be time and date stamped upon receipt and deposited unopened in a Tender Box.

(b) The names of persons submitting tenders shall not be disclosed prior to opening of the tender.

(c) The Purchasing Agent shall determine the time tenders close by reference to a wall clock in the City Hall and his determination shall be final.

18. (a) Subject to subsection (f) no person may withdraw a tender after the closing time for a tender.

(b) Any withdrawal of a tender cannot be revoked.

(c) Prior to closing time, a tender may be withdrawn by notice to the Purchasing Agent in writing or in person only, subject to telephone confirmation thereof by the Purchasing Agent, if required.

(d) Notice of withdrawal shall be placed in the Tender Box.

(e) Tenders duly withdrawn prior to closing time shall be returned unopened.

(f) Where several tenders are to be opened at the same time, a low bidder on a contract may withdraw any remaining tenders by giving notice in writing to the presiding Chairman prior to the opening of any further tenders.

(g) Only the name of the person submitting a tender duly withdrawn after opening shall be published upon tender opening.

(h) If more than one tender is received from a person, only the tender most recently received shall be considered and any other tender shall be deemed to be withdrawn.

(i) If two tenders are received in the same tender envelope, the lower bid shall be deemed the intended bid and any other bid shall be deemed withdrawn.

19. (a) Tenders shall be opened within 3 hours of the closing time.

Receipt
of
Tenders

With-
drawal
of
Tender

Opening
of
Tender

19. (b) Tender openings shall be in public and at least 7 days before a regular Council meeting.
 - (c) Two City Officials, including a member of Council shall open tenders and consider the contents of the tender box in the following order:
 - (i) Notices of Withdrawal;
 - (ii) Forms of Tender in Tender Envelopes;
 - (iii) Unidentified Tender Envelope;
 - (iv) Additional correspondence to tender material.
 - (d) After all tenders are accounted for, the Purchasing Agent shall announce the number of tenders received, the name of each tenderer and its total bid and list the same on a Record of Tenders, including the deposit cheque amount.
 - (e) The names of any duly withdrawn tenders shall be announced and added to the list of Record of Tenders.
 - (f) The Record of Tenders shall be signed by the City Officials.
 - (g) The contents of tenders shall not be otherwise published prior to award of a contract by Council.
20. (a) Any tender in which:
- (i) all tender requirements are not met;
 - (ii) all unit prices are not correctly extended;
 - (iii) any extension of prices is not added correctly;
 - (iv) any additional correspondence or qualification is added
- shall be deemed to be "Improper Bids" for reference by the Purchasing Agent or Department Head to Council.
- (b) Every tender shall be checked for compliance with this by-law, tender specifications and instructions to bidders and initialled by the checker.
 - (c) Any incorrect extension or addition in a tender shall be crossed out, initialled and the correct figure inserted by the checker.

Checking
Tenders

20. (d) Subject to subsections (e) and (f) any Improper Bid shall be reported upon by the Purchasing Agent or Department Head as to whether the intention of the bidder is clear.
- (e) Tenders shall not be considered if:
- (i) delivered after closing time;
 - (ii) the Form of Tender is not used;
 - (iii) the Tender Envelope is not used;
 - (iv) the Tender is not printed in ink or type;
 - (v) the Tender is incomplete;
 - (vi) the Tender is not signed;
 - (vii) any erasure, overwriting or strikeout is not legible and not initialled.
- (f) Tenders may be accepted if:
- (i) decimal, arithmetic or extension errors do not confuse the intention of the bidder;
 - (ii) a tender deposit is within 15% of the required amount, so long as the balance is submitted prior to the next regular Council meeting.
- (g) No qualification, explanation or other correspondence shall be considered in the recommendation to award a contract.
- (h) The Purchasing Agent shall report to the Chief Administrative Officer on all tenders including any recommendation of a Department Head except construction contracts recommended by the Director of Planning and Works.
21. If two or more bids are in the same amount and if no recommendation is made, a draw shall be held at a regular meeting of the Council.
22. (a) No work shall commence on a contract prior to receipt by the City Clerk, and approval by the City Solicitor, of all certificates of insurance, workers compensation and contract security required by the tender and the Form of Agreement duly executed by the recommended contractor.

Disqualified
Tenders

Tie
Bids

22. (b) No payment shall be due under any contract prior to approval of the contract by by-law.

Contract Execution

23. (a) The City shall deliver in person or mail any formal agreement form to the person awarded the contract for execution and return to the City Clerk within 10 working days of delivery or the date of mailing.

(b) If the person awarded a contract fails to execute the contract or fails to provide any certificate or other documentation required by the contract within 10 working days, the Chief Administrative Officer may

(i) allow an extension of time of 10 more working days; or

(ii) recommend to Council cancellation of the contract, retention of the deposit and an award to the next highest bidder.

24. Notwithstanding any provision of this by-law, the lowest or any tender need not necessarily be accepted by the City.

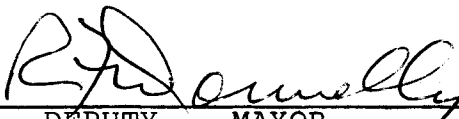
Repeal 25. By-law No. 174-79 as amended by By-laws 88-82 and 15-83 is hereby repealed.

26. This by-law may be referred to as the "Purchasing By-law".

READ A FIRST TIME IN OPEN COUNCIL THE 7TH DAY OF AUGUST , 1984.

READ A SECOND TIME IN OPEN COUNCIL THE 20TH DAY OF AUGUST , 1984.

READ A THIRD TIME IN OPEN COUNCIL AND ENACTED AND PASSED THIS 20TH DAY OF AUGUST , 1984.


DEPUTY MAYOR


CITY CLERK