

**THE CORPORATION OF THE
TOWN OF WASAGA BEACH**

BY-LAW NO. 2010-30

**A BY-LAW TO ESTABLISH A PURCHASING POLICY
FOR THE PROCUREMENT OF GOODS AND SERVICES
FOR THE TOWN OF WASAGA BEACH**

WHEREAS Section 5 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, requires that a municipality's capacity, rights, powers and privileges, shall be exercised by by-law; and

WHEREAS Section 270(1) of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, requires a municipality to adopt policies with respect to the procurement of goods and services;

AND WHEREAS the Council of the Corporation of the Town of Wasaga Beach deems it desirable to set out its policies with respect to its purchasing of goods and services in this by-law;

NOW THEREFORE, the Council of the Corporation of the Town of Wasaga Beach HEREBY ENACTS as follows:

1. THAT Council hereby adopts the "Purchasing Policy" attached hereto and marked as Schedule "A" and forming part of this By-Law.
2. THAT Council hereby adopts the "Purchasing Procedures" attached hereto and marked as Schedule "B" and forming part of this By-Law.
3. THAT Council hereby adopts the "Statement by Bidder Form" attached hereto and marked as Schedule "C" and forming part of this By-Law.
4. THAT By-Law No. 2004-96 of the Corporation of the Town of Wasaga Beach and any other by-law relating to the procurement of goods and services inconsistent with this by-law, is hereby repealed.
5. THAT this By-Law shall come into force and take effect on the date of its final passing.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 13 DAY OF APRIL, 2010.

Cal Patterson, Mayor

Twyla Nicholson, Clerk

Schedule “A”

PURCHASING POLICY

1. Purpose

1.1 Legislative Authority

The Municipal Act, 2001, Part VI, Section 271, as amended, states that a Municipality shall 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 process 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 a 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 process will be reviewed to evaluate their effectiveness, and
- i) Any other prescribed matter. 2001, c25, s.271 (1).

2. Purpose of Purchasing Policy

- 2.1 The purpose of this Policy is to set out guidelines for the Municipality to ensure that all purchases of materials, supplies and services made in keeping with the principles of paying lowest price for goods or services of the highest quality required.
- 2.2 To provide for an open, transparent and accountable purchasing process that is fair and impartial.
- 2.3 To promote and maintain the integrity of the Purchasing Process and protect Council, vendors and staff involved in the process by providing clear direction and accountabilities.

3. Purchasing Policy

3.1 Definitions

For the purpose of this Policy:

“Approved Budget” means a budget approved by the Council of the Corporation of the Town of Wasaga Beach, for the current fiscal year.

“Authority” means the legal right to conduct the tasks outlined in this Policy as directed by Council.

“Blanket Order” shall mean the agreement wherein a vendor will sell certain items to in Town for an agreed period of time with established terms and conditions.

“Bid” shall mean a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the Town.

“Chief Administrative Officer” or “CAO” shall mean the Chief Administrative Officer for the municipality or designate in his or her absence.

“Committee” shall mean a Committee as designated by the Council of the Corporation of the Town of Wasaga Beach.

“Council” shall mean the Municipal Council of the Corporation of the Town of Wasaga Beach.

“Contract” means a written binding agreement between the Town and the party providing the goods and services at a specified price.

“Department” means any department within the Town, including any board for which the Municipality provides purchasing services.

“Department Head” means the senior manager of a Department within the Town of Wasaga Beach.

“Deposits” shall mean a financial guarantee to ensure the successful bidder will enter into an agreement.

“Emergency” means a situation where immediate purchase of goods and services is essential to prevent serious delays, further damage, or to restore minimum services.

“Firms” means the company, group, business or individuals conducting business and supplying goods and services.

“Formal Bid” shall mean a sealed bid submission.

“Formal Quotation” shall mean a document that sets out particular requirement for good and/or services.

“Generic” shall mean that no specific brand or name shall be included as part of the specifications unless such a brand or name is required to identify the intent of a purchase, order or proposal.

“Goods and Services” means supplies, services, work, equipment, property, construction, etc., which the Town is intending to obtain, including consultants.

“Informal Quotation” shall mean a competitive bid process for goods or services that is conveyed and received from bidders in a written format by e-mail, mail or fax.

“Invoice Approval Stamp” shall mean a stamp prescribed by the Treasury Department to ensure required approvals are applied to an invoice.

“Local Supplier” means a licensed business operating within the boundaries of the Town of Wasaga Beach.

“Personal Purchase” means a purchase of goods and services, the requirement for which is not for the Town or any of its purposes, but is personal to the person requesting the purchase.

“Professional and Consulting Services” means a person or firm, who by virtue of particular expertise is hired by the Town to undertake a specific task or assignment that may include designing specifications and preparing plans or programs.

“Proponent” means a person or firm that responds to a request through Quotation, RFP or Tender.

“Purchases” means an acquisition of goods or services for which the Town will undertake to pay, regardless of the cost being funded or subsidized by other levels of government.

“Purchase Order” means a written contract, on a form provided by the Town to purchase goods and services.

“Purchase Submission” means a response to a purchase request through Quotation, RFP or Tender.

“Reserve Bid Amount” means an amount or value so established by the respective Department Head and the CAO.

“Quotation” means a written offer received from a supplier to sell or buy goods and services in response to a direct request.

“Sealed Bids” are bids submitted in a sealed envelope to a specified location, by a specified date and time.

“Services” shall mean items such as telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical and related services, insurance, leases for grounds, buildings, office or other space required by the Corporation and the rental, repair or maintenance of equipment, machinery, or other personal and real property.

“Supplies” shall mean goods, wares, merchandise, material and equipment.

“Tender” means a document which sets out particular specifications for the commodity or service required. This can also refer to an offer in writing to execute some specified work or to provide some specified articles at a specified rate.

“Total Acquisition Cost” means the cost which results in the complete cost of ownership, operation or purchase or lease to the Town. This cost is arrived conditions and warranties, including taxes and discounts.

“Town” means the Corporation of the Town of Wasaga Beach.

“The Corporation of the Town of Wasaga Beach” herein is also referred to as the **“Town”** or the **“Corporation”**.

“Vendor” shall mean any person or enterprise supplying goods or services to the Corporation of the Town of Wasaga Beach.

3.2 General Provisions

- 3.2.1 No purchase of goods and services shall be authorized unless the item was approved in the current Operating and Capital Budget and is in compliance with the Purchasing Policy and Purchasing Procedures. Goods and services that are obtained without following the provisions of the aforementioned will not be accepted and any invoices received will not be processed for payment. To ensure the ongoing function of the Municipality, the CAO and Department Heads may purchase goods and services in the new fiscal year up to the amount specified in the previous year’s budget.
- 3.2.2 The Town Clerk has the authority to purchase goods, services and equipment considered necessary or advisable to carry out the requirements of the Municipal Elections Act, R.S.O. 1996. The Town Clerk shall be guided by the provisions of this By-Law and the Purchasing Policy and Purchasing Procedures.
- 3.2.3 All bids submitted must comply with government statutes and regulations, including, but not limited to those enforced by the Ministry of Transportation, Ministry of Labour and Ministry of Environment.

3.2.4 No appointed officer or employee of the Town of Wasaga Beach will have any interest directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods or services or in any portion of the profits thereof or on any supplies to be used herein, or in any of the monies to be derived therefrom, unless approved by resolution of Council prior to the officer or employee tendering the quoting.

If a Department Head has a direct or indirect interest and is responsible for the quote or tender, the process shall be undertaken by a designate as appointed by the CAO.

3.2.5 In-house bids may be considered for services not provided by unionized staff.

3.2.6 Disputes, received in writing, shall be resolved as follows:

- (i) Meeting between the bidder and Department Head responsible.
- (ii) If (i) does not lead to a resolution, the decision can be appealed to the CAO.
- (iii) If (ii) does not lead to a resolution, the decision can be appealed to the respective Standing Committee of Council and such decision rendered by the Committee shall be deemed final.

3.2.7 This Purchasing Policy will be reviewed and revised on a periodic basis. It is anticipated that reviews will be conducted every five years or more frequently if required.

4. Purchasing Responsibilities

4.1 Expenditure Authorization

4.1.1 The Council of the Corporation of the Town of Wasaga Beach has ultimate authority for all expenditures. Council delegates this authority through the approval of the Operating and Capital Budget or by specific resolution. Treasury cannot pay for an item that has not been authorized by Council through budget appropriation or specific resolution. This Purchasing Policy provides guidelines outlining how spending authority is to be used.

4.1.2 Council Standing Committees shall have the authority to approve expenditures in excess of \$25,000 up to a maximum of \$200,000, subject to adhering to the provisions of this policy. Standing Committees must report all purchase actions to Council.

4.1.3 Council shall approve all expenditures in excess of \$200,000, unless the purchase relates to a defined emergency situation under this policy.

4.2 CAO and Department Head Authorization & Responsibilities

- 4.2.1 The CAO and Department Heads shall be responsible for approval of all accounts within the approved budget for their respective Departments or any amendments to same as approved by Council. Unspecified capital expenditures in the annual estimates require prior Council Approval by resolution.
- 4.2.2 Staff reports recommending budget amendments, capital expenditures or special appropriations shall contain purpose of expenditures, cost estimates or expenditure limitation, and the fund in which an appropriation has been provided. All staff reports recommending such resolutions shall contain the Department Head's endorsement.
- 4.2.3 A Department Head may appoint subordinates to exercise responsibilities under this Policy within the limits specified.
- 4.2.4 The CAO shall be authorized to make purchases up to an amount of \$25,000.00 in accordance with the provisions of this policy.
- 4.2.5 Department Heads shall be authorized to make purchases of goods and services up to an amount of \$10,000.00 in accordance with the provisions of this policy.
- 4.2.6 Supervisors shall be authorized to make purchases of goods and services up to an amount of \$1,000.00.

4.3 Purchasing Designate

- 4.3.1 A Department Head may request the Treasurer to exercise any or all responsibilities assigned to the Department Head by this Policy.

4.4 Reports to Council Standing Committees

- 4.4.1 Reports to Council Standing Committees seeking direction are to be submitted when any of the following criteria apply.
- 4.4.2 Formal Quotation: The preferred bid exceeds the approved budget appropriation by 10% of the total project budget.
- 4.4.3 Purchasing actions with a value exceeding \$25,000.00.
- 4.4.4 Single Source purchasing actions with a value exceeding \$25,000.
- 4.4.5 Purchase actions where the minimum number of quotes was not received.

5. Purchasing Mechanisms

5.1 Informal Quotation Purchase

- 5.1.1 The CAO shall be authorized to make purchases of goods and services for estimated expenditures up to a value of \$25,000.00 from such a vendor and upon terms and conditions as the CAO deems appropriate subject to first obtaining at least three (3) written quotations whenever possible. Bid documents and specifications (as applicable) can be issued and received by email and/or fax transmission at the using department location.
- 5.1.2. The Department Heads shall be authorized to make purchases of goods and services for estimated expenditures up to a value of \$10,000.00 from such a vendor and upon terms and conditions as the Department Head deems appropriate subject to first obtaining at least three (3) written quotations whenever possible. Bid documents and specifications (as applicable) can be issued and received by email and/or fax transmission at the using department location.
- 5.1.3 Exclusions: Single item small capital projects or purchases including those of complex specifications or requirements must be issued in a formal bid document. (e.g. the purchase of a new vehicle)

5.2 Formal Quotation Purchases

- 5.2.1 The CAO and Department heads shall use the Formal Quotation method for purchases of goods and services exceeding \$25,000.00 and less than \$50,000.00, unless specifically authorized to do so by a resolution of Council for a particular transaction. At least three (3) bids must be obtained whenever possible.
- 5.2.2 The sealed tender method may also be used for purchases in the range specified above if deemed appropriate to the Department Head.
- 5.2.3 When the preferred Quotation exceeds the approved budget appropriation by 10% of the total project budget, the CAO or Department Head shall submit a report to the appropriate Standing Committee for direction.

5.3 Tender Purchases

- 5.3.1 The CAO. and Department Heads shall use the Sealed Tender method for the purchase of goods or services exceeding \$50,000.00 unless specifically authorized to do so by a resolution of Council for a particular transaction. At least (3) bids must be obtained whenever possible.

5.3.2 Notwithstanding the above, adherence to this Purchasing Policy is not required with respect to those items listed below, or to a transaction specifically authorized by resolution of Council to be exempt from this tendering policy.

5.3.2.1 Purchase for the supply and placement of road material throughout the Town of Wasaga Beach in excess of \$50,000.00, but not exceeding \$75,000.00, when clearly identified in the budget.

5.4 Requests for Proposals (RFP)

5.4.1 The CAO and Department Head may use a RFP in place of a tender or quotation when goods and services cannot be specifically stipulated or when alternative and creative methods are being sought to perform certain functions or services.

5.4.2 For estimated expenditures not exceeding \$50,000.00 the evaluation criteria and process shall be approved by the CAO and Department Head prior to the issuance of the Request for Proposal.

For expenditures exceeding \$50,000.00 the evaluation criteria and process shall be approved by the respective Standing Committee prior to the issuance of the Request for Proposals.

When the preferred proposal (i) exceeds the approved budget appropriation and/or (ii) exceeds \$50,000.00, a report shall be submitted to the respective Standing Committee for consideration.

5.4.3 For the purchase of professional services provided to the municipality on an on-going basis under the terms of an agreement, as determined from time to time by Council.

6. Purchase of Used Fleet Equipment

6.1 The Department Head/designate is authorized to purchase used fleet equipment that is sold by other municipalities by private sale or public auction; sold through a vendor licensed to sell used equipment; by sealed bid; or by negotiation providing that:

6.1.1 The equipment meets or exceeds the departmental equipment requirements.

6.1.2 It is documented that it is fiscally responsible to purchase a used piece of equipment rather than purchase new.

6.1.3 If the total expenditure per piece of equipment exceeds \$20,000.00, a report will be forwarded to the appropriate Standing Committee

detailing purchase information and expenses, for approval by Committee.

7. Emergency Purchases

- 7.1 The CAO shall be authorized to make emergency purchases in excess of \$25,000.00, with approval of Mayor.
- 7.2 The Department Head shall be authorized to make emergency purchases in excess of \$10,000.00 upon approval of the CAO. The Department Head shall present a report to its applicable Standing Committee at its next meeting.

8. Single Source Purchasing or Purchasing by Negotiation

- 8.1 The CAO and Department Head/designate may purchase a good or service within the prescribed spending limits by going to a single provider or by negotiation with one or more vendors under which a formal purchasing process may be waived under the following conditions:
 - 8.1.1 If, in the judgment of the CAO and Department Head, the good or service to be provided is in short supply or the service or good being purchased is a specialized good or service that is not readily available.
 - 8.1.2 When there is only one source of supply.
 - 8.1.3 When two or more identical bids have been received, the CAO or a Department Head/designate may negotiate with the two lowest bidders, keeping all the negotiations fair and ethical.
 - 8.1.4 When the lowest bid meeting specifications exceeds the estimated cost by at least 10% and it is not viable or in the best interest of the Town.

9. Exceptions to the Purchasing Policy

- 9.1 The CAO or a Department Head may request exemption from any or all purchasing methods outlined in this Policy. For purchases less than \$25,000, a report shall be submitted to the CAO requesting an exemption and stating the reasons for same. Such exemption may be granted in writing by the CAO. For purchases in excess of \$25,000, a report shall be submitted to the appropriate Standing Committee requesting an exemption. Such exemption may be granted by resolution of the Committee.
- 9.2 Purchases for consulting services for a program where services (i.e. engineering services such as bridge inspection/evaluation) have been awarded to a consulting firm on an on-going basis when clearly identified in the budget.

- 9.3 Council, by resolution, may exempt any purchasing action from the provisions of this policy.

10. Exclusions

- 10.1 Competitive bids shall be required for all goods or services unless otherwise provided for under this policy.

11. Advertising

- 11.1 The CAO or Department Head shall ensure that information regarding the Purchasing document shall be posted on the Town web site. All formal purchasing actions with a value in excess of \$25,000 shall be advertised in the local newspaper and/or applicable publications necessary to comply with all existing statutory regulations.

- 11.2 Purchasing Procedures may outline additional advertising opportunities and methods as determined by the CAO or Department Head.

12. Retention of Documentation

- 12.1 All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for goods and services exceeding \$5,000.00 shall be retained in the department for the entire budget year and five (5) years in record retention.

13. Purchasing Process Review

- 13.1 The CAO and Department Heads may randomly review departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence.

14. Purchasing Procedures

- 14.1 Purchasing procedures, as shown on Schedule “B” to this By-Law form part of this by-law and are to be used for information on purchasing goods and services in compliance with this Policy.

Schedule “B”

Purchasing Procedures

Purpose:

1. Purpose of Purchasing Procedures

- 1.1 To provide the CAO, Department Heads and purchasing designates with the uniform purchasing procedures for the purchase of goods and/or services that are consistent and in compliance with the Purchasing Policy.
- 1.2 To main the integrity and promote the effectiveness of the purchasing processes.
- 1.3 To protect the Municipality, its employees and the public when participating in the purchasing process.

2. Objective of Purchasing Procedures

- 2.1 To obtain quality goods and/or services, at the right price from qualified vendors.
- 2.2 To maximize the value of the dollars spent.
- 2.3 To maintain purchasing processes and controls that will ensure the integrity of the system.

3. Authority

- 3.1 Authority for the Town purchasing is governed by the Municipal Act and the Purchasing Policy By- Law. The Purchasing Procedures form part of the Purchasing Policy.

4. Implementation Procedures

4.1 Purchasing Mechanisms/Tools

- 4.1.1 The estimated expenditure value of the goods and/or service requirement will determine the purchasing mechanism to be used as per the following table.

Expenditures	Purchasing Mechanism/Tools
\$0.00 - \$5,000.00	Small Order Purchases – the Department head is authorized to make small order purchases from vendors providing the terms and conditions are acceptable to the Department Head.
\$5,000.00 - \$25,000.00	Informal Quotations – a request can be issued by fax, email, or mail and received from vendors in the same methods. All attempts must be made to obtain at least three (3) written submissions. Submissions to be submitted on any day and time as required by the department. NOTE: This does not apply if the purchases are for small capital projects and/or purchases and/or if the specification requirements are complicated. e.g. a vehicle
\$25,000.00 - \$50,000.00	Formal Quotations – Request for quotations are to be provided to proponents in written format and must close in a formal sealed process being: all submissions must close on a specified date and time, submissions to be submitted to the Department Head responsible for the quotation, or his/her designate, at the designated location. Submissions must have a label detailing the project, bidders name and address. All attempts must be made to obtain at least three (3) written quotations whenever possible.
\$50,000.00 +	Tender – Tender documents to be provided to proponents in written format and must close in a formal sealed process being: all tenders must close on a specified date and time, submissions to be submitted to the Department Head responsible for the tender, or his/her designate, at the designated location. Submissions must have a label detailing the project, bidders name and address. All attempts must be made to obtain at least three (3) written quotations whenever possible.
Varies	RFP (Request for Proposal) – this tool is to be used when the goods and/or service required cannot be specifically stipulated or when methodologies are sought to perform a certain function or service.

4.2 Quotations (formal/informal) and Tenders

4.2.1 The overall objective is to obtain the right goods and/or services at the right price by a qualified vendor. The request for quotation document shall include the following main requirements:

4.2.1.1 Instruction to Proponents: This includes all of the procedures for the process that includes but not limited to:

- Town Contact name and phone number for queries
- Addenda issuance procedures
- Closing date, location and time
- Town processes for acceptance, rejection, payment terms, delivery terms, etc.
- Requirements at time of closing (bid deposit)
- Terms and conditions as per Town of Wasaga Beach Purchasing Policy

4.2.2.1 Scope/Specification (as applicable)

- If the product/work requirement can be generally described for information purposes and does not require the proponent to indicate their compliance, the information can be stated in the purchasing document under Scope. (e.g. supply and delivery of paper)
- If the product/work requirement is specific in technological requirements, measurements, etc., that requires the proponent to comply with or state the actual, then specifications are required. (e.g. the purchase of a vehicle). Specifications must be specific enough to give all proponents sufficient information to provide a bid that will meet or exceed the requirement but general enough that it allows an equal opportunity to make a submission.

4.2.1.3 Form of Quotation/Form of Tender (as applicable)

- This provides the proponent with an adequate format to provide unit or lump sum prices matching to the description of the product requirement. Clearly indicate on the Form of Quotation/Form of Tender, if taxes are/are not applicable and if they are to be included or not included in the unit or lump sum price.
- The purchasing form shall also provide an area for the proponent's signature, company name, company address, telephone number, fax number and email address.

4.2.2 All prospective proponents shall be supplied with one copy of the official purchasing document, and a set of plans and/or specifications as applicable. A complete list of prospective proponents, including address,

phone and fax numbers is to be maintained to facilitate the distribution of potential written addenda.

- 4.2.3 A “Submission Label” will be included with all purchasing documents and shall include the purchasing document number, opening date, company name and address.
- 4.2.4 Closing times for sealed bids will be specified and shall be submitted to the Department Head responsible for the quotation of tender, or his/her designate, and the designated location.

4.3 Request for Proposal (RFP)

- 4.3.1 If goods or services cannot be specifically stipulated, an alternative method is required, or the suitability of the deliverable is dependent upon the knowledge and expertise of a bidder, then an RFP may be issued. This is inclusive of but not limited to architects, engineers, consulting services, etc.
- 4.3.2 An evaluation team should be organized consisting of those parties that have an interest or expertise in the project and its requirements.
- 4.3.3 The RFP should include the following but is not limited to:
 - 4.3.3.1 Introduction – some general statements regarding the purpose of the RFP, general background information, historical data, etc.
 - 4.3.3.2 Information to proponents: This includes all of the procedures for the process but is not limited to:
 - Town contact name and phone number for queries
 - Closing date, location and time
 - Addenda Issuance
 - Town processes for acceptance, rejection, payment terms, delivery terms, etc.
 - Requirements at time of closing, submission details (number of copies of the bid to be submitted)
 - 4.3.3.3 Scope of Work or Deliverable – outline the objectives, goals, deliverable requirement, etc.
- 4.3.4 Evaluation Criteria – will be provided to assist the proponent with outlining their submission. The actual weighted ratings do not need to be provided in the RFP document. The evaluation criteria cannot be changed after the proposals have been submitted.
- 4.3.5 All prospective proponents shall be supplied with one copy of the official RFP document, and a set of plans and/or specifications as applicable. A complete list of prospective proponents, including address, phone and fax

numbers is to be maintained to facilitate the distribution of potential written addenda.

4.3.6 A “Submission Label” will be included with all purchasing documents and shall include the purchasing document number, opening date, company name and address.

4.3.7 Closing times for the receipt of sealed proposals will be established and will be submitted to the Department Head responsible for the RFP, or its designate, and the designated location.

5. Opening of Purchasing Submissions

5.1 Purchasing submissions shall be opened as follows:

- a) Quotations - Formal or Informal: By the Department Head requesting the Quotation.
- b) Tenders: By the Department Head, Town Clerk or designate and Treasurer or designate at the time designated in the Tender document.
- c) Request for Proposals (RFP): By the Department Head and Treasurer or designate at the time designated in the RFP document.

5.2 Once opened, Quotations, Tenders and RFP’s submitted shall be reviewed for accuracy by the Treasurer or designate.

5.3 The person initiating the purchase action shall be required to prepare and submit a report to the appropriate approval authority for the purchase action given the amount proposed to be expended.

6. Reports to Council Standing Committees

6.1 Reports to Council Standing Committees seeking direction are to be submitted when any of the following criteria apply.

6.1.1 Formal Quotation: The preferred bid exceeds the approved budget appropriation by 10% of the total project budget.

6.1.2 Tender: Tender award recommendations with a value exceeding \$25,000.00.

6.1.3 Request for Proposal with a value exceeding \$25,000:

6.1.3.1 After the closing of the RFP, if the preferred proposal exceeds the approved budget by greater than 10%, a report must be submitted to the appropriate Council Standing Committee.

- 6.1.4 For purchases in excess of \$25,000 where the minimum number of purchasing submissions is not received in response to a purchasing action.

7. Advertising

- 7.1 The CAO or Department Head shall ensure that information regarding the purchasing document shall be posted on the Town web site. All formal purchasing actions with a value in excess of \$25,000 shall be advertised in the local newspaper and/or applicable publications necessary to comply with all existing statutory regulations.
- 7.2 Purchasing Procedures may outline additional advertising opportunities and methods as determined by the CAO or Department Head.

8. Procedures for Acceptance of Purchasing Submissions

- 8.1 **Informal Quotations** must abide by the following procedures.
 - 8.1.1 The closing date and time is at the discretion of the CAO or Department Head issuing the purchasing requirement.
 - 8.1.2 All informal quotation submissions must be submitted by the time, date location and method specified in the bid document. No exceptions.
 - 8.1.3 Informal quotation submissions received by fax or email later than the time specified will not be considered in the bid award. All bid submissions shall have the date and time of receipt noted on the document.
- 8.2 **Formal Quotations, Requests for Proposal and Other Formal Requests for Information**, (pre-qualification of bidders, expression of interest, etc.) must abide by the following procedures:
 - 8.2.1 All formal purchasing submissions must be properly signed and sealed or witnessed and placed in a sealed envelope with the Submission Label affixed in the top left corner and submitted to the CAO or Department Head responsible/designate, at the designated location, on or before the specified closing time.
 - 8.2.2 All sealed bid submissions submitted shall have the date and time of receipt noted on the face of the envelope.
 - 8.2.3 Sealed bids submissions received later than the time specified will not be opened and will be returned by regular mail or picked up by the owner from the CAO or Department Head of the department issuing the bid document.

- 8.2.4 All sealed bid submissions will be opened at a time announced by the CAO or Department Head responsible/designate as soon after the closing as is practical at the predetermined location. Such bid submission openings shall be open to the public. The Clerk/designate, Department Head/designate, and one additional Town witnesses shall attend. The names of those in attendance shall be recorded.
- 8.2.5 Upon opening, only the bid prices will be provided unless otherwise noted in the bid document. The Town reserves the right to verify all bids submissions for requirements and extended prices after the public opening and may reject any non-compliant bid after the opening. No announcement concerning the successful bidder will be made at the bid submissions.
- 8.2.6 The CAO or initiating Department Head issuing the bid document is responsible for notifying the Treasury Department of the bid call and for supplying a copy the documentation and any addenda issued as made available to the public.

8.3 **Tender Purchasing Submissions** must abide by the following procedures:

- 8.3.1 All tender submissions must be done properly signed and sealed or witnessed and placed in an envelope with a Submission Label affixed in the top left corner and submitted to the CAO or Department Head responsible/designate to the location detailed in the bid document before closing as specified in the bid document.
- 8.3.2 All submitted tenders shall have the date and time of receipt noted on the face of the envelopes.
- 8.3.3 Tenders received later than the time specified will not be accepted, regardless of any postal seal date and such tenders will not be opened and will be returned by regular mail or picked up by the owner.
- 8.3.4 All tenders shall be submitted in one envelope with the Submission Label attached in the top left corner and shall contain all of the tender documents required at time of closing as stated in the tender document. The Submission Label must be completed in full by the bidder.
- 8.3.5. All tenders will be opened at a time announced by the CAO or Department Head responsible/designate, as soon after the closing as is practical, in a location that is pre-determined. Such tender openings shall be open to the public. The Clerk/designate, Department Head/designate and Treasurer/designate, shall attend such opening. The names of those in attendance shall be recorded.
- 8.3.6. Upon opening, if the envelope does not contain the appropriate documentation as required, the bid will be declared as informal. The CAO

or Department Head will review the tenders immediately after tender closing. If it is confirmed that the tender does not comply with the requirements at time of closing, the tender will be rejected. Written confirmation of the tenders rejected will be forwarded to the bidder by the CAO or Department Head responsible.

- 8.3.7. When the CAO or Department Head/designate checking tender submission compliance is satisfied that the tender submission contains the proper forms and information, the total price tender will be quoted publicly. All tender compliancy will again be reviewed by the CAO or Department Head. Financial particulars will be checked by the Treasury Department or designate.
- 8.3.8 No announcement concerning the successful tender will be made at the opening. A complete report and analysis shall be prepared by the CAO or appropriate Department Head or Consultant as the case may be, to be submitted to the appropriate approval authority. When such report is completed, all successful bidders will be advised of the outcome and recommendation.
- 8.3.9. Bidders shall carefully examine and study all of the tender documentation, drawings, examination as to all conditions affecting the contract as the detailed requirements to fulfill the contract.
- 8.3.10 The Corporation of the Town of Wasaga Beach reserves the right to reject any or all tenders and accept any tender considered best for its interest.
- 8.3.11 Any bidder will be permitted to withdraw her/his unopened tender submission after it has been deposited with the CAO or Department Head, provided such request for withdrawal is received in writing prior to the time appointed by the CAO or Department Head for the opening of such tenders.
- 8.3.12 More than one tender from any individual firm, partnership, corporation or association under the same or different names for the same item will not be considered. Collusion between bidders will be sufficient cause of rejection of all tenders so affected.
- 8.3.13 The bidder may submit alternative prices on any item for consideration. The Corporation shall be the sole judge in reviewing the alternative pricing and may engage in discussion with the bidder to confirm submissions.
- 8.3.14 Tenders which are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations or irregularities of any kind, may be rejected as informal. The bidder may, however, submit alternative prices on any item for consideration. The Corporation reserves the right to waive informalities at its discretion.

- 8.3.15 Tenders containing prices that are unbalanced and are likely to affect adversely the interest of the Corporation may be rejected. The Corporation shall be the sole judge of such matters.
- 8.3.16 Should a bidder find discrepancies in, or omissions from the tender documents, or should he/she be in doubt as to the meaning, he/she shall clarify them with the appropriate Department Head or designate, as the case may be, who may send an addendum to all bidders. No oral explanation or interpretation will be provided.
- 8.3.17 All tenders must be on the form supplied by the Town and be signed and sealed by the bidder. A tender submitted by the Corporation shall bear the Corporate Seal and the signature of a duly authorized officer or officers who may be required to present evidence of his/her or their authority to sign. Where a tender is joint venture, it shall comply individually with this direction.
- 8.3.18 Where sub-trades are to be used, a complete list showing sub-trade name, owners, phone numbers and addresses shall accompany the tender submission. The amount of indebtedness to the sub-trade for works to be performed shall be clearly shown on the list. Sub-trades may be changed by the main contractor but only on written approval by the appropriate Department Head or the Consultant for the Town.
- 8.3.19 The Contractor shall insert the firm's WSIB account number in the space provided on the Tender Form (as applicable). This number is required in order to verify the firm's standing with the Board at the time of the recommendation to award the contract.
- 8.3.20 Any contingency allowance to be included shall be stated by the Town and no bidder shall include any contingency allowance in any tender.
- 8.3.21 The estimate of quantities as shown in the tender document shall be used as a basis of calculation upon which the award of contract will be made. These quantities are not guaranteed to be accurate and are furnished without any liability on the part of the Corporation.
- 8.3.22. Whenever in a tender submission the tender amount for an item does not agree with the extension of the estimated quantity and the tender unit price, the unit price shall govern and the amount of the total tender price shall be corrected accordingly.
- 8.3.23 The unit price or lump sum price for all items in the Schedule of Quantities and Unit Prices shall be deemed to be full compensation for all works including all necessary labour, equipment and materials specified in the Special Provisions, standard specifications and supplemental specifications.

8.3.24 When tender deposits are a requirement of the tender document, they must be submitted in full compliance of the tender and in adherence with the following:

24.1 It is noted that the tender deposit cheque, money order or bid bond is a guarantee that the contractor or supplier will execute a contract agreement or supply the requested document. In the event that a bidder or contractor fails to execute a contract agreement or supply the requested documentation with the Town when requested to do so, the bidder shall be deemed to be in default and the Town will have full unencumbered right to cash any bid deposit cheque or money order or act upon a bid bond in its possession relating to the specific tender document for default of the bidder and the Town has full, unfettered rights to use the funds in its sole discretion and any bidder who has defaulted as herein shall have no claim whatsoever against the Town for such action taken by the Town.

24.2 All cheques, bonds, letters of credit or money orders shall be payable to The Corporation of the Town of Wasaga Beach. The Town of Wasaga Beach, within ten (10) days after the close of tenders shall return all tender deposits except the lowest tender and the next lowest tender unless some anomalies are found in the analysis of the two lowest tenders in which case the third lowest tender deposit will be retained. The tender deposits retained by the Town shall be released after the execution of the contract agreement and submission to the Corporation of all documents required for the contract. If the bidder refuses or neglects to execute the contract agreement or to submit the required documents as specified by the Town in its tender documents within three weeks after the date of contract award, the Corporation at its sole discretion, may cash the deposit and such deposit shall be subject to forfeiture.

24.3 Bidders shall note that no interest will be paid on any tender deposit.

24.4 Agreement to Bond shall be in a form established by the Town of Wasaga Beach if a format is provided in the tender document. If not, the format provided by the bonding company is sufficient.

8.3.25. After notification of award, the successful bidder will be responsible for adhering to the following as applicable to the tender document requirements:

25.1 The successful bidder shall be bound to execute the contract agreement and to file satisfactory bonds, insurance policies and WSIB clearance letter, as required herein, with the Corporation within three (3) weeks of the date of contract award and shall be maintained until contract completion.

25.2 Failure to execute the contract or to file satisfactory bond, insurance policies and WSIB clearance letter as required by the tender document within the specified time period shall be just cause for the cancellation of the contract award and the forfeiture of the tender deposit to the Corporation, not as a penalty, but in liquidation of damage sustained. The Corporation shall then have the right to award the contract to any other bidder or to reissue the tender document.

25.3 Upon award of the contract, and where required the Contractor must furnish to the Corporation, at his/her cost, a Performance Bond in the amount specified in the tender documents. Sub bond must be satisfactory to the Corporation.

25.4 The Performance Bond shall unconditionally guarantee that the work will be satisfactory completed or materials supplied or both within the terms of the contract up to the face value of the bond. In other words, the bonding company will be liable whenever the Contractor is liable. Without limiting the generality of the foregoing, such bond shall cover extensions to the contract, modifications thereof, and twelve month maintenance guarantee. The bonding company shall NOT replace a prime Contractor or Sub-Contractor without prior approval of the appropriate Department Head or Consultant of the Town.

25.5 Upon the award of contract, the Contractor must furnish to the Corporation, at his/her cost, a CERTIFIED copy of liability insurance policy as detailed in the bid document. All minimum coverage is detailed below:

- \$2 million – general liability policy automobile liability policies
- \$2 million – homeowners (e.g. for rental of facilities)
- \$5 million – general liability and automobile liability policies – for contract work done for most Public Works and Environmental projects.
- \$2 million – professional errors and omissions liability
- Builder’s Risk – the amount of the project cost

25.5.1 Such policy shall contain:

- a “cross liability” clause or endorsement
- an endorsement certifying that The Town of Wasaga Beach and (insert bidder) is included as an additional named insured
- an endorsement to the effect that the Policy or Policies will not be altered, cancelled or allowed to lapse without thirty (30) days prior written notice to the Corporation

25.6 The Contractor's Liability Insurance Policy shall not contain any exclusions of liability for damage, etc., to property, building or land arising from:

25.6.1 the removal or weakening if support of any property, building or land whether such support be natural or otherwise

25.6.2 the use of explosives for blasting

25.6.3 the vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.00

25.7 The Liability Insurance Policy and/or endorsement shall be satisfactory to the Corporation

25.8 If required upon award of the contract, the Contractor shall maintain and pay for a Builder's All Risk Policy satisfactory to the Corporation in the joint names of the Corporation and the Contractor, in the amount of 100 percent of the total value of the contract. All monies paid under such insurance shall be received by the Corporation, which shall pay as much of it as may be required for the purpose of replacing, rebuilding, or repairing the work and all such material which has been damaged, or destroyed according to the appropriate Department Head or Consultants certificate of the balance, if any, shall be paid by the Contractor on completion. Such replacing, rebuilding, repairing and completion shall be carried out in every way subject to the terms and conditions of the contract. The Builder's All Risk Policy shall remain in the custody of the Corporation and shall be kept in force by the Contractor until the work has been completed and accepted in writing by the CAO or appropriate Department Head.

25.9 The successful bidder must submit the necessary performance bonds and certified copies of insurance policies in accordance with the contract requirements prior to any construction on site. No work is to commence until the required documentation is received and approved by the Town, unless authorized, in writing, to proceed by the Department Head.

25.10 The Contractor shall provide and maintain the necessary first aid items and equipment as called for under the First Aid Regulations of the Worker's Compensation Act. They shall meet and adhere to all of the provisions of The Occupational Health and safety Act as applicable to the scope of work, and ensure that workers in their employ are aware hazardous substances that may be in use at their place of work and wear appropriate personal protective equipment as may be required.

25.11 The successful bidder shall deal with claims of any nature immediately including insurance claims, complaints from sub trades, etc. If a claim is settled to the satisfaction of the claimant, the successful

bidder shall submit to the appropriate Department Head, a copy of the claimant's release.

25.12 The Contractor, by executing the contract, unequivocally acknowledges that he/she is the constructor within the meaning of the Ontario Health and Safety Act and amendments hereto.

25.13 Payments to the Contractor, holdbacks and their release, and certification of substantial performance and completion under this contract shall be in full compliance with the provisions of The Construction Lien Act, R.S.O. 1990.

25.14 In his/her tender price, the Contractor shall be deemed to have made due allowance or the publication of a copy of the certificate of substantial performance of the contract in the Daily Commercial News seven (7) days of receipt of the said certificate, in order to facilitate the hold back release under the substantial performance certificate.

25.15 Successful bidders shall be responsible for all permits unless other arrangements have been made with CAO or Department Head/designate.

25.16 The contract must be completed by the time specified in the tender submission are as agreed upon in the contract.

25.17 Equipment and Supplies

All tenders submitted must comply with government statutes and regulations, including, but not limited to those enforced by the Ministry of Transportation, Ministry of Labour and Ministry of Environment.

8.3.26. Changes to any of these procedures shall be done only in writing by the CAO or Department Head responsible for such bid document and shall be given to all persons bidding. Copies of these procedures shall be given to every person intending to submit pricing for goods or services and a statement shall be signed and submitted with every bid submission that these procedures have been read and understood by the bidder.

9. Procedures for Rejection of Bids

9.1 Bids maybe rejected for any of the following reasons:

9.2.1 Bids received after the specified closing date and time.

9.2.2 Bids that do not comply with the requirements at time of closing as specified in the bid document (e.g. bid deposit)

9.2.3 Bids which are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations or irregularities of any kind.

- 9.2.4 Does not meet or exceed specification requirements.
- 9.2.5 It is not in the best interest of the Town to accept the bid (e.g. but not limited to, over budget, does not meet the objective of the bid document, etc.)
- 9.2.6 Bid rejections must be documented as for reasons for rejection and retained with bid file.

10. Bid Deposits

- 10.1 Bid deposits shall be used at the discretion of the Department Head. A bid deposit is a financial guarantee that if a bidder is successful in the award of the bid, the bidder:
 - 10.1.1 Will enter into an agreement within a specified amount of time.
 - 10.1.2 Will provide the specified security as required.
 - 10.1.3 Will provide additional documentation as noted in the bid document.
- 10.2 If a bidder awarded a contract does not oblige to any of the above within three (3) weeks or by the time specified in the bid document and the Town is required to obtain another bidder and/or is required to issue another document, the bid deposit is forfeited.
- 10.3 Bid deposits are required to accompany any bid submission for construction work exceeding \$100,000.00 or as deemed appropriate by the Department Head.
- 10.4 Bid deposits shall be no less than 5% of the estimated value of the work unless the work exceeds \$200,000.00 then the bid deposit shall be no less than 10%.
- 10.5 Acceptable forms of bid deposits include certified cheques, letters of credit or money orders shall name The Corporation of the Town of Wasaga Beach as the payee.
- 10.6 All bid deposits with the exception of the two lowest bids are to be returned to the bidders within ten (10) days after the bid closing unless some anomalies are found in the analysis of the two lowest bids in which case the third lowest bid deposit will be retained. The remaining bid deposits to be released after execution of the contract agreement and submission to the Corporation of all documents required for the contract.
- 10.7 No interest will be paid on any bid deposit.

11. Performance Security

- 11.1 Performance security is a guarantee of the full completion of all work as required in the bid document. Acceptable formats for performance security include: Agreement to Bond; Performance Bond; Labour and Material Bond; Irrevocable Letter of Credit; and Certified Cheque.

Performance Bond and Labour and Materials Bond are required for all construction projects exceeding \$200,000.00 for a minimum of 50% of the bid amount. For all other requirements, the Department Head shall determine the financial amounts of the performance security.

- 11.2 Performance security is required for but not limited to construction, renovation, demolition, service contracts (when working on Town property), supply and installation of equipment for expenditures exceeding \$50,000.00.
- 11.3 All performance security must be in ORIGINAL FORM, signed and sealed as applicable. No faxed or photocopies will be accepted.

12. Insurance

- 12.1 Any time that a successful bidder is required to compete any type of work on or at a Town of Wasaga Beach location, a certificate of insurance is required. The Town's minimum requirement for all insurance types is \$2 million. The certificate of insurance requirements are detailed in the Purchasing Policy and the terms and conditions of these procedures. The bid document shall clearly indicate the insurance requirements that are to be provided by the successful bidder.

12.1.1 General Liability – whenever a successful bidder is being used to perform work for the Town. For larger projects, the Town requires \$5 million General Liability, e.g. Public Works Project.

12.1.2 Automobile Liability – whenever a successful bidder's vehicle(s) is/are being used to perform work for the Town or on Town property.

12.1.3 Umbrella Policy – provides excess insurance on top of the primary insurance policy, i.e. a successful bidder carries \$1 million general liability coverage and \$1 million umbrella coverage. This means on every insurance policy the contract carries, there is an additional layer of coverage of \$1 million, and therefore in this case, the contractor would have \$2 million liability coverage.

13. Information for Bidders

- 13.1 All formal bid documents issued must include a copy of the Purchasing Procedures (Form P01).

- 13.2 If a consultant (e.g. architect, engineer) is preparing the bid document, it is the responsibility of the department hiring the consultant to provide a copy of Form P01 to be included with the bid document.
- 13.3 A form will provide all bidders with Policy and Procedural Information on the bidding process. Departments issuing bid documents are required to stipulate within the bid document actual bid submission requirements.

14. Statement by Bidder

- 14.1 All formal bid documents must require that Form P02, Statement of Bidder, is completed in full and signed by authorized representative of the company submitting the bid.

15. Procedures – Monitoring and Reporting

- 15.1 To maintain the integrity of the process and to ensure adherence to the Purchasing Policy, Treasury Staff will randomly review departmental procurement documentation. Any inappropriate purchases will be documented and reported to General Government Committee.

Date: February 4, 2010

Form P01 - Purchasing Procedures for Tender Purchases

The following are the general purchasing procedures for The Corporation of the Town of Wasaga Beach that are to be included as an attachment to all formal tender documents. All bidders must adhere to the following procedures.

1. All tender submissions must be done properly signed and sealed or witnessed and placed in an envelope with a Submission Label affixed in the top left corner and submitted to the CAO or Department Head responsible/designate to the location detailed in the bid document before closing as specified in the bid document.
2. All submitted tenders shall have the date and time of receipt noted on the face of the envelopes.
3. Tenders received later than the time specified will not be accepted, regardless of any postal seal date and such tenders will not be opened and will be returned by regular mail or picked up by the owner.
4. All tenders shall be submitted in one envelope with the Submission Label attached in the top left corner and shall contain all of the tender documents required at time of closing as stated in the tender document. The Submission Label must be completed in full by the bidder.
5. All tenders will be opened at a time announced by the CAO or Department Head responsible/designate, as soon after the closing as is practical, in a location that is pre-determined. Such tender openings shall be open to the public. The Clerk/designate, Department Head/designate and Treasurer/designate, shall attend such opening. The names of those in attendance shall be recorded.
6. Upon opening, if the envelope does not contain the appropriate documentation as required, the bid will be declared as informal. The CAO or Department Head will review the tenders immediately after tender closing. If it is confirmed that the tender does not comply with the requirements at time of closing, the tender will be rejected. Written confirmation of the tenders rejected will be forwarded to the bidder by the CAO or Department Head responsible.
7. When the CAO or Department Head/designate checking tender submission compliance is satisfied that the tender submission contains the proper forms and information, the total price tender will be quoted publicly. All tender compliancy will again be reviewed by the CAO or Department Head. Financial particulars will be checked by the Treasury Department or designate.
8. No announcement concerning the successful tender will be made at the opening. A complete report and analysis shall be prepared by the CAO or appropriate Department Head or Consultant as the case may be, to be submitted to the appropriate approval authority. When such report is completed, all successful bidders will be advised of the outcome and recommendation.
9. Bidders shall carefully examine and study all of the tender documentation, drawings, examination as to all conditions affecting the contract as the detailed requirements to fulfill the contract.

10. The Corporation of the Town of Wasaga Beach reserves the right to reject any or all tenders and accept any tender considered best for its interest.
11. Any bidder will be permitted to withdraw her/his unopened tender submission after it has been deposited with the CAO or Department Head, provided such request for withdrawal is received in writing prior to the time appointed by the CAO or Department Head for the opening of such tenders.
12. More than one tender from any individual firm, partnership, corporation or association under the same or different names for the same item will not be considered. Collusion between bidders will be sufficient cause of rejection of all tenders so affected.
13. The bidder may submit alternative prices on any item for consideration. The Corporation shall be the sole judge in reviewing the alternative pricing and may engage in discussion with the bidder to confirm submissions.
14. Tenders which are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations or irregularities of any kind, may be rejected as informal. The bidder may, however, submit alternative prices on any item for consideration. The Corporation reserves the right to waive informalities at its discretion.
15. Tenders containing prices that are unbalanced and are likely to affect adversely the interest of the Corporation may be rejected. The Corporation shall be the sole judge of such matters.
16. Should a bidder find discrepancies in, or omissions from the tender documents, or should he/she be in doubt as to the meaning, he/she shall clarify them with the appropriate Department Head or Consultant, as the case may be, who may send an addendum to all bidders. No oral explanation or interpretation will be provided.
17. All tenders must be on the form supplied by the Town and be signed and sealed by the bidder. A tender submitted by the Corporation shall bear the Corporate Seal and the signature of a duly authorized officer or officers who may be required to present evidence of his/her or their authority to sign. Where a tender is joint venture, it shall comply individually with this direction.
18. Where sub-trades are to be used, a complete list showing sub-trade name, owners, phone numbers and addresses shall accompany the tender submission. The amount of indebtedness to the sub-trade for works to be performed shall be clearly shown on the list. Sub-trades may be changed by the main contractor but only on written approval by the appropriate Department Head or the Consultant for the Town.
19. The Contractor shall insert the firm's WSIB account number in the space provided on the Tender Form (as applicable). This number is required in order to verify the firm's standing with the Board at the time of the recommendation to award the contract.

20. Any contingency allowance to be included shall be stated by the Town and no bidder shall include any contingency allowance in any tender.
21. The estimate of quantities as shown in the tender document shall be used as a basis of calculation upon which the award of contract will be made. These quantities are not guaranteed to be accurate and are furnished without any liability on the part of the Corporation.
22. Whenever in a tender submission the tender amount for an item does not agree with the extension of the estimated quantity and the tender unit price, the unit price shall govern and the amount of the total tender price shall be corrected accordingly.
23. The unit price or lump sum price for all items in the Schedule of Quantities and Unit Prices shall be deemed to be full compensation for all works including all necessary labour, equipment and materials specified in the Special Provisions, standard specifications and supplemental specifications.
24. When tender deposits are a requirement of the tender document, they must be submitted in full compliance of the tender and in adherence with the following:
 - 24.1 It is noted that the tender deposit cheque, money order or bid bond is a guarantee that the contractor or supplier will execute a contract agreement or supply the requested document. In the event that a bidder or contractor fails to execute a contract agreement or supply the requested documentation with the Town when requested to do so, the bidder shall be deemed to be in default and the Town will have full unencumbered right to cash any bid deposit cheque or money order or act upon a bid bond in its possession relating to the specific tender document for default of the bidder and the Town has full, unfettered rights to use the funds in its sole discretion and any bidder who has defaulted as herein shall have no claim whatsoever against the Town for such action taken by the Town.
 - 24.2 All cheques, bonds, letters of credit or money orders shall be payable to The Corporation of the Town of Wasaga Beach. The Town of Wasaga Beach, within ten (10) days after the close of tenders shall return all tender deposits except the lowest tender and the next lowest tender unless some anomalies are found in the analysis of the two lowest tenders in which case the third lowest tender deposit will be retained. The tender deposits retained by the Town shall be released after the execution of the contract agreement and submission to the Corporation of all documents required for the contract. If the bidder refuses or neglects to execute the contract agreement or to submit the required documents as specified by the Town in its tender documents within three weeks after the date of contract award, the Corporation at its sole discretion, may cash the deposit and such deposit shall be subject to forfeiture.
 - 24.3 Bidders shall note that no interest will be paid on any tender deposit.

- 24.4 Agreement to Bond shall be in a form established by the Town of Wasaga Beach if a format is provided in the tender document. If not, the format provided by the bonding company is sufficient.
25. After notification of award, the successful bidder will be responsible for adhering to the following as applicable to the tender document requirements.
- 25.1 The successful bidder shall be bound to execute the contract agreement and to file satisfactory bonds, insurance policies and WSIB clearance letter, as required herein, with the Corporation within three (3) weeks of the date of contract award and shall be maintained until contract completion.
- 25.2 Failure to execute the contract or to file satisfactory bond, insurance policies and WSIB clearance letter as required by the tender document within the specified time period shall be just cause for the cancellation of the contract award and the forfeiture of the tender deposit to the Corporation, not as a penalty, but in liquidation of damage sustained. The Corporation shall then have the right to award the contract to any other bidder or to reissue the tender document.
- 25.3 Upon award of the contract, and where required the Contractor must furnish to the Corporation, at his/her cost, a Performance Bond in the amount specified in the tender documents. Sub bond must be satisfactory to the Corporation.
- 25.4 The Performance Bond shall unconditionally guarantee that the work will be satisfactory completed or materials supplied or both within the terms of the contract up to the face value of the bond. In other words, the bonding company will be liable whenever the Contractor is liable. Without limiting the generality of the foregoing, such bond shall cover extensions to the contract, modifications thereof, and twelve month maintenance guarantee. The bonding company shall NOT replace a prime Contractor or Sub-Contractor without prior approval of the appropriate Department Head or Consultant of the Town.
- 25.5 Upon the award of contract, the Contractor must furnish to the Corporation, at his/her cost, a CERTIFIED copy of liability insurance policy as detailed in the bid document. All minimum coverage is detailed below:
- \$2 million – general liability policy automobile liability policies
 - \$2 million – homeowners (e.g. for rental of facilities)
 - \$5 million – general liability and automobile liability policies – for contract work done for most Public Works and Environmental projects.
 - \$2 million – professional errors and omissions liability
 - Builder’s Risk – the amount of the project cost
- 25.5.1 Such policy shall contain:

- a “cross liability” clause or endorsement
 - an endorsement certifying that The Town of Wasaga Beach and (insert bidder) is included as an additional named insured
 - an endorsement to the effect that the Policy or Policies will not be altered, cancelled or allowed to lapse without thirty (30) days prior written notice to the Corporation
- 25.6 The Contractor’s Liability Insurance Policy shall not contain any exclusions of liability for damage, etc., to property, building or land arising from:
- 25.6.1 the removal or weakening of support of any property, building or land whether such support be natural or otherwise
- 25.6.2 the use of explosives for blasting
- 25.6.3 the vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.00
- 25.7 The Liability Insurance Policy and/or endorsement shall be satisfactory to the Corporation
- 25.8 If required upon award of the contract, the Contractor shall maintain and pay for a Builder’s All Risk Policy satisfactory to the Corporation in the joint names of the Corporation and the Contractor, in the amount of 100 percent of the total value of the contract. All monies paid under such insurance shall be received by the Corporation, which shall pay as much of it as may be required for the purpose of replacing, rebuilding, or repairing the work and all such material which has been damaged, or destroyed according to the appropriate Department Head or Consultants certificate of the balance, if any, shall be paid by the Contractor on completion. Such replacing, rebuilding, repairing and completion shall be carried out in every way subject to the terms and conditions of the contract. The Builder’s All Risk Policy shall remain in the custody of the Corporation and shall be kept in force by the Contractor until the work has been completed and accepted in writing by the CAO or appropriate Department Head.
- 25.9 The successful bidder must submit the necessary performance bonds and certified copies of insurance policies in accordance with the contract requirements prior to any construction on site. No work is to commence until the required documentation is received and approved by the Town, unless authorized, in writing, to proceed by the Department Head.
- 25.10 The Contractor shall provide and maintain the necessary first aid items and equipment as called for under the First Aid Regulations of the Worker’s Compensation Act. They shall meet and adhere to all of the provisions of The Occupational Health and safety Act as applicable to the scope of work, and ensure that workers in their employ are aware of hazardous substances that may

be in use at their place of work and wear appropriate personal protective equipment as may be required.

- 25.11 The successful bidder shall deal with claims of any nature immediately including insurance claims, complaints from subtrades, etc. If a claim is settled to the satisfaction of the claimant, the successful bidder shall submit to the appropriate Department Head, a copy of the claimant's release.
- 25.12 The Contractor, by executing the contract, unequivocally acknowledges that he/she is the constructor within the meaning of the Ontario Health and Safety Act and amendments hereto.
- 25.13 Payments to the Contractor, holdbacks and their release, and certification of substantial performance and completion under this contract shall be in full compliance with the provisions of The Construction Lien Act, R.S.O. 1990.
- 25.14 In his/her tender price, the Contractor shall be deemed to have made due allowance or the publication of a copy of the certificate of substantial performance of the contract in the Daily Commercial News seven (7) days of receipt of the said certificate, in order to facilitate the hold back release under the substantial performance certificate.
- 25.15 Successful bidders shall be responsible for all permits unless other arrangements have been made with CAO or Department Head/designate.
- 25.16 The contract must be completed by the time specified in the tender submission as agreed upon in the contract.

25.17 Equipment and Supplies

All tenders submitted must comply with government statutes and regulations, including, but not limited to those enforced by the Ministry of Transportation, Ministry of Labour and Ministry of Environment.

- 26. Changes to any of these procedures shall be done only in writing by the CAO or Department Head responsible for such bid document and shall be given to all persons bidding. Copies of these procedures shall be given to every person intending to submit pricing for goods or services and a statement shall be signed and submitted with every bid submission that these procedures have been read and understood by the bidder.

TENDER DOCUMENT NAME: _____

TENDER DOCUMENT NUMBER (IF APPLICABLE): _____

1. I/We have reviewed all terms and conditions of all forms included as part of this tender package.
2. I/We have read and understand all of the terms and conditions of the forms included as part of this tender package.
3. I/We understand that if our tender is successful, all requirements if the successful bidder as outlined in this tender document will be completed by the time and in the format required.

Dated at _____ this _____ day of _____ 20____.

Witness

Signature of Authorized Person that
Has Authority to Bind

Position