

CORPORATION OF THE CITY
OF QUINTE WEST

BY-LAW NUMBER 10-01

**BEING A BY-LAW TO ESTABLISH A PURCHASING POLICY FOR THE PROCUREMENT
OF GOODS AND SERVICES FOR THE CITY OF QUINTE WEST**

WHEREAS, it is necessary to meet the requirements of the Municipal Act, namely Section 270 (1) wherein the City must adopt policies with respect to its procurement of goods and services,

AND WHEREAS, it is deemed desirable to establish a policy to direct the purchase of goods and services by the various departments within the City;

AND WHEREAS, it is necessary to set out minimum requirements to ensure the City obtains the best value in goods and services at the most economical cost;

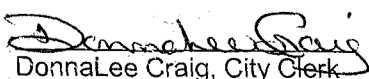
**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF QUINTE WEST
HEREBY ENACTS AS FOLLOWS:**

1. This By-law shall be entitled the "**Purchasing Policy By-law**".
2. A policy shall be and is hereby established for the purchase of goods and services by the various departments of the City, in accordance with Schedules "A", "B" and "C" attached hereto. Said Schedules "A", "B" and "C" shall be deemed to be a part of this by-law to the same extent and effect as if incorporated herein.
3. a) No purchases shall be made for personal items for members of Council appointed officers or employees of the City except when authorized by City Council.
b) No purchases shall be made which are covered by the Municipal Conflict of Interest Act, without compliance with that Act.
c) No employee of the City of Quinte West shall have a direct or indirect interest in a company, or own a company, which sells goods or services to the City of Quinte West.
d) Members of Council or of a Committee, appointed officers and employees of the City are expressly prohibited from accepting, directly or indirectly, from any person, company or corporation to which any purchase order or contract is, or might be awarded, any rebate, gift, money or anything of value whatsoever, except where given for the sole use and benefit of the City.
4. Acceptance by resolution of Council of any quote or tender requiring Council approval shall be sufficient authority for the Department Head or his/her designate to execute a contract with the successful bidder.
5. In the event that any court should adjudge that any Section or Sections of this By-law is not valid for any cause, such Section or Sections shall be severable from the remainder of the by-law to the same extent as if the offending Section or Sections had not been included therein.
6. By-law Number 07-52, together with any and all other by-laws or portions thereof or any resolutions of the Council of the Corporation of the City of Quinte West, contrary hereto or inconsistent herewith, shall be and are hereby repealed.
7. That this By-law shall take effect upon final passing hereof.

READ A FIRST, SECOND AND A THIRD TIME AND FINALLY PASSED THIS
18TH DAY OF JANUARY, 2010.



John R. Williams, Mayor


DonnaLee Craig, City Clerk



PURCHASING BYLAW 10-01

SCHEDULE "A" - PURCHASING POLICY

SCHEDULE "B" - PURCHASING PROCEDURES/PROCESSES

SCHEDULE "C" - PURCHASING CARD PROGRAM

Revised: November, 2009

THE CORPORATION OF THE CITY OF QUINTE WEST
SCHEDULE "A" TO BY-LAW NO. 10-01
POLICY

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1. PURPOSE

To provide the basic minimum requirements to ensure that quotations are obtained, competitive purchasing is adhered to, and to continue to ensure that the City of Quinte West obtains the best value, goods and services at the most economical cost.

2. PRINCIPALS

To purchase and supply the proper equipment, materials, supplies and services when needed, with the Right Quality, the Right Quantity, at the Right Price, from the Right Source and at the Right Time using a competitive process that is open, transparent and fair to all.

3. ETHICS

The code of purchasing ethics established by the National Institute of Governmental Purchasing and the Ontario Public Buyers Association shall apply to all staff involved in the procurement process.

City staff must not accept gifts, favours, hospitality or entertainment benefits from suppliers. This will discourage the perception that business decisions can be influenced as a consequence of accepting same.

4. RESPONSIBILITIES

- 4.1) The Department Head or their designate and the Purchasing Supervisor or their designate are responsible for ensuring that the procedures of the Purchasing Bylaw as detailed in Schedule "A", "B" & "C" are adhered to.
- 4.2) In the event of exceptional circumstances justifying a departure from policy, this purchasing policy may be overridden by Council in the event Council determines it to be appropriate and in the best interests of the City.

5. REQUIREMENTS

- 5.1) Prior to the approval of the current budget, a department may incur normal operating expenditures.
- 5.2) Council approved Departmental budget appropriations for expenditures shall be sufficient authorization for a Department to proceed with the purchase of supplies and materials or with work, subject to those limitations as established herein.
- 5.3) All purchasing will be conducted by the Department Head or their designate for items as described in "Schedule A", Section 6.3, 6.4, 6.5 and 6.6. Purchases as described in "Schedule A", Section 6.7, shall be made in cooperation with the Purchasing Supervisor.
- 5.4) When the Purchasing Supervisor or their designate negotiates a contract price with a vendor for the supply of specific goods or services, all departments shall purchase those goods or services based on that agreement when possible. If an individual within a Department knows of or has obtained a more competitive price for the same goods or services, the Purchasing Supervisor should be notified.
- 5.5) The Department Head or their designate, through the Purchasing Supervisor, will conduct the purchase of goods and services on a competitive basis, in keeping with accepted public purchasing practices and procedures, and in accordance with applicable laws of the Province of Ontario, the Government of Canada and regulations made pursuant to this Bylaw.

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- 5.6) Purchase orders shall be used for all purchases not being made through petty cash or using a Purchasing Card.
- 5.7) The purchase order shall be a three part form. As soon as it has been signed, the white or original copy goes to the Supplier, the canary coloured copy is to be retained by the issuing department, and the third (pink) copy is to be forwarded to the Purchasing Dept.

6. AUTHORITY AND DOLLAR THRESHOLDS

- 6.1) For the purpose of the relationship of price to the pre-authorized expenditure limit, sales taxes, excise taxes, goods and services taxes and duties shall be excluded for the supply of goods or services. The splitting of a project or orders to avoid open competition requirements is prohibited.
- 6.2) In the case of a multi-year supply and/or service contract, the pre-authorized expenditure limit shall refer to the estimated annual expenditure under the contract.
- 6.3) Purchases may be made for items of small value by Department Head or their designate by way of a petty cash fund. Each department shall establish a petty cash of not less than one hundred dollars (\$100.) and a dollar limit on the purchase of goods for services through petty cash at one time shall not exceed fifty dollars (\$50.), unless prior approval has been obtained from the Department Head or their designate.
- 6.4) For purchases up to \$2000.00, comparison pricing should be done where practical.
- 6.5) For purchases between \$2001. and \$5,000., three (3) informal quotes shall be obtained, may be by telephone or written request. The supplier shall be selected upon terms and conditions as determined by the Department Head or their designate in their sole discretion. **Notation of the quotes (where from and total amount) must accompany the Purchase Order when submitted to the Purchasing Supervisor. Failure to do so will result in the PO being returned to the department for inclusion of this information. If obtaining three (3) quotes was not possible, a written explanation shall accompany the Purchase Order. If a vendor other than the lowest price is selected, a written explanation shall accompany the Purchase Order.**
- 6.6) For purchases between \$5001. and \$25,000., where possible, three (3) formal written quotes shall be obtained, unless otherwise directed by Council or Committee. Quotations will be obtained using a form created specifically for that purpose outlining specifications and requirements so that there is no question that each vendor is provided with the same information for the purpose of submitting a bid for consideration. The supplier, who in the opinion of the Dept. Head or their designate, offers the product or service in compliance to established evaluation criteria including best price will be selected. A copy of all written quotations obtained shall accompany the Purchase Order when submitted to the Purchasing Supervisor. **Failure to do so will result in the PO being returned to the department for inclusion of this information. If obtaining three (3) quotes was not possible, a written explanation shall accompany the Purchase Order. If a vendor other than the lowest price is selected, a written explanation shall accompany the Purchase Order.**
- 6.7) For purchases in excess of \$25,001., a formal competitive bid process shall be used, unless considered a single or sole source procurement. Competitive bids may be issued in conjunction with pre-qualification. Sealed bids shall be obtained using one of the processes described in

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"Schedule B" under "Calling of Competitive Bids". In the event that a project has direct relevance to a previous project, it must be determined if the previous supplier has a clear advantage in bidding on the next phase. The department head in consultation with the Purchasing Supervisor may declare that a formal competition is not appropriate, and they would proceed under the terms of a "single" source project.

- 6.8) When informal quotes are obtained, whether telephone or written, there is no requirement to follow the tender procedure and terms set out in "Schedule B". Negotiations between the Department Head or their designate with the vendors supplying quotes shall be permitted in an attempt to obtain the lowest possible quote.
- 6.9) Notwithstanding the provisions of Section 5 & 6 hereof, where an emergency occurs that in the opinion of the Department Head or their designate constitutes immediate danger to health, safety, life or property, and requires the immediate procurement of goods and services, the Dept. Head or their designate may purchase such goods or services by open market procedure regardless of the amount of expenditure. While the objective generally is to obtain the lowest price, having regard for such things as local servicing, experience, availability, particular expertise, etc., and those other factors that are set out elsewhere in this Bylaw and schedules, there may be a possibility that the price obtained may not be the lowest where the Dept. Head or their designate, or the Council, as the case may be, have determined is appropriate and justifiable. Where provisions herein would under normal circumstances require written quotes or competitive bids, a full written report regarding the emergency purchase is to be submitted to the City's Chief Administrative Officer and a copy shall be attached to the Purchase Order.

7. PURCHASE ORDERS

Goods or services paid using the Corporate Purchasing Card do not require a purchase order. All supporting documentation will be attached to the US Bank Canada card statement and submitted monthly for payment.

- 7.1) A purchase order **MUST** be issued for all procurement transactions unless otherwise stipulated herein. The original (white) copy is the suppliers, the 2nd (yellow) copy is for the originating dept. and the pink (3rd) copy **MUST** be forwarded to the Purchasing Supervisor or their designate as soon as issued.
- 7.2) A Blanket Purchase Order, is an agreement between the City and a supplier under which the supplier will sell certain "like" small dollar value item(s) to the City. In keeping with the requirements of section 6.5, any one purchase shall not exceed \$2000.00. A separate purchase order including details of the purchase, quotations obtained etc. **MUST be issued for any purchase exceeding \$2000.00 .**
- 7.3) A Contract Purchase Order, an agreement between the City and a supplier under which a supplier will sell only item(s) actually specified with estimated or actual quantities at specified prices for a specific time period, may be used by all Departments.
- 7.4) Notwithstanding the requirements for purchasing in accordance with the provisions contained herein, the following items of expenditure and/or purchase do not require the issuance of a purchase order:
- a) Recurring utility charges that are charged to budget accounts for natural gas, hydro, sewer and water, and telephone
 - b) Payments made in accordance with employee and payroll benefits, including temporary help agency employees as authorized by Council

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- c) Professional fees as authorized by Council for legal services, Ontario Land Surveyors and property appraisers
- d) Specific payments as authorized by Council for land purchases, expropriations, insurance
- e) Membership fees
- f) Subscriptions
- g) Travel expenses and mileage
- h) Inter-department charges

8. ACCOUNTING FOR GOODS RECEIVED AND PROCESSING OF ASSOCIATED PAPERWORK

- 8.1 Upon receipt of goods or supplies, the Dept. Head or their designate shall submit to the Purchasing Supervisor, a signed materials received form or packing slip, sales slip or invoice from the supplier that will indicate receipt of and satisfaction with same.
- 8.2 All invoices, whether received by mail or personally by the Dept. Head shall be delivered to the Purchasing Supervisor. The Purchasing Supervisor or their designate will match the requisition, outstanding purchase order, material received form, sales slip or invoice as available and return it to the Dept. Head or their designate for payment approval. The Dept. Head or their designate shall then return the invoices to the Purchasing Supervisor to assure compliance to competitive process as outlined herein.

9. PREQUALIFICATION

- 9.1 Request for Pre-qualification is a procurement process used to pre-qualify vendors for subsequent participation in the competitive bid process. Responses from proponents are evaluated against selection criteria, both qualitative and technical, set out in the solicitation, and a list of pre-qualified proponents is generated. The information collected in this process may be used to "short list" potential bidders for supplying goods or services where the timeframe is tight or in the best judgment of the Dept. Head or their designate and the Purchasing Supervisor or their designate deems it in the best interest of the City to do so. The information collected will be kept on file by the Purchasing Supervisor.
- 9.2 The Dept. Head or their designate has delegated authority to select a minimum of three (3) vendors from this list for invitation in a competitive bid process. When in the opinion of the Dept. Head or their designate there are less than three qualified vendors, a report will be written detailing the circumstances of that decision and less than three (3) vendors may be contacted with the approval of Council.
- 9.3 Vendors not participating in the pre-qualification process will be ineligible to compete for contracts to supply goods or services where a prequalification has been performed.
- 9.4 Selection and evaluation criteria, both qualitative and technical, will be used in determining which of the pre-qualified components is actually awarded any contract or proposal, notwithstanding pre-qualification.

10. NON COMPETITIVE PURCHASES

When a Department Head intends to select a supplier to provide goods, services or construction pursuant to this section, a written report (form provided by Purchasing) indicating the compelling rationale that warrants a non-competitive selection will be submitted by the Department to the Purchasing Supervisor and City Council for approval prior to the selection.

- 10.1 SINGLE Sourcing – The procurement of a good or service from a particular vendor rather than through the solicitation of bids from other

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vendors who can provide the same item. The user department must provide suitable justification for requesting a single source.

- 10.2 SOLE Sourcing – The procurement of a good or service that is unique to a particular vendor and cannot be obtained from another source. This is straight forward. Attach supporting documentation from the manufacturer to support the fact that a particular item cannot be obtained from another source.

Purchases may be made from a single source without quotation or competitive process where:

- a) Due to market conditions goods are in short supply.
- b) There is only one source of supply for the goods or service
- c) The compatibility of a purchase with existing equipment, facilities or services is of paramount consideration and that purchase must be made from a sole source.
- d) An item or service is purchased for testing or trial use.
- e) The City purchases supplies for resale.
- f) A product is leased or rented by the City with or without a credit purchase option, and such purchase option would be beneficial to the City.
- g) The consideration for a purchase is to be paid by a third party and that third party agrees to or designates the contractor.
- h) A situation creates immediate and serious need, which may not be reasonably met by any other procedure.
- i) Lack of supplies or services may adversely affect the functioning of the City, threaten public or private property or the environment, or jeopardize the health or safety of the public.
- j) It is necessary to arrange interim contractual arrangements following the expiration or breach of a contract, or the receipt of unacceptable or non-competitive bids.
- k) When no bids were received in a competitive process
- l) When the required item is covered by an exclusive right such as a patent, copyright or exclusion license
- m) Where supplies are offered for sale by tender, auction or negotiation, such purchase shall be deemed to be a sole source purchase.

IF ANY OF THE ABOVE CONDITIONS EXIST, THE REASON SHALL BE STATED AND NOTATION ATTACHED TO THE PURCHASE ORDER SUBMITTED TO PURCHASING. Failure to do so will result in rejection of the PO until such time as required documentation is provided.

11. CO-OPERATIVE PURCHASING

- 11.1 The Corporation may participate with other government agencies or public authorities in Co-operative Purchasing where it is in the best interest of the Corporation to do so. In this event, the purchasing policy & procedures of the lead agency shall prevail.

12. BRAND NAMES

- 12.1 Any manufacturer's names, trade names, brand names or catalogue numbers mentioned are for the purpose of establishing and describing general performance and quality levels, unless specified otherwise. Such references are not intended to be restrictive and bids are invited on approved generic no-name equals and comparable equipment of any manufacturer. However, if a product other than the one specified is bid, it is the bidder's responsibility to name such product and prove to the City that said product is equal to the specifications, and to submit brochures, samples and or specifications in detail on the item(s) bid upon request. The City shall be the sole judge concerning the merits of bids submitted.

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13 ACCESSIBILITY FOR ONTARIANS WITH DISABILITIES ACT, 2005

13.1 Pursuant to the Accessibility for Ontarians with Disabilities Act, 2005, City Council has adopted a plan that focuses on accessibility issues and the development of strategic actions to remove (where possible) and prevent barriers to access for people with disabilities. All competitive bids will incorporate measures to ensure that customer service is available to everyone, including persons with disabilities.

14. IN HOUSE BIDS

13.1 In House Bidding is a process that allows for the comparison of costs of having City staff complete a task versus having an outside source provide that same service. In general, when a competitive bid is called, the intention is to outsource the work. The City reserves the right however to consider completion of the work utilizing City staff when competitive bids are all over budget, or when specifically stated in the competitive bid document.

15. DISPOSAL OF SURPLUS EQUIPMENT

14.1 Items considered obsolete or surplus by Departments will be listed and presented to the Purchasing Supervisor for distribution amongst all Dept. Heads.

14.2 Items that are not claimed for use by another department may be offered for sealed tender, public auction or other public sale, depending on which method is most suitable for the equipment or material involved.

14.3 Revenue for the sale of obsolete material shall be credited to the contributing department's appropriate account. Costs of disposal shall be charged to the contributing department's appropriate account.

14.4 In the event that the item does not sell by any of the means provided, the department may use an alternate method of disposal.

16. REVIEW OF BYLAW

16.1 This Bylaw will be reviewed on a periodic basis to evaluate the effectiveness of policy and procedure. It is anticipated that reviews will be conducted every five years or more frequently if required.

SCHEDULE "B"

PROCEDURES/PROCESSES

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PURCHASING PROCEDURES/PROCESSES

1. CALLING OF COMPETITIVE BIDS

- a. The calling of competitive bids shall be the responsibility of the Purchasing Supervisor or their designate in response to a request from a Dept. Head or their designate.
- b. In an effort to facilitate a thorough understanding of the nature of the project, the Purchasing Supervisor will be advised in advance of any meeting wherein the scope of the project and the means of evaluation will be discussed and/or determined. Evaluation criteria and the weighting of same must be determined prior to release of the bid document. The criteria will be stated in the bid document.
- c. To facilitate insurance research and creation of a competitive bid document, the Purchasing Supervisor will be given a minimum of two weeks or ten working days, once specifications have been provided to him/her, to prepare the document for release.
- d. Advertisements should appear in the press at least once, and allow for a minimum of fifteen (15) calendar days between the first day of advertising and the closing date. Placement of advertisements will be the responsibility of the Purchasing Supervisor. Placement of the advertisement on the City's website may be considered day one of the required 15 day notification period.
- e. The Purchasing Supervisor or their delegate will be responsible for the distribution of all bid documents, including those prepared by outside sources.
- f. A comprehensive numbering and tracking system will be maintained by the Purchasing Supervisor or their designate for all competitive bids issued by the City.
- g. A list of those persons who take bid documents shall be maintained by the Purchasing Supervisor or their designate, and shall be available to the public when appropriate. This document is titled "Record of Documents Distributed". When the City is disposing of an asset, the Record of Documents Distributed will remain confidential. The list shall contain the names, addresses and contact numbers of all parties requesting bid documentation.

2. BID DOCUMENTS

- 2.1 Those preparing specifications must be aware of the conflict of interest created when a consulting organization is involved in the development of the competitive documents and also has the ability to fulfill the procurement needs that are being contemplated in those competitive documents.

"Restricted Parties" includes any person who would be defined to be in a conflict of interest under the provisions of the Municipal Act or any other applicable legislation or under the City's Conflict of Interest Policy and any parties who have had direct, recent or current involvement in any selection process in respect of the purchase in question.

Restricted Parties are not eligible to participate as an employee or advisor, consultant, investor, member or in any other capacity with any proponent under any proposed purchase with the City. The City may, in its sole and absolute discretion, disqualify any potential purchaser who uses a Restricted Party as part of any potential purchase.

- 2.2 The bid document shall be prepared by the Purchasing Supervisor in conjunction with project specific information supplied by the Department Head or their designate. All competitive bid packages must be approved by

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both the Purchasing Supervisor or their designate and the Dept. Head or their designate prior to release to the public.

- 2.3 All bid documents will clearly define any pre-qualification system if used and any evaluation or scoring system to be used.
- 2.4 Bid documents prepared by outside sources, i.e. Consultants, must be reviewed by the Purchasing Supervisor or their designate for compliance with the City's Policies and Procedures, before release to the public. The Purchasing Supervisor or their designate will be responsible for document distribution of all bid documents.
- 2.5 Appropriate levels of Insurance coverage for each project will be determined on an individual basis in consultation with the Corporate and Financial Services Dept.
- 2.5 All bid documents will be posted on the City's website. Anyone downloading a document and wishing to submit a bid must ensure that they have registered with the Purchasing Supervisor or their designate. The original paper bid document issued by the Purchasing Supervisor or their designate, of the City of Quinte West shall be understood to be the master document in case of all disputes or questions regarding the exact wording of the bid document. In the event of any disputes regarding wording differences in the signed contract and the originally issued bid document on file in Purchasing, the originally issued bid document will prevail.
- 2.6 Suppliers, potential suppliers and consulting firms shall not be requested to expend time, money or effort to design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected. Should such extraordinary services be required, the Purchasing Supervisor will be advised. If there is no alternative but to request such services, the company providing same, shall be compensated at a predetermined fee. The resulting specifications shall become the property of the Corporation for use in obtaining competitive bids. Suppliers or Consultants who provide Design services and/or specifications for work to be tendered or quoted shall not be permitted to submit a bid for said work.

3 HEALTH AND SAFETY

- 3.1 Prior to release of a bid document, all health and safety considerations shall be addressed.
- 3.2 Contractors providing goods and services to the City of Quinte West must comply with and be held accountable for meeting the requirements of the Occupational Health and Safety Act
- 3.3 The City's Health & Safety Policy requirements, as provided by the City Health and Safety and Employee Services Officer, will be included as part of each bid package

4 PROVINCIAL REQUIREMENTS

The successful candidate will be required to show proof of registration with the WSIB and compliance with the Provincial Retail Sales Tax requirements before the final awarding of the contract takes place.

5. PROOF OF CERTIFICATION

The City reserves the right to collect any other proof of licensing or certification as deemed necessary.

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6. ADDENDA

- 6.1 When it becomes necessary to revise, delete, substitute or add to the bid documents after release, the Purchasing Supervisor will issue an addendum.
- 6.2 A copy of each addendum shall be forwarded by fax and/or email, by the Purchasing Supervisor or their designate, to all persons registered on the distribution list, and a copy shall be attached to all undistributed bid documents. Addendum sent by fax is accompanied by a "Verification of Receipt" document to be returned promptly by fax to the Purchasing Supervisor.
- 6.3 All addenda shall be posted to the City website. Those who have downloaded the document will be responsible to check the website for addendum prior to submitting their bid.
- 6.4 Bidders should also acknowledge addendum in the body of the bid document in the space provided. Failure to do so may result in rejection.
- 6.5 If the addendum is prepared too late to guarantee sufficient notification prior to the closing time, in addition to faxing the addendum, each prospective bidder shall be contacted by the Purchasing Supervisor or their designate, to advise of the addendum and the closing date may be extended.

7 RETURN RECEIPT OF COMPETITIVE BID DOCUMENTS

- 7.1 All bids will be issued from and received back at the Municipal Office located at 7 Creswell Drive, Trenton Ward of the City of Quinte West using the appropriate label or envelope as provided in bid package.
- 7.2 Failure to use the return label or envelope may result in rejection of the bid.
- 7.3 When a bid is received, the envelope shall be date and time stamped in accordance with the clock located at the 2nd floor reception area. The person receiving the document on behalf of the City will initial in the appropriate area and ensure that the document remains confidential and is directed to the Purchasing Supervisor immediately.
- 7.4 The Purchasing Supervisor shall keep all bids received in a safe and secure location until bid opening.
- 7.5 Bids will not be unsealed until the official opening date and time.
- 7.6 The number of bids received and the names of bidders are confidential, and shall not be divulged prior to the opening.
- 7.7 Late bids (those received after the tender has closed) shall be date and time stamped and initialed by the receiver and the bidder. The bid shall then be returned to the bidder unopened. Those bids returned by mail must be accompanied by a covering letter stating that the bid could not be accepted due to late arrival. The return of late bids will be the responsibility of the Purchasing Supervisor or their designate.

8 TYPES OF FORMAL PROCESSES

- 8.1 Request for Proposal (RFP) – the goal of which is to implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution. Award is based on the proposal that earns the highest score and meets the requirements specified in the competition based on qualitative, technical and pricing considerations.

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- 8.2 A Two-Envelope Approach may be utilized with RFP's for fair, unbiased evaluation. In the two envelope approach, qualitative and technical information is evaluated first and pricing information in a separate envelope is evaluated thereafter, only if the qualitative and technical information meet a minimum score requirement that is determined prior to the release of bid documents.
- 8.3 Request for Tender – the goal of which is to implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists. Award is based on the lowest qualified bid that meets the requirements specified in the bid documents.
- 8.4 Request for Expression of Interest – a focused market research tool used to determine vendor interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well defined and the purchaser has clear expectations for the procurement.
- 8.5 Request for Information – is used prior to issuing a competitive document as a general market research tool to determine what products and services are available, scope out business requirements, and/or estimate project costs.
- 9 GUARANTEES OF CONTRACT EXECUTION AND PERFORMANCE
- 9.1 The Dept. Head or their designate and Purchasing Supervisor may require that a bid be accompanied by a Bid Deposit to guarantee entry into a contract.
- 9.2 Generally, all contracts estimated in excess of one hundred thousand (\$100,000.) require some form of security.
- 9.3 In addition to the security referred to in (9.1) the successful supplier may be required to provide:
- i. a Performance Bond to guarantee the faithful performance of the contract;
 - ii. a Labour & Material Bond to guarantee the payment for labour and materials to be supplied in connection with the contract and/or;
 - iii. an irrevocable letter of credit
- 9.4 The Dept. Head or their designate and the Purchasing Supervisor shall select the appropriate means to guarantee execution of and performance of the contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks.
- 9.5 In all circumstances with respect to tenders the Dept. Head or their designate and the Purchasing Supervisor are authorized to determine whether or not a letter of agreement to bond is to be submitted with the bids.
- 9.6 The Director of Finance and the Purchasing Supervisor are responsible to hold all securities in safekeeping. Deposits shall be refunded, without interest, and securities shall be returned upon successful completion of the contract.
- 9.7 Following the tender opening, the Purchasing Supervisor or their designate shall return any tenders and deposit cheques that were withdrawn during the opening to the bidder by regular mail or by personal delivery, unless otherwise stated. If a tender and deposit cheque is returned by hand, the bidder must sign a letter acknowledging receipt.

10 PARTICIPATION IN THE COMPETITIVE PROCESS

- 10.1 The integrity of the process is of the utmost importance.
- 10.2 Inquiries and/or clarifications will be accepted ONLY in writing through the Purchasing Supervisor or their designate within the timelines as identified in the bid document.
- 10.3 Responses will be provided in writing through the Purchasing Supervisor.
- 10.4 No verbal interpretation will be effective to modify any component of the tender or any contract.
- 10.5 Lobbying of staff or politicians are unacceptable. In order to ensure fairness to all Proponents, the City must endeavor to prevent unfair advantage created by lobbying. Therefore, the City reserves the right to disqualify, at any time and at its sole discretion, any Proponent engaging in lobbying in connection with a competitive process between the date the document is issued and the signing of a contract between the City and the successful Proponent(s). Lobbying may include any activity that the City, at its sole discretion determines has or may give an unfair advantage to one Proponent relative to other Proponents. Without limiting the foregoing, lobbying may include:
- Verbal or written approached to any City staff other than those identified as contacts in the document
 - Verbal or written approaches to any Council member
 - Verbal or written approaches to the Ministry of Municipal Affairs and Housing, Minister of Municipal Affairs and Housing, or Members of Provincial Parliament
 - Verbal or written approaches to any expert or other advisor assisting the Evaluation and Selection Committee
 - Verbal or written approaches to any member of an Evaluation or Selection Committee
 - Requests by the Proponent to any organization or group for a letter of support or to provide verbal expression of support to any member of the Evaluation and Selection Team or Council
 - Verbal or written communication with media organizations regarding the project

11 EXCLUSION OF BIDDERS IN LITIGATION

- 11.1 The City may, in its absolute discretion, reject a Tender or Proposal submitted by the bidder if the bidder, or any officer or director of the bidder is or has been engaged, either directly or indirectly through another corporation, in a legal action against the City, its elected or appointed officers and employees in relation to:
- i. any other contract or services; or
 - ii any matter arising from the City's exercising of its powers, duties, or functions.
- 11.2 In determining whether or not to reject a quotation, tender or proposal under this clause, the City will consider whether the litigation is likely to affect the bidder's ability to work with the City, its consultants and representatives, and whether the City's' experience with the bidder indicates that the City is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

12 EXCLUSION OF BIDDERS DUE TO PAST POOR PERFORMANCE

- 12.1 The Dept. Head or their designate shall monitor the performance of all procurement Contracts and shall document evidence related to same and shall advise the Purchasing Services division in writing where the performance of a supplier has been unsatisfactory in terms of failure to

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meet Contract specifications, terms and conditions or for Health and Safety, environmental or other violations.

- 12.2 Where it is found that a supplier has performed poorly or below Contract requirements, the user department Director in consultation with the Purchasing Supervisor shall make a recommendation to Council about ways to deal with such performance.
- 12.3 Past experience, including poor past performance may be a factor in awarding contracts. The City reserves the right to disqualify parties whose past performance was unsatisfactory.

13 WITHDRAWAL OF BIDS

- 13.1 The bidder who has submitted a response may request that the bid be withdrawn. Adjustments or corrections to a bid already submitted will not be allowed. The withdrawal will be allowed if the request is made by mail, fax or in person, directly to the Purchasing Supervisor or their designate, before closing time, and only if verification of source is possible. Telephone requests will not be considered.
- 13.2 When a withdrawal request is made in person, the requester shall sign a withdrawal form confirming the request. When requests are made by mail or fax, they shall be confirmed by telephone prior to acceptance.
- 13.3 Bids confirmed as withdrawn prior to closing time shall be returned unopened.
- 13.4 The withdrawal of a bid does not disqualify a bidder from submitting another bid on the same contract provided it is submitted prior to closing date and time.
- 13.5 Withdrawal requests received after the tender closing will not be allowed.

14 ONLY ONE BID RECEIVED

- 14.1 In the event that only one bid is received in response to a competitive bid, the Purchasing Supervisor or their designate along with the Dept. Head or their designate will determine whether or not to proceed with the opening. If in their opinion, using criteria based on the number of bids which might reasonably be expected on a given type of project, additional bids could be secured, the bid may be returned unopened and the bidder advised that the City may be recalling the tender at a later date.
- 14.2 In the event that only one bid is received in response to a competitive bid call, the Purchasing Supervisor or their designate along with the Dept. Head or their designate may proceed with the opening. If after evaluation, the bid is found to be unacceptable, they may follow the procedures to cancel the call.

15 BID OPENING

- 15.1 Bid openings shall take place as soon as practical after the closing time. The information disclosed at the public opening is determined by the type of procurement process used.
- 15.2 At the closing of a Request for Tender, the names of respondents submitting bids and total bid amounts will be announced, however, no other information will be released at that time. Where sub-totals are required, they may also be read out but line by line pricing will not be made public.
- 15.3 At the closing of a Request for Proposal, only the names of those submitting proposals will be released. No further information is made available until

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such time as a complete comprehensive evaluation has been performed by the evaluation committee and a final ranking determined.

- 15.4 Mandatory attendance requirement at an opening shall be: The Dept. Head or their designate AND the Purchasing Supervisor or their designate.
- 15.5 It is the responsibility of the Purchasing Supervisor to arrange attendance of the appropriate representatives.
- 15.6 When two or more tenders for different items are to be opened at the same time, they will be opened in numerical order.
- 15.7 When all submissions for a contract have been read out and the Purchasing Supervisor or their designate has recorded the information, he/she shall close off the Record of Tenders Opened by drawing a diagonal line in the unused spaces under the information listed and then sign the form.

16 PRELIMINARY CHECKING OF TENDERS/PROPOSALS

- 16.1 Following the opening, the Purchasing Coordinator will prepare the Record of Minutes and Results of Preliminary Evaluation to determine compliance to all mandatory criteria. This report will be forwarded to the Dept. Head or his/her designate for further consideration by the evaluation committee
- 16.2 Standard mandatory criteria wherein non-compliance with WILL result in rejection include but are not necessarily limited to the following;
 - i. bid form must be signed as necessary;
 - ii. the correct bid form, if provided, must be used;
 - iii. the bid envelope must be time and date stamped prior to the contract closing time;
 - iv. the tender deposit, if required, must be included with submission;
 - v. surety consent in the proper amount is included if called for;
 - vi. evidence of insurability is included if called for; and
 - vii. the bid is free of restrictions or alterations
- 16.3 If there is an error or incomplete material on any other portion of the bid, then the decision as to whether or not to accept or reject the submission shall be at the discretion of the Dept. Head or his/her designate and the Purchasing Coordinator. That decision will be based upon the following considerations:
 - i. Is the intention of the bidder clear?
 - ii. Has the bidder made a conscientious attempt to comply with the bid requirements?
 - iii. Is it fair to all bidders to accept the tender or has the bidder gained an unfair advantage?
- 16.4 If the amount bid for a unit price item does not agree with the extension of the estimated quantity and the bid unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly.
- 16.5 If both unit price and total price are left blank, then both shall be considered as zero.
- 16.6 Following completion of preliminary check procedures, (section 16), bidding infractions shall be noted on the Record of Tenders Opened. This notation must clearly state the reason the bid is noted as incomplete or rejected.
- 16.7 Photocopies of all acceptable submissions will be forwarded to the Dept. Head or his/her designate for further consideration by the Evaluation Committee. Original documents will remain in the possession of the Purchasing Coordinator or his/her designate to maintain the integrity of the process.

17 NO ACCEPTABLE BID OR EQUAL BIDS RECEIVED

- 17.1 Where bids are received in response to a bid solicitation but exceed budget, are not responsive to the requirement, or do not represent fair market value, a revised solicitation may be issued in an effort to obtain an acceptable bid unless Subsection (14.2) applies
- 17.2 The Dept. Head or their designate and the Purchasing Supervisor jointly may waive the need for a revised bid solicitation and enter into negotiations with the lowest responsive bidder, or the highest responsive bidder for a revenue-driven bid selection emanating from a bid solicitation, under the following circumstances:
- i. The total cost of the lowest responsive bid is in excess of the funds appropriated by City Council for the project or the highest responsive bid revenue is less than approved in departmental estimates where reserved bid amounts exist and,
 - ii. The Dept. Head or their designate and the Purchasing Supervisor agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation
- 17.3 In the case of building construction contracts, where the total cost of the lowest responsive bid is in excess of the appropriation made by City Council, negotiations may be made if performed in accordance with the guidelines established by the Canadian Construction Association and published in their CCDC documents.
- 17.4 In the case of road construction contracts, where the total cost of the lowest responsive bid is in excess of the appropriation made by City Council, negotiations may be performed if in accordance with the guidelines established by the Ontario Provincial Standards Specifications.
- 17.5 The City of Quinte West has the right to cease negotiations and reject any offer at any time.
- 17.6 If two equal bids are received, the following items will be taken into consideration:
- i. Prompt payment discount
 - ii. When delivery is an important factor, the bidder offering the best delivery date will be given preference
 - iii. A bidder in a position to offer better after sales service, with a good record in this regard shall be given preference,
 - iv. A bidder with an overall satisfactory performance record shall be given preference over a bidder known to have an unsatisfactory performance record or no previous experience with the City
 - v. All other things being equal, preference will be given to the vendor whose place of business is local, in order of City, Province & Country
 - vi. If (i) through (v) do not break the tie, equal bidders shall be entered into a draw. The names of the tied bidders shall be placed in a container and the tender to be awarded shall be drawn by a member of council. The time and location of the draw shall be set by the Purchasing Supervisor or their designate, and the bidders shall be notified in order that they may be present

18 EVALUATION PROCESS

- 18.1 All responses to a competitive bid process will first be reviewed by the Purchasing Supervisor or their designate to ensure compliance to both standard mandatory criteria and project specific mandatory criteria; checking of costs; and verification of extensions, additions etc. All submissions determined to be qualified for further consideration will be

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forwarded to the appropriate Dept. Head for further review in determining a Respondents understanding of and capability of performing the works or services requested. Those found to be non-compliant will be rejected by the Purchasing Supervisor or their designate at this point.

- 18.2 Responses to a Request for Proposal will undergo further evaluation incorporating the scoring and weighting criteria as presented in the original RFP document. This scoring will be carried out by the evaluation committee. The evaluation committee will be comprised of a mix of staff and/or department committee members as deemed appropriate by the Dept. Head or their designate for the project. A minimum of two people will review and score each proposal.
- 18.3 Responses to a Tender Call are subject to the standard preliminary evaluation to ensure compliance to both standard mandatory criteria and project specific mandatory criteria; checking of costs; and verification of extensions, additions etc. All submissions determined to be qualified for further consideration will be forwarded to the appropriate Dept. Head for further review in determining a Respondents understanding of and capability of performing the works or services requested in a fully qualified manner.
- 18.4 A copy of the completed evaluation forms along with committee recommendation will be forwarded to the Purchasing Supervisor to be kept in a confidential file and utilized for debriefing and/or dispute resolution if necessary.
- 18.5 The Dept. Head or their designate shall prepare a recommendation to the appropriate Committee or to Council if required, otherwise direction will be provided the Purchasing Supervisor in writing to proceed with Notification of Acceptance.
- 18.6 If a Request for Proposal or a Tender Call can be awarded within the confines of the Council pre-approved budget amount and the scope of the project, approval at Dept. Head level is sufficient to proceed with official award. If a Tender Call is to be awarded to other than the lowest qualified bidder, the decision must be approved at Committee level prior to award. If at the discretion of the Committee and Dept. Head or their designate, it is deemed appropriate to defer final decision for any award to full council, they may do so.
- 18.7 Immediately following the evaluation tenders, the Dept. Head or their designate shall notify the Purchasing Supervisor in writing that the lowest two bids are in order, and that the bid deposit other than the low and second low bidder should be returned.

19 CONTRACT AWARD/CONTRACT EXECUTION AND PERFORMANCE

- 19.1 In the event that it is deemed beneficial to listen to delegations from bidders, every bidder must be given an equal opportunity to present themselves. Individual written invitations, stating time, date and purpose of the presentation, must be extended to each bidder.
- 19.2 Upon the award of the contract, the Purchasing Supervisor or their designate shall without undue delay send a "Notification of Intent" to the successful bidder advising that their bid has been accepted for award consideration.
- 19.3 The successful bidder has ten (10) working days from official notification to produce evidence of appropriate insurance, performance surety's if applicable, executed contract or agreement etc. to the Purchasing Supervisor. Under no circumstance will the successful bidder commence work until the appropriate documentation has been submitted and

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acknowledged by the City. Non-compliance will result in a stop work order.

- 19.4 If a formal contract other than the agreement in the bid document is required, it shall be prepared by the Purchasing Supervisor or their designate and submitted to the contractor for execution. At that time, the CAO and Mayor will be asked to execute the document and the City seal will be applied.
- 19.5 Where Engineering contracts are entered, the engineering firm will be responsible for preparation of the standard MEA/CEO agreement.
- 19.6 Once the contracts, bonds, et cetera, of the awarded bidder have been signed and found acceptable by the Dept. Head or their designate and the Purchasing Supervisor, the bid deposit if provided of all but the successful bidder shall be returned.
- 19.7 If the contract has been awarded and the successful bidder fails to provide a contract bond, cash or other acceptable collateral within the specified time, the Department Head or their designate and the Purchasing Supervisor or their designate may grant additional time to fulfill the necessary requirements or may recommend one of the following:
- i. That the contract shall be awarded to the next best responsible bidder
 - ii. That the contract shall be cancelled
- 19.8 In either of the above cases, any bid deposit of the successful bidder shall be forfeited. If the contract is to be awarded to the next best responsible bidder, their deposit shall be retained until he/she has actually completed the contract to the satisfaction of the Department Head or their designate.
- 19.9 If the next best responsible bidder fails, or declines to execute the contract if awarded to him/her, their deposit shall also be forfeited.

20 CONTRACT AMENDMENTS AND REVISIONS

- 20.1 No amendment or revision to a contract shall be made unless the amendment is in the best interest of the City.
- 20.2 No amendment that changes the price of a contract shall be agreed to without a corresponding change order describing the change in requirement or scope of work.
- 20.3 Amendments to a contract are subject to the identification and availability of sufficient funds in appropriate accounts within City council approved budget including authorized revisions.
- 20.4 Department Heads may authorize amendments to contracts provided that the total amended value of the contract is within the approval authority designated.
- 20.5 Where expenditures for the proposed amendment combined with the price of the original contract exceeds City Council approved budget for the project, a report prepared by the Dept. Head or their designate shall be submitted to the Director of Finance and City Council recommending the amendment and proposing the source of financing.

21 EXERCISE OF CONTRACT RENEWAL OPTIONS

- 21.1 Where a contract contains an option for renewal, the Dept. Head or their designate may exercise such option provided that all of the following apply:
- i. The supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract
 - ii. The Dept. Head has determined that the exercise of the option is in the best interest of the City.
 - iii. Funds are available in appropriate accounts within City Council approved budget including authorized revisions to meet the proposed expenditure.
 - iv. The Dept. Head shall provide a written explanation as to why the renewal is in the best interest of the City and include comment on the market situation and trend.
- 21.2 When a specific timeframe for a renewal option is not written in the original bid document, the renewal period shall not exceed the original contract duration.

22 ACCESS TO INFORMATION

- 22.1 The disclosure of information received relevant to the issue of a bid solicitation or the award of contracts emanating from bid solicitations shall be made by the appropriate offices in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended.

23 DISPUTE RESOLUTION

- 23.1 Wherein the spirit of this policy is to promote a sense of fairness and transparency, in the event of possible dissatisfaction, the following process will be followed in order:
- i. The vendor would be required to submit in writing to the Purchasing Supervisor, a notice clearly stating contract details and nature of perceived problem.
 - ii. The Purchasing Supervisor would respond to same in writing, and attempt to provide the information requested.
 - iii. Should the vendor still not be satisfied, a meeting between the vendor, Purchasing Supervisor and appropriate Dept. Head or their designate will be scheduled to further discuss the issues and debrief the vendor with regards to their bid submission evaluation. (Information regarding the scoring of other proponents is confidential and will not be discussed)
 - iv. If articles (i -iii) do not lead to a resolution, the decision may be referred to Council if deemed appropriate

SCHEDULE "C"
PURCHASING CARD PROGRAM

1. INTRODUCTION

1.1 Purpose and Scope

The purpose of this policy is to ensure that responsibilities are clearly defined and appropriate authority is delegated within an outline of procedures for the use and control of the City of Quinte West Purchasing Card Program (PCP)

The PCP is established as a method of making small dollar value City purchases; on line purchases; and or US funds purchases (up to \$2,000.00 per transaction, inclusive of taxes and freight), in accordance with the purchasing policy of the City of Quinte West.

Charges are processed when the card is submitted for payment and suppliers are paid within their established terms with the US Bank Canada.

1.2 Background

Department employees, who occupy positions with delegated purchasing authority by Dept. Heads, are authorized to use the Purchasing Card to purchase goods and services (amount on each card determined by thresholds established by Dept. Head) in support of sound business practices, with a monthly limit to be determined for each card holder.

The intended benefits of the Purchasing Card are: reduce the costs of procurement and supplier payment; improved ease and expediency of government purchasing; improve the timeliness of supplier payments; improve control over department purchasing; more time to work on value added acquisitions and improve management reporting on department purchasing.

1.3 Authority

Department Heads have the authority to empower employees within their departments or areas of responsibility.

2. POLICY

2.1 Administration

a) The Purchasing Supervisor is responsible for the administration of the Purchasing Card Program within the City of Quinte West.

b) Each Purchasing Card will have a unique number, and will be issued in the name of the City of Quinte West and the name of the employee who has been authorized to use that Card. **The card is not transferable to any other employee, even if that other employee is also authorized to use a Purchasing Card on behalf of the City of Quinte West. Improper card use will result in the cancellation of the employee's card.**

c) The Purchasing Card will be issued to employees who occupy positions with delegated purchasing authority, on the approval of the Department Head(s).

2.2 Limited Restrictions

a) The limit for individual card purchases is restricted by the dollar amount established by the Department Head.

b) The monthly credit card limit, which is the maximum monthly amount chargeable to each Purchasing Card, is restricted to the maximum dollar limit established by each Department Head. Under no circumstances will a transaction be "split" into two or more transactions to bypass the single transaction dollar limit.

c) The Purchasing Supervisor, in cooperation with the Department Head(s) will manage any changes of transaction or spending limits.

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2.3 Prohibitions

Purchasing Cards **will not be used in** the following circumstances:

- a) When the cost of the goods or services would be significantly increased as a result of using the Card and an alternative method of payment is available (i.e. a discount is provided by the supplier as a result of not using the Card);
- b) When the supplier does not take a credit card as a means of payment;
- c) For personal use vehicle operating and maintenance expenses including vehicle repairs, fuel, oil etc;
- d) For personal purchases;
- e) To obtain cash advances.

2.4 Revoking of Card Privilege

Cardholders who do not adhere to the limits and prohibitions set out above will have their card privileges revoked. The Purchasing Supervisor will consult with the Dept. Head who will advise the employee of this discipline.

2.5 Refunds

No cardholder may accept cash or a cheque from a supplier who is making a refund pertaining to a transaction previously charged to a Purchasing Card account. This supplier in all cases must issue a credit voucher.

2.6 Liability

- a) Every cardholder shall be informed in writing of his or her responsibilities and restrictions regarding the use of the Purchasing Card and shall agree to them in writing.
- b) Cardholders will be held liable for any misuse or willful disregard of policies or operating procedures that result in a loss of money, fraud or collusion.
- c) The liability for authorized charges on the Purchasing Cards rests with the City of Quinte West, not the individual cardholder.
- d) The maximum City liability for unauthorized use of the Card following loss or theft of the Card shall be \$50.00.

2.7 Unauthorized Use

Unauthorized use means a use that did not benefit the City and was made by someone other than the cardholder. The City is not liable for any unauthorized use of the Card which occurs after notification of loss, theft or cancellation has been received by the US Bank Canada, however, if the loss or theft of the Card is not reported immediately, the City may be liable for all unauthorized purchases charged to the account.

2.8 Statement Cycle

- a) The statement cycle period ends on the 27th of each month (or on the next business day if the 27th is on a weekend). The spending limit balances on each card are reset to zero at this time.

Expectations:

- Cardholders will be advised that their card activity statement is available for viewing and reconciliation on the desktop through Access Direct on the 28th of each month giving them the option to reconcile daily
- Cardholders have five (5) working days after receipt of the statement to allocate costs to accounts; if they are absent a delegated person should reconcile the cardholder's statement
- Cardholders will print the reconciliation after account costing

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- Cardholders will have their immediate supervisor sign off on the statement and forward the original copy to Purchasing accompanied by receipts for each transaction
- Lost receipts MUST be requested from the supplier by the cardholder.
- The approved print out or statement must be received by Accounts Payable no later than the 5th of each month

2.9 Payments

To avoid the payment of interest, payments to the US Bank Canada – Visa shall be made within 14 days following the monthly statement date (also refer to 4.10.5 and 4.12)

2.10 International Purchases

Purchases made outside Canada will be converted to Canadian funds at a rate established by Visa International Inc.

3. **RESPONSIBILITIES**

3.1 The Cardholder is responsible for:

- a) Adhering to all conditions and restriction imposed on the Purchasing Card by the City of Quinte West and US Bank Canada;
- b) submitting the Employee Acknowledgment of Responsibilities and Obligations form to the Purchasing Supervisor acknowledging, signing and submitting that they have read , understood and accept the conditions (Appendix A);
- c) ensuring that the Purchasing Card, monthly statements and other documents bearing the Card number are kept in a secure location with controlled access;
- d) immediately notifying the US Bank Canada, the Department Head or Purchasing Supervisor of loss or theft of the Card;
- e) returning the Card to the Purchasing Supervisor for cancellation as appropriate;
- f) providing a signed, reconciled card activity statement to Purchasing on a monthly basis for all purchases made with the card
- g) verifying the amount of GST paid to allow for accurate rebates;
- h) resolving disputed charges;
- i) keeping supporting documentation (i.e. sales slips, cash register and credit card receipts, supplier notices etc.) related to all purchases made with the Card for reconciliation, account verification and audit purposes; and
- j) ensure that tax exemption; it Fire vehicle repairs, are taken at the time the card is provided to the vendor.

3.2 The Department Head

The Department Head (or his/her designate) is responsible for:

- a) assessing the need for Purchasing Cards in cooperation with the Purchasing Supervisor based on operational requirements;
- b) identifying the employee(s) who will be authorized to make purchases through the use of a Purchasing Card;
- c) establishing the monthly credit limit for each cardholder in cooperation with the Purchasing Supervisor;
- d) specifying the types of items to be purchased with the Card, or identify any merchant blocking necessary;

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- e) informing the Purchasing Supervisor of the need for issuance of new cards, cancellation of existing cards, increases or decreases to credit limits, change in department or area of responsibility of the Cardholder;
- f) monitoring and controlling the utilization of Purchasing Cards within their department or area of responsibility;
- g) reviewing on a regular basis, the Card activity statement for all purchases charged to their budgets;
- h) ensure immediate supervisors are approving statement reconciliations for their employees.

3.3 Purchasing Supervisor

The Purchasing Supervisor or his/her designate is responsible for:

- a) collecting the reconciled activity statements from the cardholders;
- b) developing corporate policies and procedures with regard to the use of P-cards
- c) ensuring that all purchasing activity is done in accordance with approved Purchasing policies and procedures, and implementing corrective activities when warranted;
- d) ensuring that each cardholder is informed of his or her responsibilities regarding the use of the P-card;
- e) ensuring that the use of P-Cards conforms to departmental and corporate policy and procedures;
- f) authorizing the issuance or withdrawal of P-cards with the US Bank Canada;
- g) processing increases or decreases to credit limits in cooperation with Department Heads;
- h) processing bank forms with respect to changes of address and changes of department or area of responsibility, in cooperation with Department Head;
- i) providing coordination with respect to monitoring the overall utilization of P-cards within the City of Quinte West;
- j) compiling and reporting P-Card data to the Department Head(s) as required;
- k) ongoing staff training

4. **PROCEDURES**

4.1 Requests for Purchasing Cards

4.1.1 The Employee Information portion of the application form must be completed and signed by the employee and approved by the Department Head for each Card requested.

4.1.2 The Department Head, in coordination with the Purchasing Supervisor will complete the "monthly credit limit and single transaction limit" of the Employee Information section.

4.1.3 The Department Head must send the approved application form to the Purchasing Supervisor for transmittal to the US Bank Canada.

4.1.4 Personal credit information is not required as the Card will be issued to the City of Quinte West, not the employee.

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4.1.5 Purchasing Cards are expected to be issued within ten (10) working days from the date that the application form is received by the US Bank Canada. The Cards will be sent directly to the Purchasing Supervisor at the address indicated on the Bank Application Form.

4.2 Issuance of Purchasing Cards

4.2.1 Upon receipt of the Cards from the US Bank Canada, the cardholder must ensure that all information on the card is correct. Any inaccuracies are to be reported immediately to the US Bank Canada Commercial Card Centre by the Purchasing Supervisor.

4.2.2 The Purchasing Supervisor will inform the cardholder of the responsibilities and restriction regarding the use of the Purchasing Card and obtain a written Acknowledgment of Responsibilities and Obligations form from each cardholder before issuing the card (refer to Appendix A)

4.2.3 The Purchasing Supervisor will retain the Acknowledgment of Responsibilities and Obligations form for safekeeping.

4.2.4 The cardholder must sign the Purchasing Card and store it in a secure place when not in use.

4.2.5 The cardholder must activate the Purchasing Card by calling the US Bank Canada as per the telephone number on the Purchasing Card.

4.3 Cancellation of Purchasing Cards

The cardholder must return the Card cut in half to the Purchasing Supervisor for cancellation either directly or through the Department Head when:

a) specifically requested to return the Card by the Purchasing Supervisor or Department Head;

b) upon termination of employment with the City of Quinte West; or

c) upon an employee taking a leave through a secondment.

The Purchasing Supervisor will complete the necessary change form.

4.4 Lost or Stolen Purchasing Cards

4.4.1 The cardholder must **immediately** notify the US Bank Canada of any loss or theft of the card through the Commercial Card Centre at 416-306-3636, or toll free at 800-588-8067. Lost or stolen Cards can be reported 24 hours a day, seven days a week. The cardholder must also advise the Department Head who shall confirm the loss or theft in writing to the Purchasing Supervisor. The Purchasing Supervisor will complete the necessary paperwork. If the card is stolen, the police must be notified and a police report requested by the Department Head.

4.4.2 If the lost or stolen Card should eventually be recovered or found, it must be cut in half and returned to the Purchasing Supervisor directly or through the Department Head.

4.5 Change of Department or Area of Responsibility

4.5.1 If the cardholder will no longer require use of the card as a result of a change in department or area of responsibility, the Card will be cancelled. The Purchasing Supervisor will complete and submit the necessary paperwork to the US Bank Canada.

4.5.2 The change is expected to be made within three (3) working days from the date that the form is received by the US Bank Canada Commercial Card Centre.

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4.6 Modification of Credit Limit

4.6.1 The Department Head will coordinate with the Purchasing Supervisor for any change in credit limit. The Purchasing Supervisor will complete and submit the necessary paperwork to US Bank Canada.

4.6.2 Credit limit changes will be made within three (3) working days from the date that the bank receives the form.

4.7 Disputed Charges

4.7.1 Items charged on monthly statements of accounts that do not accurately reflect the transactions made by the cardholder (i.e. bank errors such as wrong amount, incorrect account number, multiple postings of the same item, etc.) are considered to be disputed items.

4.7.2 The cardholder must notify US Bank Canada and advise the Purchasing Supervisor of the items disputed. Disputed items reported by cardholders will be credited on the individual statement the following month (provided they are legitimate). The amount indicated on the statement is the amount that should be paid to the US Bank Canada Commercial Card Centre.

4.7.3 The cardholder shall provide information and assistance to the US Bank Canada to settle the disputed item(s) as required.

4.7.4 If the questionable item is not a bank error but a supplier error (i.e. late delivery, defective goods, wrong price, quantity difference, returned goods, etc.) the matter must be settled directly with the supplier by the cardholder. Such matters must be drawn to the supplier's attention immediately so as to minimize the delay in obtaining a credit to the Purchasing Card account. When the amount in dispute is of an insignificant dollar value, notices to suppliers should be confirmed in writing even though settlement may be accomplished through telephone calls. Copies of the notices to suppliers should be attached to the monthly reconciliation activity statement. Items under dispute with suppliers must not be deducted from the monthly statement of account.

4.7.5 Disputed charges must be identified and the US Bank Canada notified within 30 days of the statement date.

4.8 Purchase of Goods and Services

4.8.1 Record of purchases made with P-cards must be submitted to Purchasing by cardholders together with sales slips, credit vouchers, notices to suppliers with the printed card activity statement. A purchase order is not necessary for purchases made with a P-card unless a single transaction amount exceeds \$2000.00.

4.8.2 The appropriate sales tax exemption must be noted at the time of purchase to the supplier to ensure exemption from the provincial sales tax where applicable. (Fire dept. only)

4.8.3 The appropriate taxes are to be paid where applicable.

4.8.4 For over the counter transactions or for services rendered, the cardholder will certify that the goods have been received; when goods are shipped, the cardholder must ensure that the goods received match the order or sales slip.

4.8.5 For telephone orders, the cardholder should have the supplier fax a copy of the receipt or instruct the supplier to supply a copy of the receipt with the shipment.

4.8.6 For Internet orders, the cardholder may either print the order from the computer or attach the receipt provided by the supplier once the order arrives.

4.9 Access Direct Software

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4.9.1 The Access Direct web page is designed for individual cardholder use. It is provided as a delivery vehicle for the monthly statement to allow cardholders the ability to complete the monthly statements and allocate purchases to cost centers.

4.9.2 Cardholders may find the webpage useful to:

- Receive an electronic daily or monthly statement and print it
- Reconcile transactions on their monthly statement
- Adjust transactions (i.e. allocate purchases to cost centers or add additional information for use in company specific reports)
- Electronically deliver revised monthly statements to Purchasing
- Track project related expenses. This provides cardholders with a complete expense reconciliation system

4.9.3 Each cardholder will be provided with the internet address to verify and reconcile their statements daily or monthly where applicable.

4.9.4 For cardholders that do not have access to use of a desktop computer, a site coordinator will be assigned that has access to a desktop computer for reconciliation of the card activity statement.

4.9.5 The file may be downloaded and connected to the local area network where it will be updated immediately.

4.10 Payment of Monthly Statements

4.10.1 The statement of account will be issued on the 27th day of each month and will be sent directly to the Purchasing Department who will distribute with other regular invoices to appropriate department for coding and approval for payment.

4.10.2 The following documentation must be sent to Accounts Payable by the Purchasing Dept. for payment purposes: the printed copy of the monthly card activity statement as reconciled, approved by the cardholder and the Department Head or designate. The detailed purchases listed on the statement must match the charges shown on the monthly statement with adjusting entries shown, as need be, for disputed items (bank errors)

4.10.3 Monthly reconciliation must include sales slips, credit vouchers etc., and be sent to Purchasing. Purchasing will verify and forward to Accounts Payable where the information will be retained for audit purposes.

4.10.4 No cardholder shall have the authority to approve their own statement of account.

4.10.5 In order to avoid the payment of interest, the approved monthly statement with backup documentation must be sent to Accounts Payable for payment on or before the 5th day of each month.

5. Refunds from Suppliers

5.1 When merchandise is returned or other adjustments to accounts are necessary, credit vouchers will be issued by suppliers. No cardholder may accept cash or a cheque from a supplier who is making a refund pertaining to a transaction previously charged to a Purchasing Card account. This supplier in all cases must issue a credit voucher. Such credits must be issued against the same Purchasing Card that the original transaction was charged to.

6. Payment and Calculation of Interest

6.1 In accordance with the terms of the agreement between the US Bank Canada and the City of Quinte West, the payment of interest to the US Bank Canada is based on a 14 day payment period. Where the City is responsible for the delay, interest will be automatically calculated and paid on overdue accounts.

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7. Card Renewal

7.1 Each Purchasing Card is issued for a period of three (3) years starting with the month in which the Card is issued. Cards will be automatically renewed unless the City advises the US Bank Canada otherwise.

8. Management Reports

8.1 The management reports produced by the US Bank Canada "Access Direct" software will be provided by the Purchasing Supervisor as requested and issued to all Department Heads for monitoring purposes.

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**ACKNOWLEDGMENT OF RESPONSIBILITIES AND OBLIGATIONS and
AGREEMENT TO ACCEPT THE VISA PURCHASING CARD**

The US Bank Canada Visa Purchasing Card represents the City's trust in you. You are empowered as a responsible agent to safeguard City assets. Your signature below is verification that you have read the Purchasing Card Program Schedule "C" to the City of Quinte West Purchasing Policy and further that you agree to comply with it as well as the following responsibilities:

1. I understand that the card is for City approved purchased only, and I agree not to charge personal purchases.
2. Improper use of this card can be considered misappropriation of City funds. This may result in disciplinary action, up to and including termination of employment.
3. If the card is lost or stolen, I will immediately notify US Bank Canada by telephone. I will confirm the telephone call by mail or facsimile with a copy of the notification to the Purchasing Supervisor.
4. I agree to surrender the card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons.
5. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
6. All charges will be billed directly to and paid directly by the City. The bank cannot accept any monies from me directly; therefore any personal charges billed to the City could be considered misappropriation of City funds.
7. As the card is City property, I understand that I will be required to comply with internal control procedures designed to protect City assets. This may include being asked to produce the card to validate its existence and account number. I will be asked to produce receipts and statements to audit its use.
8. I will receive a monthly Reconciliation Statement which will report all activity during the statement period. Since I am responsible for all charges (but not for payment) on the card, I will resolve any discrepancies by either contacting the supplier or the bank.
9. I understand that the Purchasing Card is not necessarily provided to all employees. Assignment is based on my need to purchase materials for City business. My card may be revoked based on change of assignment or location. I understand that the card is not an entitlement nor reflective of title or position.

Visa Purchasing Card Number Issued in My Name

Employee Signature		Dated:
Employee Printed Name		
Approving Dept. Head Signature		Dated:
Dept. Head Printed Name		
Total Credit Limit on This Card		
Limitations		