

BYLAW NO. 2388"A"-22

MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

A BY-LAW OF THE MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER IN THE NORTHWEST TERRITORIES TO PROVIDE FOR THE TERMS AND CONDITIONS OF PROCUREMENT POLICY OF THE MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER IN THE NORTHWEST TERRITORIES

WHEREAS pursuant to the Cities, Towns and Villages Act, S.N.W.T. 2003, c. 22 and subsequent amendments thereto, municipalities are required to adopt policies with respect to procurement of goods and services by the municipality;

AND WHEREAS it is desirable to adopt such a policy for procurement by the Town of Hay River;

AND WHEREAS it is desirable to establish expenditure limits and signing authorities with respect to procurement by the Town of Hay River;

NOW THEREFORE the Council of the Municipal Corporation of the Town of Hay River, in Council duly assembled, enacts as follows:

1.0 PROCUREMENT POLICY AND PROCEDURES.

- 1.1** The policy attached hereto as Schedule "A" forms part of the by-law and shall be and is hereby adopted as the Procurement Policy for the Town of Hay River.
- 1.2** Amendments to Schedule "A" shall only be done by way of amendment to this by-law.
- 1.3** The guiding principle shall be that the procurement by or in the name of the Town of Hay River will be made using competitive processes that are open, transparent and fair.
- 1.4** Subject to any exceptions set out in Schedule "A" hereto, acquisition of goods and/or services by or on behalf of the Town of Hay River is not authorized unless the acquisition is done in compliance with this by-law. Goods and/or services that are obtained without following the provisions of this by-law shall not be received and any invoices received shall not be paid.
- 1.5** Without limiting the generality of section 4, the provisions of this by-law shall apply to any and all procurement in the name of the Town of Hay River by consultants and/or Directors pursuant to consultant or management contracts.

2.0 EXECUTION OF PROCUREMENT CONTRACTS

BYLAW NO. 2388"A"-22

MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

- 2.1 Where procurement has been pre-authorized in accordance with this by-law, contracts may be signed by the Director responsible for the procurement on behalf of the Town of Hay River.
- 2.2 Where procurement has been authorized by Council resolution, the contract shall be signed by the Senior Administrative Officer and the Mayor.

3.0 LIMITATIONS

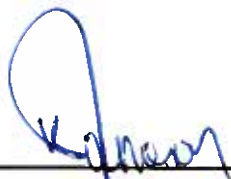
- 3.1 Despite any other provisions of this by-law, the following procurement contracts are subject to council approval:
 - a) Any contract requiring the approval of any other approval authority;
 - b) Any contract prescribed by statute to be made by Council
 - c) Where the cost amount proposed for acceptance is higher than the Council approved budget for that expenditure or where the expenditure would result in insufficient remaining funds in the project budget to complete the project as budgeted;
 - d) Where the net revenue amount proposed for acceptance is lower than the Council approved budget;
 - e) Where a substantive objection emanating from the procurement process has been filed;
 - f) Where an irregularity precludes the award of a contract in accordance with Schedule "A";
 - g) Where authority to enter into the contract has not been expressly delegated; and,
 - h) Where the procurement is by way of Tender.
- 3.2 The exercise or authority to award a procurement contract is subject to the identification and availability of sufficient funds in the appropriate accounts within the Council approved budget.

4. IMPLEMENTATION AND CONFLICTS

- 4.1 The provisions of this by-law apply to any and all procurement initiated by or on behalf of the Town of Hay River after this by-law is passed despite any references to the contrary in any by-laws, regulations or policies or other documentation.
- 4.2 By-law 2388 is hereby amended.
- 4.3 This by-law will come into effect upon the day of its final passage.

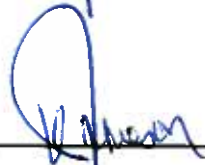
BYLAW NO. 2388"A"-22
MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

READ A FIRST TIME this 21st day of February 2022.



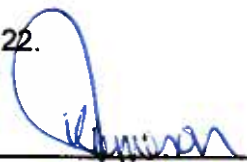
Mayor

READ A SECOND TIME this 21st day of February 2022.



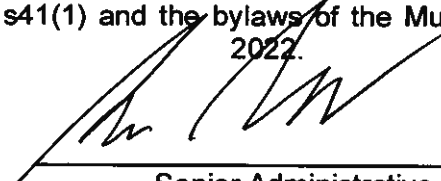
Mayor

READ A THIRD AND FINAL TIME this 25th day of February 2022.



Mayor

CERTIFIED that this bylaw has been made in accordance with the requirements of the CITIES, TOWNS AND VILLAGES ACT, S.N.W.T. 2003, C.22, s41(1) and the bylaws of the Municipal Corporation of the Town of Hay River on this day of 2022.



Senior Administrative Officer



SCHEDULE "A"

POLICIES AND PROCEDURES MANUAL	Category Financial Management	Policy Number FA.006
	Date Feb. 2022	Resolution Number

PROCUREMENT POLICY

1.0 POLICY

This policy has been developed to comply with the *Cities Towns and Villages Act*.

2.0 PURPOSE

The purpose of this policy is to ensure that the Town of Hay River procurement processes comply with applicable statutes and to describe how the Town of Hay River will ensure openness, transparency and fairness in the procurement of goods and services.

3.0 DEFINITIONS

3.1 In this policy, unless a contrary intention appears:

- a) "By-law" means the Town of Hay River's Procurement Policy By-law.
- b) "Corporate wide procurement" means the acquisition of goods and/or services on a corporate wide basis.
- c) "Emergency" includes:
 - i) an imminent or actual danger to the life, health or safety of an official or an employee while acting on the Town of Hay River's behalf;
 - ii) an imminent or actual danger or injury or destruction of real or personal property belonging to the Town of Hay River;
 - iii) an unexpected interruption of a public service;
 - iv) an emergency as defined by the Emergency Management Act and/or the emergency plan formulated thereunder by the Town of Hay River
 - v) a spill of a pollutant as contemplated by the Environmental Protection Act and by the Canadian Environmental Protection Act;

- vi) issuance of a non-compliance or directive order under a statute by a Territorial or Federal authority.
- d) "Director" means the following Town of Hay River employees: Assistant SAO, Director of Finance and Administration, Director of Public Works, Director of Protective Services and Director of Recreation.
- e) "Direct Purchase" is where goods and/or services are acquired directly from a services supplier, retailer, wholesaler or by ordering through a catalogue or product guide.
- f) "Goods and/or Services", includes services, supplies, materials, equipment and infrastructure of every kind that the Town of Hay River may require for the operations of the Town of Hay River.
- g) "Invitation to Tender" means an invitation made either generally or to selected potential suppliers to submit a tender for the goods and/or services specified in the tender documentation.
- h) "Irregularity" is when any of the following has occurred or is likely to occur:
 - i) all potential suppliers in a procurement procedure have submitted non-compliant tenders, quotations or proposals;
 - ii) the lowest compliant quotation, tender or proposal exceeds the estimated cost or budget allocated;
 - iii) for any reason, the award of the contract to or the purchase from the lowest compliant potential supplier is procedurally inappropriate or not in the best interests of the Town of Hay River; or,
 - iv) the specification of a request for quotation, invitation to tender or request for proposal cannot be met by potential suppliers.
- i) "Local" means within the Municipal boundary of the Town of Hay River.
- j) "Local business" means a business that has a current Town of Hay River Business License and owns or leases real property in Hay River and employs or is a self-employed resident of Hay River while doing business.
- k) "Professional Service Supplier" means a supplier of services requiring professional skills for a defined service requirement including:
 - i) lawyers, architects, engineers, surveyors, designers, management, project managers, information technologists and financial consultants; and,
 - ii) firms or individuals having specialized competence in environmental, planning, project management or other disciplines.
- l) "Purchase Order" means the purchasing document used to internally track purchasing transactions within the Town of Hay River's accounting system and order routine goods and/or services;

- m) "Request for Proposal" or "RFP" means a request made either generally or to selected potential suppliers for undefined goods or services including a request to propose solutions or methods to arrive at the desired result.
- n) "Request for Quotation" or "RFQ" means a request made either generally or to selected potential suppliers for prices on specific goods and /or services.
- o) "Response" includes:
 - i) a quotation issued by a supplier in response to a request for quotation;
 - ii) a tender submitted in response to an invitation to tender; and,
 - iii) a proposal issued in response to a request for proposal.
- p) "Senior Administrative Officer" or "SAO" means a person appointed by the Council of the Town of Hay River to the position of Senior Administrative Officer pursuant to section 41 of the Cities, Towns, and Villages Act, S.N.W.T. 2003, c. 22 and includes any person designated by him or her to act on his or her behalf.
- q) "Small-scale construction projects" means projects of a total value less than \$50,000.
- r) "Standing supplier arrangement" means a contract under which the Town of Hay River may purchase goods and/or services which will be required on an ongoing basis but where the exact types or quantities of goods and/or services required may not be precisely known or the time period during which the goods and/or services are to be delivered may not be precisely determined.
- s) "Supplier" means any individual or organization providing goods and/or services to the Town of Hay River including, but not limited to, contractors, consultants, vendors, project managers and services suppliers.

4.0 GENERAL

- 4.1 Unless otherwise exempted by resolution of Council, the policies herein apply to all procurement by or in the name of the Town of Hay River, except as specified in Schedule 1.
- 4.2 The Director of Finance and Administration shall review compliance with the procurement by-law and this policy, and report to the Council on an annual basis.
- 4.3 The spending and contract authorization limits set forth herein shall apply to all procurement by or on behalf of the Town of Hay River, except in the case of an emergency, in which case the provisions of section 20.0 shall apply.
- 4.4 Unsolicited proposals received by the Town of Hay River shall be rejected but may be retained on file for future reference.

- 4.5 Any question involving the meaning or application of this policy is to be submitted to the SAO who will resolve the question.
- 4.6 Procurement of goods and/or services, including without limiting the generality of the foregoing, requests for quotations, purchase orders and procurement contracts shall not be arbitrarily structured to circumvent, avoid or alter the price or potential price relative to the limits set out herein and/or established under section 6.3.
- 4.7 In the case of a multi-year supply and/or service contract, to determine whether the proposed procurement meets the pre-authorized expenditure limits herein, the value of procurement shall be deemed to be the total anticipated annual expenditures each fiscal year over the potential life of the contract, including any extensions or renewals.
- 4.8 To avoid conflicts of interest and maintain the integrity of the Direct Purchase, RFQ and RFP procurement processes, staff shall not participate in or attempt to influence any Direct Purchase, RFQ or RFP procurement process in which they have or may have a pecuniary interest. For the purposes of this section, the pecuniary interest, direct or indirect, includes the pecuniary interest of the employee.
- 4.9 The Director shall ensure all goods procured on behalf of the Town meet all applicable standards for use in Canada.

5.0 PROCUREMENT DOCUMENTATION

- 5.1 To maintain consistency, Directors, in consultation, may provide guidelines and standard forms of procurement documentation.
- 5.2 Procurement documentation shall avoid the use of specific products or brand names.
- 5.3 Notwithstanding section 5.2, a specific product or brand name may be specified to ensure consistency or functionality with existing equipment or installations, to avoid unacceptable risk or for some other documented valid purpose.
- 5.4 Preparation of the specifications shall generally be the responsibility of the department initiating the procurement process. The use of standards in procurement documentation that have been certified, evaluated, qualified, registered or verified by independent nationally recognized organizations shall be preferred.

6.0 DELEGATION OF SPENDING AUTHORITY

- 6.1** Within the expenditure limits and the policies and procedures set out herein, staff shall be and are hereby authorized and empowered to procure goods and/or services in the name of the Town of Hay River and/or to initiate procurement processes as may be necessary to carry out the duties and operations of the Town of Hay River.
- 6.2** Council delegates to the Senior Administrative Officer the authority to commit or expend funds from the approved operational and capital budgets of the Town.
- 6.3** The spending authority for other various Management staff is assigned as follows:
- | | |
|---|-----------|
| Assistant Senior Administrative Officer | \$ 75,000 |
| Director of Finance and Administration | \$ 25,000 |
| Director of Public Works | \$ 25,000 |
| Director of Recreation | \$ 25,000 |
| Director of Protective Services | \$ 25,000 |
- 6.4** The Director of Finance and Administration in consultation with the respective Director assigns, as necessary, expenditure limits, including monetary and product limits to staff. Notwithstanding anything to the contrary, such expenditure limits shall not exceed the authority of the respective Directors listed in 6.3. Assignment of spending authority shall be approved by the Director of Finance and Administration.
- 6.5** In the case of consultant contracts, management contracts, project management contracts or similar service contracts, all authority of the service provider to make expenditures in the name of the Town of Hay River or which may be charged to the Town of Hay River shall be specifically detailed in the contract in question. In the absence of a specific expenditure authority, the applicable Director shall have the authority to authorize expenditures on behalf of or in the name of the Town of Hay River for an amount not to exceed the authority of the assigning Director.
- 6.6** The Director of Finance and Administration shall keep a current list of all assigned expenditure limits, which shall include the information required under sections 6.2 through 6.6.

7.0 AVAILABLE METHODOLOGIES AND PROCESS REQUIREMENTS

- 7.1** For the purposes of this by-law, procurement is either:
- 1) Pre-authorized; or
 - 2) Not pre-authorized.
- 7.2** Procurement shall be and is hereby pre-authorized if it is either:
- 1) within the expenditure limits authorized under section 6.3 and is performed in accordance with the policies and procedures set out therein; or,

- 2) done in accordance with the terms of a contract that explicitly authorizes expenditures on behalf of or in the name of the Town of Hay River.

7.3 All procurement not pre-authorized in accordance with section 7.2 shall require Council approval.

7.4 Notwithstanding anything to the contrary, a Director may precede a procurement process with pre-qualification procedures such as expressions of interest, request for pre-qualification or similar techniques.

8.0 CONSTRUCTION LIEN HOLDBACKS

8.1 The Town of Hay River shall, always, meet its obligations under the *Mechanic's Lien Act* and similar statutes.

8.2 Prior to the release of any funds that may be hold back funds within the meaning of such statutes, the individual responsible for the contract shall determine whether the Town of Hay River has any obligations under such statutes with respect to such funds.

9.0 LOCAL PURCHASE PREFERENCE

9.1 A purchase preference shall be provided to local businesses which shall not exceed ten (10%) percent over the price which a purchase could be obtained from a business other than a local business.

9.2 The maximum purchase preference which can be extended to any local business for any one tender, purchase or contract, shall be limited to \$50,000.

9.3 The SAO shall account for all purchase preference extended to local business.

9.4 If local businesses are not able to supply a service or product, or if the Town requires a specific product, and local businesses are not able to service or have the product available, the SAO may authorize purchase from a supplier other than from a local business.

10.0 PURCHASING METHODOLOGIES

10.1 Subject to the provision of the by-law and the provisions of this policy, goods and/or services may be acquired by one or more of the following methodologies:

- 1) Direct Purchase (DP);
- 2) Request for Quotation (RFQ);

- 3) Tender; or
- 4) Request for Proposal (RFP)

10.2 DIRECT PURCHASE (DP)

10.2.1 Direct purchase may be used in the following circumstances:

- 1) For non-competitive purchases by staff within their assigned expenditure limits where:
 - a) the goods and/or services are readily available at retail outlets or from service providers;
 - b) are required on an item by item basis;
 - c) the total price is less than \$10,000; and,
 - d) where otherwise provided under section 11.1 (8) for the provision of Professional Services.
- 2) Notwithstanding anything to the contrary, no person shall authorize or enter into a procurement contract on behalf of the Town of Hay River more than the expenditure limitation assigned to them under section 6.3.

10.3 REQUEST FOR QUOTATIONS (RFQ)

10.3.1 Request for Quotation procedures may be used where:

- 1) the estimated price is not greater than \$50,000;
- 2) the requirements can be fully defined; and,
- 3) the best value for the Town of Hay River can be achieved by an award selection made based on the best quotation that meets specifications set out in Sections 10.3 through 10.5.

10.3.2 Despite the provision of section 10.3.1, where it is in the interest of the Town of Hay River or the interests of ensuring that the procurement is undertaken in an open, fair and transparent way, the procurement shall be done by way of Invitation to Tender.

10.4 TENDER

10.4.1 Tender procedures shall be used where:

- 1) the estimated price is greater than \$50,000;
- 2) the requirement can be fully defined; and,

- 3) the best value for the Town of Hay River can be achieved by an award selection made based on the best tender.

10.5 REQUESTS FOR PROPOSALS (RFP)

10.5.1 The Request for Proposal may be used where:

- 1) the requirement is best described in a general performance specification;
- 2) innovative solutions are sought; and,
- 3) to achieve best value, the award selection must be based at least in part on subjective evaluations.

11.0 NON-COMPETITIVE PURCHASES

11.1 The requirement for competitive bid solicitation for goods and/or services may be waived under joint authority of the SAO and the appropriate Director and replaced with direct negotiations with a potential supplier under the following circumstances:

- 1) where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material;
- 2) where, due to abnormal market conditions, the goods and/or services required are in short supply;
- 3) where only one source of supply would be acceptable and cost effective;
- 4) where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a single supplier and no alternative exists;
- 5) where the nature of the requirement is such that it would not be in the public interests to solicit competitive bids as in the case of security or confidentiality matters;
- 6) where in the event of an emergency as defined by this policy, a requirement exists;
- 7) where the requirement is for a utility for which there exists a monopoly; and,
- 8) where the requirement is for a professional services provider.

11.2 When a sole source supplier is proposed to provide goods and/or services pursuant to section 11.1, a written report indicating the rationale for a non-competitive selection shall be submitted to Council for approval, if the amount exceeds the spending limits as assigned in section 6.3.

12.0 STANDING SUPPLIER ARRANGEMENTS

12.1 A standing supplier may be used where:

- 1) the same goods and/or services will be required on a repetitive basis over a period of time and the actual demand is not known in advance; or,
- 2) a need is anticipated for a range of goods and/or services for a specific purpose such as office supplies or snowplowing services, but the actual demand is not known at the outset and delivery is to be made when a requirement arises.

12.2 Selection of a standing supplier or suppliers shall be made in accordance with the provisions contained in this policy.

12.3 More than one standing supplier may be selected where it is in the best interests of the Town of Hay River and the procurement documentation allows for more than one.

12.4 Existing standing supplier arrangements shall be utilized unless the proposed procurement is related to an emergency in accordance with section 20.0.

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

12.6 Standing supplier arrangements shall not be used for capital projects unless they are Small-scale construction projects.

12.7 ELIGIBLE SUPPLIERS

12.7.1 The Director of Public Works shall, on an annual basis (or other timeframe as approved by Council), advertise in the local newspaper or other media that the Town of Hay River is seeking expressions of interest from contractors for various construction services including labour and equipment rates. This registry shall be kept by the Director of Public Works for use in addressing any small-scale construction projects deemed necessary by the Town of Hay River.

13.0 EXCLUSION OF SUPPLIERS

13.1 EXCLUSION OF SUPPLIERS IN ARREARS OR LITIGATION

13.1.1 The Town of Hay River may, in its absolute discretion, reject a quotation, tender or proposal if the potential supplier, or any officer or Director of the potential supplier is not in good financial standing with the Town of Hay River, is or has been engaged, either directly or indirectly through another corporation in legal action against the Town of Hay River, its elected or appointed officers and employees in relation to:

- 1) any other contract or services; or

- 2) any matter arising from the Town of Hay River's exercise of its powers, duties or functions.

13.1.2 In determining whether or not to reject a quotation, tender or proposal under this clause, the Town of Hay River will consider whether the litigation is likely to affect the potential supplier's ability to work with the Town of Hay River, its consultants and representatives and whether the Town of Hay River's experience with the potential supplier indicates that the Town of Hay River is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the potential supplier.

13.2 EXCLUSION OF SUPPLIER DUE TO POOR PERFORMANCE

13.2.1 All individuals responsible for the contract shall document evidence and keep records where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or health and safety violations.

13.2.2 Council may prohibit an unsatisfactory supplier from participating in future contracts for a period of up to three years.

14.0 DIRECT PURCHASE PROCEDURES

14.1 Goods and/or services may be acquired by direct purchase only if one or more of the following conditions apply:

- 1) The required goods and/or services may be acquired by retail or from supplier in accordance with the expenditure limits established pursuant to section 14.0 of this policy; or,
- 2) The required goods and services are available from only one source by reason of the scarcity of supply in the market, the existence of exclusive rights held by any supplier, or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes with the concurrence of the SAO.

14.2 In keeping with clause 15.5, three (3) quotations must be sought prior to any purchase of \$2,500 or more, exclusive of shipping.

14.3 Directors shall provide written justification for all sole source purchases between \$1,000.00 and \$2,500.00.

15.0 REQUEST FOR QUOTATION (RFQ) PROCEDURES

15.1 Procurement by Request for Quotation shall be initiated by the preparation of a Request for Quotation in writing, containing the relevant specification and the terms and conditions for the purchase of goods and services.

- 15.2** Potential suppliers shall be contacted in accordance with section 23.0.
- 15.3** A summary of the quotation received shall be prepared and all quotes shall be reviewed for compliance with the Request for Quotation.
- 15.4** The Town of Hay River reserves the right to accept or reject any submission received.
- 15.5** A competitive process shall be undertaken whereby a minimum of three (3) quotations are obtained, and generally speaking, the lowest compliant quotation is awarded the contract. Care must be taken as to how quotations are sought; bidder's lists are maintained and how competition is encouraged. Although a minimum of three (3) quotations are required, an open process will be more competitive and is encouraged.
- 15.6** Procurement by Request for Quotation shall be undertaken only based on clear definition of the product and/or service requirement. The decision on which quotation to choose will be based solely on the requirements as documented, the quotation made and the application of the evaluation criteria, if any, set forth in the Request for Quotation. The same decision should be arrived at each time given the same set of facts, which will facilitate the dispute resolution process.
- 15.7** The Town of Hay River's staff will take no action to allow any potential supplier an unfair advantage. The inclusion of costs associated with changing from an existing supplier to another supplier will be considered in the cost evaluation of a Request of Quotation.
- 15.8** The lowest or any proposal will not necessarily be accepted.
- 15.9** Purchase Orders must be completed in addition to any other procurement documentation.
- 15.10** In order to assist in cross-training, enable potential suppliers to understand the process requirements and ensure that legal and insurance risks are controlled, standard formats should be followed for Requests for Quotations.

16.0 REQUESTS FOR PROPOSAL (RFP) PROCEDURES

- 16.1** A Request for Information or a Request for Expression of Interest may be issued in advance of Request for Proposals to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified potential suppliers.
- 16.2** Where the requirement is not straightforward, or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number of combination thereof, a procedure may be used that would include a pre-qualification phase.
- 16.3** The Director of the department or his or her designated alternate involved in issuing the RFP shall prepare an evaluation summary of the procurement, as well as a

recommendation for the award of a contract, if any, to the supplier meeting all mandatory requirements and providing best value as stipulated in the Request for Proposal.

- 16.4 Reporting shall not include summaries of proposals as this information will remain confidential. Any disclosure of information shall be made by the designated staff in accordance with the provisions of the Access to Information and Protection to Privacy Act.
- 16.5 The Town of Hay River reserves the right to accept or reject any or all proposals.
- 16.6 The lowest or any proposal will not necessarily be accepted.
- 16.7 All proposals are subject to a formal contract being negotiated.

17.0 TENDER PROCEDURES

- 17.1 Procurement by Tender shall be initiated by the preparation of tender documents containing the relevant specifications and terms and conditions for the purchase of goods and/or services using the Town of Hay River's standard formats.
- 17.2 The issuing department shall be responsible for arranging for the public opening of tenders at the time and date specified in the tender document.
- 17.3 Invitation to Tender as opposed to Public Tenders may be used under circumstances of time constraints, and/or projects requiring special skills. Documents for invitational tenders, are normally supplied to only those firms or contractor's whose Business License indicated they are providing the required service. Other firms or contractors who specifically request tender documents and who ask to be allowed to bid, may be added to the list at the discretion of the SAO in consultation with the Town Council.
- 17.4 A summary of the tenders received shall be prepared and reviewed for compliance.
- 17.5 The Town of Hay River reserves the right to accept or reject any and all tenders.

18.0 GUARANTEES OF CONTRACT EXECUTION AND PERFORMANCE

- 18.1 A Director may require that tenders be accompanied by a Bid Deposit to guarantee the entry into a contract by the successful tenderer.
- 18.2 In addition to the bid security referred to in subsection 18.4, the successful tenderer may be required to provide:
 - 1) A Performance Bond to guarantee the faithful performance of the contract;
 - 2) A Labour & Material Payment Bond to guarantee the payment for labour and materials to be supplied in connection with the contract;

- 3) An irrevocable letter of credit; and/or,
- 4) Such other performance security that may be determined to be suitable in accordance with section 18.4.

18.3 The Director of the issuing department shall select the appropriate means to guarantee execution and performance of the contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks.

18.4 Prior to issuing a tender, the Director shall determine the amount of bid deposit required, if any.

18.5 Prior to commencement of work and where deemed appropriate, evidence of insurance coverage satisfactory to the Director must be obtained, ensuring indemnification of the Town of Hay River and any municipality on whose property the work may be carried out.

18.6 Prior to payments to suppliers, certificates or clearance from the Workers' Safety and Compensation Commission shall be obtained ensuring all premiums or levies have been paid to the Board to date.

18.7 In addition to all other holdbacks, a maintenance holdback may be specified by the Director or the issuing department in the tender documents.

19.0 SUBMISSIONS OF TENDERS

19.1 Tenders shall be accepted in the forms designated in the tender up to the time and date specified by the tender call.

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

19.3 A tender requiring a bid deposit shall be void if such security is not included in the tenderer's bid.

19.4 All tenderers may be requested to supply a list of all subcontractors to be employed on a project. Any changes to the list of subcontractors or addition thereto must be approved by the Director, or individual responsible for the project.

19.5 All tenders shall be opened in public at a time as specified in the tender. In attendance at the tender shall be the Director of the originating tender, the staff person responsible for the project as well as a least one representative from Administration/Finance.

20.0 CORPORATE WIDE AND DEPARTMENTAL PROCUREMENT

20.1 Procurement may be undertaken on a corporate wide or departmental basis in accordance with this section.

- 20.2** The Director of Finance and Administration shall, from time to time in conjunction with the SAO and Directors, establish a list of goods and/or services to be acquired on a corporate wide basis.
- 20.3** The list of goods and/or services to be procured on a corporate wide basis shall include designation of the lead department responsible for the procurement of the items listed.
- 20.4** Goods and/or services not acquired on a corporate wide basis may be acquired on a departmental basis.
- 20.5** The provisions of this policy shall be complied with regardless of whether the procurement is done on a corporate wide basis or departmental basis.

21.0 EMERGENCY SITUATIONS

- 21.1** Where, in the opinion of the SAO or Emergency Measures Agency (EMA), an emergency has occurred:
- 1) The EMA, with the approval of the Senior Administrative Officer, may undertake procurement more than any preauthorized expenditure limits of members of the ECG herein up to a maximum of \$100,000.
 - 2) Any expenditure made under such conditions together with a source of financing shall be reported on at the next meeting of Council following the date of the expenditure.

22.0 IN HOUSE BIDS

- 22.1** During the procurement process, in house bids will not be considered.

23.0 NOTICE OF PROCEDURES

- 23.1** The following notice procedures shall apply to all procurement, except by direct purchase.
- 23.2** Where only selected potential suppliers will be eligible to participate in a procurement process, notice of the procurement process shall be given by way of notice to the selected suppliers by fax, courier or such other method as may ensure notification and integrity of the process.
- 23.3** Where a procurement process will be open to all who wish to participate, notice may be given by one or more of the following methods:
- 1) by publication of a notice in a trade journal or other publication likely to be read by the group of potential suppliers; and/or,

- 2) publication of an advertisement in a daily or weekly newspaper that has such circulation within the Municipality to provide reasonable notice to potentially interested parties; and/or,
- 3) publication on the Town of Hay River's website.

24.0 EVALUATION OF QUOTATIONS, TENDERS AND PROPOSALS

24.1 Where two or more responsible bidders have submitted bids with the same bid amount, and the bid is the lowest bid by a responsible bidder, the bidders shall be advised in writing that the Senior Administrative Officer shall recommend to Council that acceptance be decided by means of a draw at the next regular or special meeting of Council. The names of the lowest bidders shall be written on equal sized pieces of paper and drawn from a container in full view of all present. Should any bidder elect not to attend, the draw will proceed regardless.

24.2 NO ACCEPTABLE RESPONSE RECEIVED

24.2.1 Where the responses received in a procurement process exceed budget, are not responsive to the requirement, or do not represent fair value, a revised solicitation may be issued to obtain an acceptable response unless section 24.2.2 applies.

24.2.2 The applicable Director and SAO may jointly waive the need for a revised bid solicitation and enter negotiation 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:

- 1) the total cost of the lowest responsive bid is more than the funds that are budgeted by Council for the project or the highest responsive bid revenue is less than that made; and,
- 2) the Director and the SAO agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.

24.2.3 Negotiations undertaken in section 24.2.2 shall be undertaken to ensure that all ethical public procurement practices are followed.

24.2.4 The Town of Hay River has the right to cease negotiations and reject any offer at any time.

24.3 ONLY ONE RESPONSE RECEIVED

24.3.1 In the event that only one response is received in a procurement process, the Director may:

- 1) return the unopened bid to the bidder when, in the opinion of the Director, the Town of Hay River would reasonably expect to receive more than one bid, in which case the bidder shall be informed that the Town of Hay River may be recalling the tender later; or,
- 2) cause the bid to be opened and evaluated in accordance with the Town of Hay River's usual procedures and, following evaluation, if the bid is found not to be acceptable, the procedures set out in subsections 24.2.1 to 24.2.3 may be followed.

25.0 CONTRACT RECORDS

25.1 The establishment of a procurement contract may be made by way of:

- 1) acceptance by a supplier of the Town of Hay River's purchase order;
- 2) acceptance by the Town of Hay River of a supplier's quotation or tender; or,
- 3) negotiation after a Request for Proposal.

25.2 A Purchase Order approach may be used when the resulting procurement contract is straightforward and will contain the Town of Hay River's standard terms and conditions.

25.3 A formal contract approach is to be used when the resulting procurement contract is complex and will contain terms and conditions other than the Town of Hay River's standard terms and conditions.

25.4 Where a formal approach is not used, a Purchase Order describing the goods and/or services being ordered together with references to all other documentation containing terms or conditions related to the transaction shall be filed by the applicable department.

26.0 CUSTODY OF DOCUMENTS

26.1 The issuing department shall be responsible for the safeguarding of the original purchasing and contract documentation for the procurement of goods and services.

26.2 Where applicable, a copy of contract documentation for the procurement of goods and services should be provided to the Finance Department for record management purposes.

27.0 CONTRACT AMENDMENTS AND REVISIONS

27.1 No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Town of Hay River.

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

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

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

28.0 EXERCISE OF CONTRACT RENEWAL OPTIONS

28.1 Where a contract contains an option for renewal, such option may be exercised by the SAO or Director provided that all the following apply:

- 1) the supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract;
- 2) the SAO or Director of the department believes the exercise of the option is in the best interest of the Town of Hay River;
- 3) funds are available in appropriate accounts within the Council approved budget including authorized revisions to meet the proposed expenditure; and,
- 4) the amount of the extension does not exceed the assigned spending authority.

28.2 In the event that the provisions of section 28.1 are not complied with, renewals or extensions shall require the authorization of Council.

29.0 CHANGE ORDERS

29.1 Amendments to a contract may only be done by way of change orders if:

- 1) The contract contemplates a change made by way of change orders and provides detailed procedures to establish the nature of the change in the goods and/or services and the determination of the price adjustments applicable to any such change.
- 2) Proper documentation is prepared in accordance with the provisions of the contract.
- 3) Change orders comply with assigned authorities within this policy.

30.0 CO-OPERATIVE PURCHASING

30.1 The Town of Hay River may participate with other governments or public authorities in co-operative purchasing where it is in the best interest of the Town of Hay River.

- 30.2** The decision to award a contract in co-operative purchasing arrangement will be made by the Town of Hay River in accordance with the authority prescribed in the policy.
- 30.3** The policies of the government or public authorities calling the co-operative tender are to be the accepted policy for that tender.

31.0 DISPOSALS OF SURPLUS EQUIPMENT

- 31.1** All departments shall notify the Director of Finance and Administration when items become obsolete or surplus to their requirements.
- 31.2** The Director of Finance and Administration shall be responsible for ascertaining if the items can be of use to another department rather than disposed of.
- 31.3** Items that are not claimed for use by another department may be offered for sealed bids, public auction or other public sale, whichever method is most suitable for the equipment or material involved in the opinion of the Director of Finance and Administration.
- 31.4** The revenue from the sale of obsolete material shall be credited to the appropriate departmental account.

32.0 SIGNING AUTHORITIES

- 32.1** Cheque and document signing authorities are defined in the Town of Hay River Signing Authority Policy FA.003.

SCHEDULE 1
GOODS AND SERVICES NOT SUBJECT TO THIS POLICY

1. Petty cash items
2. Training and education including:
 - i) Conferences
 - ii) Courses
 - iii) Conventions
 - iv) Magazines
 - v) Memberships
 - vi) Periodicals
 - vii) Seminars
 - viii) Staff Development
 - ix) Staff Workshops
 - x) Staff Relations
3. Refundable Employees Expenses including:
 - i) Cash Advances
 - ii) Meal Allowances
 - iii) Travel Expenses
 - iv) Accommodation
4. Employer's General Expenses including:
 - i) Payroll Deduction Remittances
 - ii) Medicals
 - iii) Insurance Premiums
 - iv) Tax Remittances
5. Licenses, certificates and other approval required.
6. Ongoing maintenance for existing computer hardware and software.
7. The following Professional and Special Services:
 - i) Additional non-recurring Accounting and Auditing Services
 - ii) Legal Counsel
 - iii) Banking Services where covered by agreements
 - iv) Public Debenture Sales
 - v) Group Benefits
 - vi) Realty Services regarding the lease, acquisition, demolition, sale of land, appraisal of land, and survey
 - vii) Project Management Services
 - viii) Utilities where a franchise agreement or monopoly exists
 - ix) Engineering Services
8. Real property acquisitions, including the leasing of property.