

<i>The Town of Fort Frances</i>	SECTION ADMINISTRATION AND FINANCE
<u>PROCUREMENT</u> <u>POLICY</u>	REVISED October 2004, June 2006, July 2007
Resolution Number: 07/07 (286)	Supercedes Resolution Number: 07/10 (234)
Policy Number 1.12	PAGE 1 of 30

1. GOAL

To provide a procurement process that will enable the Town to acquire the required quality and quantity of goods and services required for the best value, while adhering to the following objectives.

2. OBJECTIVES:

- A. To ensure an open, transparent competitive process while protecting the financial interest of the Town
- B. To ensure service and product delivery are of high quality and efficiently delivered
- C. To ensure fairness among the bidders
- D. To ensure accountability to the taxpayer
- E. To provide an efficient process where the cost and amount of goods and services procured are proportional to time and money spent.

3. DEFINITIONS

The words and phrases listed below when used in this policy shall have the following meanings ascribed to them;

Approved invoice - an original supplier's invoice issued at the time of purchase of low dollar goods and services that bears both the signature of an appropriately authorized employee and required account distribution codes.

Award, Awarded, and Awarding - authorization to proceed with the purchase of goods, services or construction from a chosen supplier

Bid - an offer or submission from a supplier in response to bid solicitation

Bid Bond - the form of security required by the terms and conditions of bid solicitation documentation to guarantee that the successful bidder enters into a contract with the Town of Fort Frances as required

Bid Solicitation - formal request for bids that may be in the form of a Request for Tender or Request for Proposal

Chief Administrative Officer (CAO)- Chief Administrative Officer for the Town of Fort Frances

Clerk – Clerk means the duly appointed clerk of the Town of Fort Frances

Construction - a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, soil investigation, the supply of products and materials and the supply of equipment and machinery if they are included in, and incidental to, the construction, and the installation and repair of fixtures of a building, structure or other civil engineering design or architectural work, but does not include professional services related to the construction contract unless they are included in the specifications of the procurement

Contract - any agreement, regardless of form or title, for the lease purchase or disposal of goods services or construction authorized in accordance with this policy

Council - the duly elected Council of the Town of Fort Frances

Council Approved Budget - Council approved department budgets including authorized revisions, or where applicable, Council approved budgets of local boards to which this bylaw applies

Division - An organizational unit of the Town of Fort Frances headed by a manager, and the Planning and Development Division

Division Manager - the person appointed by Council to be responsible for the operation of a division and/or designate and includes the persons appointed to the position by the Chief Administrative Officer

Electronic Advertising - the use of a computer based system directly accessible by suppliers irrespective of location that provides suppliers with information related to bid solicitations

Emergency - a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public, or the property of residents of the Town of Fort Frances, or to prevent serious damage, disruption of work, or to restore, or to maintain essential service to a minimum level.

Fair Market Value - the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arms-length where fully informed and not under any compulsion to transact

Goods - moveable property including

- a) The cost of installing, operating, maintaining or manufacturing such movable property
- b) Raw materials, products, equipment and other physical objects of every kind and description

Lowest Compliant Bid - the bid that would provide the Town of Fort Frances with the desired goods, services, or construction at the lowest total acquisition costs, meets all the specifications and contains no irregularities requiring automatic rejection

Professional Services - persons having a specialized knowledge or skill for a defined service requirement including;

- a) Architects, engineers, designers, management, and financial consultants and;
- b) Firms or individuals having specialized competence in environment, planning or other disciplines

Proposal - an offer submitted in response to a request for proposal acceptance of which may be subject to further negotiation

Purchase Card - a card issued in accordance with the purchasing card policy, to purchase goods and services

Request for Proposal - a bid solicitation that is used to acquire goods, services or construction, the suitability of which is dependant upon non-price factors and which may result in further negotiation between the parties

Services - includes all professional and consulting services, all services in relation to real property or personal property including, without limiting the foregoing, the delivery, installation, construction, maintenance, repair, restoration, demolition or removal of and except only services to be delivered by an officer or employee of the Town of Fort Frances in accordance with terms of employment

Tender - a publicly advertised bid solicitation

Total Acquisition Cost - an evaluation of quality and service in the assessment of a bid and the sum of all costs including purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery, and inventory carry costs

Town of Fort Frances – means the Corporation of the Town of Fort Frances

Treasurer - the duly appointed Treasurer of the Town of Fort Frances

3.0 GENERAL PROCUREMENT POLICY:

A. Authority

The Chief Administrative Officer and Division Managers shall be responsible and have authority for all procurement activity and decisions within their departments and may delegate their authority, where appropriate.

B. Prescribed Council Approval

Despite any other provisions of this policy the following contracts are subject to Council approval

- i. Any contract requiring approval from the Ontario Municipal Board.
- ii. Any contract where the Total Acquisition Cost is greater than the Council Approved Budget.
- iii. Any contract in excess of \$35,000 except as identified in section 4E.

C. Application

- i. The procedures of this policy shall be followed to award a contract or to recommend to Council that a contract be awarded.
- ii. The CAO and Division Managers may purchase or contract for the goods, services listed in Schedule “A” to this policy without following the procedures set out herein provided that sufficient funds are available and identified in appropriate accounts within Council approved budgets.
- iii. The Chief Administrative Officer shall contract the Procurement of legal services.

- iv. The following local boards and corporations are bound by this policy and this policy shall apply with necessary modifications to such boards and corporations;
 - a. Town of Fort Frances Public Library Board
 - b. The Sister Kennedy Centre Board of Management
 - c. Town of Fort Frances Not for Profit Housing Corporation
 - d. Business Improvement Area Board

D. Restrictions

- i. No contract for goods, services or construction may be divided into two or more parts to avoid the application of the provisions of this policy
- ii. No contract for services shall be awarded where the services would result in an employee – employer relationship
- iii. Where an employee involved in the award of any contract either on his or her own behalf or while acting for, by, with, or through another person, has any pecuniary interest, direct or indirect, in the contract, the employee
 - a. Shall immediately disclose the interest to the division manager involved in the award of the contract and shall describe the general nature thereof;
 - b. Shall not take part in the Award of the Contract and;
 - c. Shall not attempt in any way to influence the Award of the Contract
- iv. An employee has an indirect pecuniary interest in a Contract in which the Town of Fort Frances is concerned if the employee or his or her spouse or same sex partner;
 - a. Is a shareholder in or a director or senior officer of a corporation that does not offer its securities to the public that has a pecuniary interest in the contract.
 - b. Has a controlling interest in or is a director or senior officer of, a corporation that offers its securities to the public that has a pecuniary interest in the contract, or
 - c. Is a member of an incorporated association or partnership that has a pecuniary interest in the contract.
 - d. Is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the contract.
- v. All Council members shall conduct themselves in accordance with the Municipal Conflict of Interest Act RSO 1990, c. M 50 as amended.

E. Total Acquisition Cost

Where this policy prescribes dollar limits, the contract amount shall be the estimated total acquisition cost less any rebates.

F. Notification

- i. Notification of procurement opportunities for goods, services or construction with a total acquisition cost of \$35,000 shall be made by electronic advertising and may be used for any other purchases.
- ii. Notification of procurement opportunities may be supplemented by other means of notification where appropriate.
- iii. Notification must be advertised for a minimum of 15 calendar days.

4.0 PROCUREMENT PROCEDURES

- A. The Chief Administrative Officer shall establish procedures consistent with the goals and objectives set out in this policy;
- i. The identification of those goods and services or construction which are more effectively acquired through cooperative purchasing.
 - ii. The form, content and use of forms including purchase orders, bonds, letters of credit and other forms of surety, tender, proposal and other contract documents if not specifically addressed in the policy.
 - iii. Any other aspect of process or procedure not specifically provided for in the policy

B. Purchase Cards

The Treasurer is responsible for the purchase card program outlined in the Town of Fort Frances purchasing card policy (schedule D). The purchase card policy shall be consistent with this procurement policy.

C. Request for Expression of Interest

A Division Manager or Chief Administrative Officer may conduct a request for expression of interest for the purposes of determining the availability of suppliers of any goods, services or construction and for the purpose of keeping a list of available suppliers.

D. Purchasing Methods

- i. Purchases not exceeding \$500
 - a. The Treasurer shall have the authority to establish petty cash funds in such an amount to meet the requirements of a department for the acquisitions of goods, services or construction having an individual total acquisition cost not exceeding \$500. All petty cash fund disbursements shall be evidenced by vouchers and shall be available for auditing purposes through the Treasurer.
 - b. Purchases made pursuant to this section shall be made from the competitive market place whenever possible and may be made by using an approved invoice, petty cash or purchase card.

- ii. Purchases not exceeding \$5,000
 - a. Purchases made pursuant to this section for the acquisition of goods, services or construction shall be made from the competitive market place whenever possible and may be made using an approved invoice or purchase card.

- iii. Purchases over \$5,000 but not exceeding \$35,000
 - a. Purchases requiring the acquisition of goods, services or construction having a total acquisition costs between \$5,000 and \$35,000 may be made by using a purchase card or approved invoice subject to;
 - At least three written quotes without the necessity of advertising or formal tender procedures prior to ordering.
 - b. In appropriate circumstances, the request for Proposal or Request for Tender process may be utilized for goods, services or construction in this total acquisition cost range.
 - c. The procedure used to purchase goods, services and construction in this total acquisition cost range shall demonstrate that fair market value was achieved.

- iv. Purchases Exceeding \$35,000

Request for Tender

- a. A request for tender shall be used for purchases exceeding \$35,000 where the following criteria apply
 - Two or more sources are considered capable of supplying the requirement.
 - The requirement is adequately defined to permit evaluation of tenders against clearly defined stated criteria.
 - It is intended that the lowest compliant bid will be accepted without negotiations.

Council must approve all tenders. The CAO, manager or designee shall provide a report to council with recommendations containing all pertinent information.

All Tenders and successful bidders shall be subject to and meet the requirements of the following legislations;

- a. The Occupational Health and Safety Act R.S.O. 1990,c 0.1
- b. Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990.c.M.56

- c. Fairness is a Two Way Street Act (Construction Labour Mobility), 1999.
- v) Tender Procedures
All tenders will be subject to the procedures in Schedule “C”.
- vi) Request for Proposal
 - a. Request for Proposal shall be used where one or more of the criteria for Request for Tender cannot be met such as:
 - Owing to the nature of the requirement, suppliers are invited to propose a solution to a problem, requirement or objective and the selection is based on effectiveness of the proposed solution rather than on price alone.
 - It is expected that negotiations with one or more suppliers may be required with respect to any aspect of the requirement.
 - b. Every request for proposal shall have terms of reference and include an evaluation grid.
 - c. Council must approve all Requests for Proposal. The CAO, division manager or designee shall provide a report to council with recommendations containing all pertinent information.
- vii) Bids in Excess of Project Estimates
 - a. Where bids are received in response to a bid solicitation but exceed project estimates, the manager in charge of the bid solicitation may enter into negotiations with the lowest compliant bidder to achieve acceptable bid within project estimate.
- viii) Bid Irregularities
 - a. Unless otherwise determined by the Town in its sole and unfettered discretion the administration of certain bid solicitation issues/irregularities and non-compliance are as set out in Schedule “B”.
- ix) Identical Tenders
 - a. If the lowest compliant bid from two or more bidders are identical in Total Acquisition Cost or unit price, the manager is authorized to enter into negotiations with the bidders who have submitted the identical prices in an attempt to obtain the lesser price and shall maintain a record with respect to such negotiations.

- b. When negotiations are not successful in breaking the identical tender, the successful bidder will be chosen by geographical preference in the following order;
 - Town of Fort Frances
 - District of Rainy River
 - North Western Ontario (Districts of Rainy River, Kenora, and Thunder Bay)
 - Province of Ontario

E. Emergency Purchases

- i) Where an emergency exists requiring the immediate procurement of goods, services or construction, a Division Manager may purchase the required goods, services or construction by the most expedient and economical means notwithstanding any other provision of this policy.
- ii) For all emergencies over \$35,000, the Manager shall file a report to Council dealing with the circumstances of the emergency.

F. Purchase without Budget Appropriation

- i) Where a requirement exists to initiate a project for which goods, services or construction are required and funds are not contained in the Council approved budget, the Division Manager shall, prior to commencement of the purchase process submit a report to Council, for approval, containing;
 - a. Information surrounding the requirement.
 - b. Information on the availability of funds within existing estimates, which were originally approved by Council for the other purposes or on the requirement for additional funds.

5.0 CONTRACTUAL AGREEMENTS

- A. The award of a contract over \$35,000 shall be by way of an agreement. The Division Manager and / or Chief Administrative Officer will have the authority to negotiate contracts on behalf of the Town.
- B. A formal agreement is to be used when the resulting contract is complex and will contain terms and conditions other than the Town of Fort Frances standard contractual terms and conditions.
- C. Changes to a contract, and more specifically add-ons, shall not exceed the project tender limitations for contingencies as defined in the contract, or in the absence of such limitations the variance must not exceed the approved tender amount by more than 10%. The appropriate Executive Committee and Council must approve any changes in excess of those prescribed above prior to proceeding.
- D. The completed contracts are to be returned to the Clerk for execution by the Town.

E. Guarantee of Contract Execution and Performance

- i) The Town shall require that a bid bond or other similar security to guarantee entry into a contract accompany a bid. Unless otherwise specified in circumstances where a bid bond or other security is required the refundable deposit required shall be:
 - a. 5% for projects where Total Acquisition Cost is \$35,000 to \$100,000.
 - b. 10% for project where Total Acquisition Cost is in excess of \$100,000.
- ii) Prior to commencement of work the successful bidder may be required to provide the following security in addition to the security referred to in section 5 (E) (i).
 - a. A performance bond to guarantee the performance of the contract, and;
 - b. A payment bond to guarantee the payment of labour and materials to be supplied in connection with a contract.
- iii) The Manager shall select the appropriate means of guarantee for execution and performance of the contract. Means may include but not be limited to certified cheque, bank draft, irrevocable letter of credit, money order, and, where appropriate a bid bond issued by an approved guarantee company properly licensed in the province of Ontario, on bond forms acceptable to the Town of Fort Frances
- iv) The Clerk shall retain the cash security, bid bond or surety, as the case may be, until a decision is made by Council to award or not to award. At that time, the Clerk shall forward the cash security, bid bond or surety, as the case may be, of the successful Tenderer to the Treasurer for safekeeping. The Clerk shall forward such securities of all unsuccessful Tenderers to the Division Manager of authority to accompany advisement of tender results. The original insurance certificate and WSIB certificate, etc. of the successful Tenderer are to be retained on the file of the Clerk.
- v) Prior to the commencement of work, evidence of insurance coverage satisfactory to the Town must be provided by the successful bidder ensuring indemnification of the Town of Fort Frances from any and all claims, demands, losses, costs, or damages resulting from the performance of bidders obligations under the contract and from any other risk determined by the Town requiring coverage.
- vi) It is the responsibility of the Division Manager of authority to ensure that contracts awarded to out of province contractors that, either:
 - a. A copy of a valid Retail Sales Tax Vendor Permit is obtained from the non-resident contractor; or

- b. The non-resident contractor file a copy of the letter of compliance issued by the Ontario Retail Sales Tax Branch; or
- c. If they fail to comply, an appropriate reduction will be made of each payment due to the contractor, and appropriate notification is given to Treasury to remit these funds to the Treasurer of Ontario.
- d. Copies of all relevant documents are to be forwarded to the Treasurer for inclusion in the Retail Sales Tax File.

6.0 SURPLUS AND OBSOLETE GOODS

- A. The Chief Administrative Officer shall dispose of all goods and services for which a Division no longer has use and the CAO may use any method for disposal in the Town of Fort Frances best interest, including without limitation, public auction, public tender, trade or transfer to another division.
- B. An employee who has the responsibility of declaring goods surplus or obsolete or for sending items to a public auction shall not bid on or personally obtain any goods that the employee has declared as surplus.
- C. No member of Council or Town employee shall be permitted to acquire surplus or obsolete goods except by purchase at public auction, by public tender, trade or negotiated sale.

7.0 Policy Review

- i) This policy shall be reviewed prior to the end of each term of Council and any amendment thereto shall be made prior to the nomination day in the year of the municipal election.
- ii) The review shall determine the policy's effectiveness versus the objectives stated and the requirement of the Municipal Act, 2001 as amended.
- iii) The management team shall undertake the review and the final result of said review are to be reported by the CAO to Council.

SCHEDULE A

The purchasing methods described in this policy do not apply to the following goods and services;

1. Training and Education
 - A. Registration and tuition fees for conferences, conventions, courses and seminars
 - B. Magazines, books and periodicals
 - C. Memberships

2. Refundable Employee/Councillor Expenses
 - A. Advances
 - B. Meal Allowances
 - C. Travel and Entertainment
 - D. Miscellaneous – non travel

3. Employer's General Expenses
 - A. Payroll Deduction Remittances
 - B. Medical
 - C. Licenses (vehicle, firearm, etc)
 - D. Debenture Payment
 - E. Grants to Agencies
 - F. Damage Claims
 - G. Petty Cash Replenishment
 - H. Tax Remittances

4. Professional and Special Services
 - A. Committee Fees
 - B. Legal fees and other professional services related to litigation or legal matters
 - C. Audit Services
 - D. Veterinary Expenses

5. Utilities

6. Advertising services required by the Town on or in but not limited to radio, television, newspaper and magazines

7. Bailiff or collection agencies

SCHEDULE B

	Irregularity/non compliance/issue	Response
1	Late Bid	Automatic rejection, not opened or read publicly
2	Insufficient Financial Security (no bid security or agreement to bond or insufficient bid bond or agreement to bond)	Automatic rejection
3	Bids completed and / or signed in an erasable medium	Automatic rejection
4	All required section of bid documents not completed	Automatic rejection unless the incomplete nature is trivial or insignificant at Town's discretion
5	Bids received on documents other than those provided by the Town	Automatic rejection
6	Bids containing minor obvious clerical errors	48 hours to correct and initial
7	Failure to execute agreement to bond or bonding company corporate seal or signature missing from agreement	Automatic rejection
8	Failure to execute bid or bond by bidder or bonding company	Automatic rejection
9	Erasures, overwriting or strikeouts which are not initialled	48 hours to initial changes
10	Mathematical error which are not consistent with unit price	48 hours to initial changes made by the Town
11	Failure to acknowledge necessary addendum which have financial implications	Automatic rejection
12	Any other irregularities	The manager in charge of bid solicitation and the CAO shall have the authority to waive any other irregularities or grant 48 hours to initial such other irregularities

SCHEDULE C - TENDER PROCEDURES

1. Obtain sealed tenders by placing a minimum of one advertisement in a newspaper of general local circulation. Such advertisement may be supplemented by local radio announcements and/or additional print publication as may be appropriate. An advertisement may be placed in out-of-town newspapers instead of the local newspaper if it is known that there are no local suppliers. An electronic advertising/tendering will be used for the procurement of goods and services with a total acquisition cost greater than \$100,000 and construction with total acquisition costs greater than \$250,000 as required in the opening of public procurement for Ontario and Quebec.
2. In addition, copies of the tender call may be sent to:
 - a. Condata, 4410 Roblin Blvd. Winnipeg, Manitoba R3R 0E9 Fax: 204-582-8205
 - b. Construction Association of Thunder Bay, 857 North May Street, Thunder Bay, Ontario P7C 3S2 Fax: 807-623-2296
 - c. Winnipeg Construction Association, 290 Burnell Street, Winnipeg, Manitoba R3G 2A7 Fax: 204-783-7805
 - d. Fort Frances Times Fax: 807-274-7286
 - e. Tenderlisting.com
 - f. Town of Fort Frances Web Page
3. It is the responsibility of the Division Manager to ensure that proper tender documents, plans and specifications are prepared and available to prospective Tenderers the day of the advertisement.
4. Where appropriate (construction projects), the Managers are to consult with the Environment and Facilities Superintendent to determine the role and responsibilities of Engineering and/or other operations departments as it relates to the completion of the project. If capability or time commitments do not permit, it is the responsibility of the division in need to seek alternative methods of completing the project specifications.
5. Employee input is valuable to the determination of plans and specifications for items/projects/services etc. to ensure that the Town's needs are met. In situations where employees are users of the item/project/service/etc. Managers shall obtain (and record) employee input into the preparation of tender specifications.
6. In order to recover costs of producing detailed tender documents and drawings, where appropriate, at the discretion of the Division Manager, a fee may be charged for tender documents not to exceed \$50.00.

7. For those projects, goods, or services, where the estimated total tender price is from \$35,000.00 to \$100,000.00, a 5% deposit is required. The deposit by way of certified cheque, bid bond or equivalent in the amount of 5% of the total tender price payable to the Town shall accompany each tender submitted subject to the following. In the case of tender transmitted by facsimile, the original deposit must be received no later than 5 business days after closing of the tender. However, proof of the deposit acceptable to the Town must be included in the tender submission.
8. For those projects, goods, or services, where the estimated total tender price in excess \$100,000.00, a 10% deposit is required. The deposit by way of certified cheque, bid bond or equivalent in the amount of 10% of the total tender price payable to the Town shall accompany each tender submitted. In the case of tender transmitted by facsimile, the original deposit must be received no later than 5 business days after closing of the tender. However, proof of the deposit acceptable to the Town must be included in the tender submission.
9. Deposits of unsuccessful Tenderers will be returned no later than three weeks following the Tender award. Except as otherwise provided for herein, the Deposit of the successful Tender will be returned with the first progress certificate.
10. Construction projects in excess of \$100,000 will require a performance bond or equivalent as determined by the Town. This bond will be held for a period not to exceed 12 months from the date of completion of the project.
11. The Tenderer shall keep its tender open for acceptance for a period of 45 calendar days from the closing time.
12. A tendering number obtained from the office of the CAO shall identify all tender calls.
13. A copy of the advertisement, tender specifications, advertising schedule and direct mailing list if applicable is to be forwarded to the CAO prior to publication.
14. All tender forms are to be submitted in duplicate prior to closing time and date to the Office of the CAO.
15. Tenders shall close at 2:00 p.m. on a Tuesday that is not a holiday unless otherwise specifically authorized by the CAO and instructions to bidders shall note that tenders will be publicly opened at the Fort Frances Civic Centre, 320 Portage Avenue, Fort Frances, Ontario after the specified closing time and date.

16. Tenders will be opened in the presence of the CAO or designee and the applicable Division Manager or designee.
17. Tender openings shall be open to the public.
18. Unless the Town determines otherwise a tenderer will be responsible to complete a Occupational Health and Safety agreement form and submit a valid WSIB clearance certificate.
19. The successful Tenderer(s) shall take out and keep in force, throughout and for the duration of such Tenderer's obligations to and/or contract with the Town such insurance policies and evidence of insurance coverage as determined by the Town. A certified copy of the Policy or certificate thereof shall be deposited with the Town upon signing of the Form of Agreement or as the Town may direct. Some suggested wording which may be included in the insurance policies is as follows:
Such Policy shall name the Town as an additional insured thereunder and shall contain:
 - (a) The insurer's waiver of any rights of subrogation or indemnity or any other claim to which the insurer might otherwise be entitled as against the Town and any other corporation owned, operated, or controlled by or affiliated with the Town, together with a severability of interest clause and a cross liability clause; and
 - (b) An undertaking by the insurer not to cancel, change, lapse or refuse to renew the insurance therein granted without first giving the parties notice of its intentions in writing of at least 60 days prior to the intended change, lapse, cancellation or termination.
20. Tenders are to be opened and read out by the CAO or designee. A formalized checklist - Appendix "A" (attached) is to be completed at time of opening.
21. Following the opening of tenders and after the completion of the formalized checklist by the CAO or designee, copies of each tender received shall be referred to the appropriate Division Manager or Consultant for tabulation, confirmation of price extensions, analysis of quantities, and qualities, and conformity to plans and/or specifications. Conveyance envelopes are to be only discarded following the completion of the project.
22. A tender recommendation report will be prepared for Council's approval regarding the tenders received.
23. This clause may be considered as part of the Tender documents. The division manager or designee will determine its utilization. In the event of any dispute

arising in connection with this Tender or Tender process, including, without limitation, a dispute as to whether the bid of any Tenderer was submitted on time, the Town, in its unqualified subjective discretion, may refer the dispute to a confidential arbitration before a single arbitrator at Fort Frances, Ontario, pursuant to the Arbitration Act, 1991, as amended. In the event that the Town refers the dispute to arbitration, the Tenderer agrees that it is bound to arbitrate such dispute with the Town. Unless the Town shall refer such dispute to arbitration, there shall be no arbitration of such dispute.

In the event the Town refers the dispute to arbitration the Town and the Tenderer agree that they shall exchange brief statements of their respective positions on the dispute, together with the relevant documents, and submit to an arbitration hearing which shall last no longer than 2 days, subject to the discretion of the arbitrator to increase such time. The Town and the Tenderer further agree that there shall be no appeal from the arbitrator's award.

Appendix A
TOWN OF FORT FRANCES – TENDER OPENING

Tender No.: _____
 Time: 2:00 p.m. _____,

Date: _____
 Committee Room, Civic Centre

Staff Attendance:

Public Attendance:

Attachments:
 Deposit; Bid Bond; Agreement to Bond

Tender Opened: Name/Company Certificates, Etc.	Original Contractors; Comments,	Duplicate Amount
1. _____ _____	_____ _____	_____ _____
2. _____ _____	_____ _____	_____ _____
3. _____ _____	_____ _____	_____ _____
4. _____ _____	_____ _____	_____ _____
5. _____ _____	_____ _____	_____ _____
6. _____ _____	_____ _____	_____ _____

_____ Signature

_____ Envelopes Discarded
 _____ Duplicates to Department representative in attendance

This report is not meant to be a formal review of tender award – its purpose rather is to record opening particulars – the in-depth and formal review will follow.

TOWN OF FORT FRANCES

Schedule 'D' Purchase Card Policy

INTRODUCTION

Welcome to the **Town of Fort Frances'** Purchasing Card Program. The purpose of this program is to provide our Town of Fort Frances, with an easy, low-cost purchase and payment-processing alternative to petty cash and prepaid purchase orders within established purchasing authorization.

We recommend that you read this guide in its entirety before requesting and/or using your Purchasing Card. This manual provides a variety of information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled monthly and miscellaneous information about the program.

The Purchasing Card Program is based on a standard retail charge card program that has been modified to meet Town of Fort Frances procurement objectives. The Purchasing Card Program was designed to enable you to make direct purchases of specific Town of Fort Frances approved commodities within specific dollar limits, with monthly payments charged to your accounts.

The Purchasing Card Program is not intended to avoid or bypass other appropriate procedures. Instead, it is intended to provide flexibility and autonomy to the Cardholder while complementing current existing purchasing and payment guidelines. **Unlike personal charge cards, the Purchasing Card Program incorporates controls over certain types of expenditures. These controls ensure that the Program can be used only with specific types of merchants and within specific dollar limits.**

Cardholders are asked to use the Purchasing Card responsibly and carefully. Although the Purchasing Card is issued in an individual's name, the charges incurred are the liability of the Town of Fort Frances. **Cardholders do not require personal Credit Applications and the program does not impact your personal credit rating in any way.** Use of the Purchasing Card Program will eliminate the need for staff to use their personal credit card(s) when dealing with Town of Fort Frances approved expenditures. It will greatly reduce the number of PO's handled at all levels thereby reducing Town of Fort Frances costs associated with purchasing processes and accounting transactions. In addition, petty cash expenditures and reimbursements should be reduced.

PURCHASING CARD POLICY

1. The Town of Fort Frances may delegate purchasing authority to departments for the purchase of goods and some services within the established purchasing authorization limits as outlined in the Town of Fort Frances Purchasing Policy. The Town of Fort Frances will set limitations on the type of goods and services that may be purchased on the Purchasing Card.
2. Multiple purchases with a Card are not to be combined to initiate purchases in excess of the assigned limit unless authorized by the Treasurer or designate.

3. Liability for authorized charges on the Purchasing Card rests with Town of Fort Frances, not the individual Cardholder.
4. **Liability for unauthorized personal charges on the Purchasing Card rests with the individual Cardholder.**

BENEFITS OF THE PURCHASING CARD

FOR THE CARDHOLDERS:

- Flexibility
- Reduced reliance on petty cash and POs
- Improved relations with suppliers
- Enhanced controls on point-of-sales
- Personal expenditures for goods & some services is eliminated
- Streamlined approval process
- Fits in your pocket

FOR THE TOWN OF FORT FRANCES:

- Direct access to numerous suppliers.
- Reduced invoice processing during a billing period.
- No inquiries for missing or delayed payments. Vendors are paid directly by the card provider.
- Monthly transaction spending has predetermined limits. Some purchases may be controlled through merchant code blocking.
- All transactions can be monitored daily if required.
- Predetermined user authorization, easy and cost effective purchase management.
- Reduced processing costs.
- Cardholders seek suppliers that accept Purchasing Cards reducing the supplier base.
- One monthly payment for all cardholder transactions will be automatically debited from our account with the bank.

FOR THE SUPPLIERS:

- Increased sales as transactions may now be accepted more readily
- Improved cash flow
- Invoicing expenses reduced
- Confidence that costs associated with services provided will be paid
- Immediate payment

FOR FINANCE DIVISION:

- Reduced invoice/PO processing
- Increased control
- Increased management reporting

RESPONSIBILITIES

CARDHOLDER:

- Applies for a Purchasing Card and completes and signs a Town of Fort Frances Purchasing Cardholder Agreement;
- Immediately signs the card in front of Card Coordinator upon receipt to prevent unauthorized purchases;
- Maintains the security of the Purchasing Card;
- Makes the decision to purchase authorized goods;
- Ensures spending authority approves purchase in advance;
- The Cardholder will either:
 - present the merchandise and the Purchasing Card to the supplier or,
 - select the goods or services, contacts the Supplier via phone or fax and places the order charging the goods to the Purchasing Card;
 - The Cardholder must instruct the supplier to:
 - forward a receipt and packing slip with the goods to the Cardholder and ensure the supplier GST number is on the receipt or packing slip.
 - Inspects and verifies the accuracy and quality of the goods received;
 - Reconciles and verifies all purchasing receipts and statements and forwards the original documents to Finance Division within five days of receiving the CIBC statement;
 - Allocates the appropriate GL account to card transactions;
 - Identifies discrepancies and reports to either the bank or the supplier if the statement is incorrect;
 - Notifies **CIBC Purchasing Card Customer Service** at **1-800-652-3888** and the **Purchasing Card Co-ordinator** (Treasurer -274-5323 Ext 248) immediately regarding **lost or stolen cards**.
 - Notifies the Purchasing Card Co-ordinator in writing of name, telephone, address and department changes.
 - Notifies Purchasing Card Co-ordinator in writing upon employment resignation and returns purchasing card to same.

PURCHASING SERVICES:

- Appoints a Purchasing Card Co-ordinator (Treasurer);
- Performs spot audits to ensure compliance with Purchasing Card policy and procedures, and general purchasing activities;
- Identifies future Purchasing Card enhancements and applications;

- Notifies appropriate administrators and managers of non-compliance issues;
- Provides Cardholder training;
- Assists with problem resolution;
- Develops program literature and documentation.
- Identifies future Purchasing Card program applications and enhancements;
- Works with cardholders to identify appropriate suppliers.

RESPONSIBILITIES

PURCHASING CARD CO-ORDINATOR:

- Approves/Changes/Cancel Purchasing Cards;
- Establishes and maintains **(Town of Fort Frances)** wide communication;
- Primary contact person for Financial Institution and **(Town of Fort Frances)**;
- Primary contact person for PROCARD and **(Town of Fort Frances)**;
- Primary contact person for questions regarding the use of Purchasing Cards for the **(Town of Fort Frances)**;
- Ensures **(Town of Fort Frances)** Purchasing Card Request Form and Cardholder Agreements are completed correctly and approved appropriately;
- Maintains Purchasing Cardholder Agreements, Purchasing Card Applications, Cardholder Limits and Change Requests;
- Informs Cardholders of their responsibilities and obligations for use of the Purchasing Card;
- Advises (financial institution) of changes to status of Cardholders;
- Cancels cards immediately upon employee termination. **(Division managers must immediately notify the Purchasing Card Co-ordinator of the termination of employment of any employee who holds a (Town of Fort Frances) issued Purchasing Card)**;
- Distributes Purchasing Cards and witnesses that each Card is signed on the back by the Cardholder;
- Resolves card blockages with CIBC VISA as required;
- Reviews blockage reports on a monthly basis;
- Reviews and verifies that the monthly transactions are appropriate;
- Ensures cardholder confidentiality.

FINANCE DIVISION:

- Processes the monthly Purchasing Card journal entries to bank;
- Stores and files all Cardholder original receipts and monthly statements as per Revenue Canada guidelines;

TREASURER:

- BAS Interface;
- Audits appropriateness of GL account numbers.

CARD COMPANY:

- Co-ordinates and structures the initial implementation of the Purchasing Card;
- Assists in the development and implementation of specific applications;
- Assists in training and development of Cardholders;
- Manages all aspects related to client services;
- Provides recommendations/solutions to problems and concerns;
- Co-ordinates activities, communication, new account information and electronic data interchange transmissions between the bank and the (Town of Fort Frances);
- Assists the Purchasing Card Co-ordinator with analysis and reports on the Purchasing Card Program.

RESPONSIBILITIES

BANK CUSTOMER SERVICE REPRESENTATIVES:

- Provides Cardholders with telephone information services from 5:00 am to 5:00 pm Pacific Time;
- Provides 24 hour service, seven days per week for card cancellation;
- Takes orders for replacement of damaged cards;
- Provides account balances;
- Answers credit limit inquiries;
- Takes duplicate statement requests;
- Receives lost/stolen card reports;
- Receives name and address changes;
- Resolves problems;

HOW DOES THE PURCHASING CARD WORK?

The Purchasing Card is for business use only!

The Purchasing Card is a commercial VISA credit card. It works similarly to your personal credit card except that there are specific merchant limitations, transaction limits and monthly limits. Each time you use your Purchasing Card, an electronic process verifies that your purchase is within the predetermined limits. If your purchase violates these limits, the supplier will not be able to process your order.

MAKING A PURCHASE

- 1) Determine if your purchase is for authorized goods or services and within your authorized limits.
- 2) Determine the supplier.
- 3) Determine if you will place the order in person or via the telephone/fax. (Remember to ensure that the card number is relayed to the supplier in a secure way.)
- 4) CIBC VISA will pay the supplier for the transaction.

RECEIPTS

Get a receipt from the supplier for each transaction. **Save your receipts! Receipts will be used to reconcile your monthly Purchasing Card Statement.** Receipts that do not clearly list the items purchased will not be considered adequate documentation. If you lose a receipt, attempt to get a copy from your supplier. If it is impossible to get a copy then create one detailing the information required on a receipt and have your supervisor/manager sign it as an authorized proof of purchase.

Receipts include charge slips, cash register receipts or packing slips. For subscriptions, a copy of the renewal notice or initial subscription request is a receipt. A receipt for a guest speaker could be a receipt from a receipt book.

All receipts must include the following information:

- Purchasing Card #
- Itemized description of goods or service purchased
- Supplier name
- Transaction date
- Transaction total
- PST if applicable
- GST
- GST Registration Number
- GL Code(S)

DECLINED PURCHASE

If your purchase is not approved by VISA, call **CIBC Purchasing Card Customer Service** at **1-800-652-3888** to determine the reason for the decline.

The (Town of Fort Frances) **may** set certain MCC (Merchant Code Category) restrictions. Occasionally an authorized supplier may be classified under an MCC that has been restricted. Ask CIBC for the MCC category that caused the decline and then contact the Purchasing Card Co-ordinator if you experience a blocked purchase.

If you believe that the spending limits are too restrictive then you must have your supervisor/manager complete a new Request for Purchase Card and tick off the Change space.

MERCHANTS WHO DO NOT ACCEPT THE PURCHASING CARD

Anyone from whom you currently purchase goods or services should be considered a potential merchant of the Purchasing Card Program even if they don't accept Purchasing Cards today. The program is not restricted only to retail merchants. There are many industrial suppliers who have recognized the need to accept Purchasing Cards as a form of payment.

Merchants may contact their local bank or financial institution to become CIBC VISA Purchasing Card capable or they may contact the **CIBC Merchant Card Services** for assistance. Most institutions will be able to set up a merchant to process all types of Purchasing Card transactions, so that this form of payment may be accepted from the (Town of Fort Frances).

RETURNING AN ITEM PURCHASED WITH A PURCHASING CARD

For an in-person purchase, return the item directly to the supplier and obtain a credit receipt.

CASH REFUNDS ARE PROHIBITED!

If you made the purchase via the telephone, mail or fax:

- Contact the supplier for return instructions.
- Get a return authorization number (RMA or RA) or a credit number from the supplier. **NOTE:** Some suppliers charge a restocking charge or a handling fee.
- Return the goods to the supplier via an economical shipper such as a courier or the postal mail.
- Note the date of the return. Be sure to check all subsequent Purchasing Card Statements to verify that you have received a credit for the returned item.

REVIEWING AND RECONCILING MONTHLY STATEMENTS

Your monthly Purchasing Card Statement will be mailed to you at the address provided on your Purchasing Card application around the 15th day of each month.

IT IS THE RESPONSIBILITY OF THE CARDHOLDER to verify that he/she has received the monthly statement and verify the accuracy of the statement by reconciling the receipts to the statement. If you do not receive your CIBC statement by the 15th of the month, you may call CIBC Purchasing Card Customer Service to request a screen printcopy, which will be faxed to you.

You are checking for:

- Amounts on the VISA statement that is different from your receipts. (The difference may be a shipping or handling charge).

- Items on the statement that you did not purchase.

NOTE: If you find a discrepancy, follow the instructions under “Incorrect Charges”.

Attach the receipts with GL codes noted to the monthly statement in the same order as they appear on the statement.

REVIEWING AND RECONCILING MONTHLY STATEMENTS

Sign the statement. Your signature confirms that:

- the charges are correct with any exceptions noted
- all receipts are attached
- all purchases are authorized (Town of Fort Frances) purchases

Forward the signed statement and receipts to your supervisor/manager for their authorized signature.

Forward the statement and receipts to the Finance Division.

INCORRECT CHARGES

If you find a discrepancy between your quote and statement, call the supplier immediately to resolve the discrepancy. If the matter remains unresolved contact the Purchasing Plan Co-ordinator at 274-5323 x248. If a transaction on the monthly statement does not belong to you contact CIBC Purchasing Card Customer Service at 1-800-652-3888 and advise your Purchasing Card Co-ordinator.

PRODUCT QUALITY/SERVICE

If you receive a product that is either incorrect or defective allow the supplier a reasonable amount of time to either replace the product, resolve the service issue or issue you a credit before you turn the matter over to the Purchasing Card Co-ordinator.

LOST OR STOLEN CARDS

If you have lost your Purchasing Card or had it stolen contact **CIBC Purchasing Card Customer Service at 1-800-652-3888 IMMEDIATELY**. Record the name of the person you contacted and the exact time of the call. Notify the Purchasing Card Co-ordinator immediately after contacting CIBC. CIBC will block further use of the existing card and issue a new card and account number.

SPENDING CONTROLS

Cardholder Monthly Credit Limit

This monthly limit is the maximum dollar amount authorized for a cardholder within a 30 day billing cycle. Spending limits for each (Town of Fort Frances) cardholder vary per card and have been set based on discussions with the Manager in conjunction with the Purchasing Card Co-ordinator.

To allow for ongoing use of each Purchasing Card, cardholder monthly spending limits are replenished automatically by the bank on the day following the issue of statements. The statement day is set for the 4th of each month. Cardholder balances are cleared at midnight on the 4th of each month.

To request an adjustment to your credit limit, a written request approved by the Manager must be forwarded to the Purchasing Card Co-ordinator. Each request received will be reviewed to determine the viability of the request.

AUDITS

The Treasurer will periodically perform internal audits for compliance with Purchasing Card policies and procedures.

The following non-compliant situations may result in cancellation of a Purchasing Card:

- Inadequate supporting documentation for purchases
- Inappropriate purchases
- Monthly statements that have not been reconciled and signed by the Cardholder and Supervisor/Manager

Cardholders may be subject to disciplinary action for the following non-compliant situations:

- Personal use of the Purchasing Card
- Not reporting a lost or stolen Purchasing Card
- Other excessive violations of Purchasing Card policies

PURCHASING CARD CANCELLATIONS

If it is necessary to cancel a Purchasing Card, the Cardholder must return the Purchasing Card to the Purchase Card Coordinator. The Purchasing Card Coordinator will contact the Card Company to immediately cancel the card.

The Purchasing Card Coordinator will cut the card in half and the card may then be disposed of.

Reasons for cancellation:

- Cardholder is no longer employed by the (Town of Fort Frances)
- Cardholder goes on leave without pay
- Cardholder is requested to surrender the Purchasing Card due to violation of policies

AUTHORIZED PURCHASES

Purchasing Cards may be used to purchase the following goods & services:

- Travel related expenses such as hotel accommodation, airline tickets, car rentals, and conference and seminars fees.
- Magazine Subscriptions;
- U.S. purchases or other foreign countries
- Library/Text books;
- CD ROM & video tapes;
- Supplies and materials
- Computer software and hardware;
- Equipment and Furniture including freight and taxes;
- Meeting refreshments such as sandwiches, muffins, tea/coffee and sweets.
- Any other budgeted items within your scope of responsibility

UNAUTHORIZED PURCHASES

Purchasing Cards **must not** be used to purchase the following goods and services:

- Alcoholic beverages, meals (use travel expense report for per diem) and entertainment;
- Systems development/maintenance/enhancements;
- Professional service contracts such as legal, accounting, architecture or engineering services;
- Outsourcing (Town of Fort Frances) facilities support such as repair and services;
- Casual labour;
- Fines, late fees, or penalties;
- Rentals or leases of equipment;
- Equipment service agreement.

TEN WAYS TO PROTECT YOUR CREDIT CARDS

(an excerpt from a Canadian Bankers Association publication)

" You may think these ten rules are unnecessary. But if you ignore them, you make it easy for the wrong people to use your cards.

1. Never leave your cards unattended at work.

There are more card thefts in the workplace than in any other single location.

2. Don't leave credit cards in your vehicle. A very high proportion of credit cards are stolen from motor vehicles.

3. Always check your card when it returned to you after a purchase. Make sure it is your card.

4. When travelling, carry your cards with you, or make sure they are in a secure location.

5. Report lost or stolen cards immediately. Most fraudulent use of cards takes place within days of their being stolen.

6. Sign the back of a new card as soon as you get it. Destroy unwanted cards so no one else can use them.

7. Make a list of all your cards and their numbers. This key information is helpful when reporting lost or stolen cards.

8. Always check your monthly statement. Make sure the charges are yours.

9. Never give your card number over the phone unless you are dealing with a reputable company. The only time you should give it is when you have called to place an order.

TREAT YOUR CREDIT CARDS LIKE CASH."

**CANADIAN BANKERS ASSOCIATION
P.O. Box 348, Commerce Court West
Toronto, Ontario
M5L 1G2**

IMPORTANT TELEPHONE NUMBERS

1. LOST OR STOLEN CARDS:

CIBC Purchasing Card Customer Service
Tel: 1-800-652-3888
Fax: 1-888-999-9359

2. QUESTIONS REGARDING CARD ACCOUNT:

CIBC Purchasing Card Customer Service
Tel: 1-800-652-3888
Fax: 1-888-999-9359

3. QUESTIONS REGARDING PURCHASING CARD PROGRAM:

Name: Treasurer
Purchasing Card Co-ordinator
Department: Finance
Tel: 274-5323 extension 248
email: lwitherspoon@fort-frances.com