



BYLAW NUMBER 292

A Bylaw of the Hamlet of Fort Liard to provide for the terms and conditions of procurement policy of the Hamlet of Fort Liard pursuant to the provisions of the Hamlets Act, R.S.N.W.T., 2003, c 33, c. 74, 97, 102 and 103.

WHEREAS municipalities are required to adopt policies with respect to procurement of goods and services by the Hamlet of Fort Liard.

AND WHEREAS it is desirable to adopt such a policy for procurement by the Hamlet of Fort Liard.

AND WHEREAS it is desirable to establish expenditure limits and signing authorities with respect to procurement by the Hamlet of Fort Liard.

NOW THEREFORE the Council of the Hamlet of Fort Liard, in Council duly assembled, enacts as follow:

PROCUREMENT POLICY AND PROCEDURES

1. The policy attached hereto as Schedule "A" forms part of the bylaw and shall be and is hereby adopted as the Procurement Policy for the Hamlet of Fort Liard.
2. Amendments to Schedule "A" shall only be done by way of amendment to this bylaw.
3. The guiding principal shall be the procurement by or in the name of the Hamlet of Fort Liard will be make using competitive processes that are open, transparent, and fair.
4. Subject to any exceptions set out in Schedule "A" hereto, acquisitions of goods and/or services by or on behalf of the Hamlet of Fort Liard is not authorized unless the acquisition is done in compliance with this bylaw. Goods and/or services that are obtained without following the provisions of this bylaw shall not be received any invoices received shall not be paid.
5. The provisions of this bylaw shall apply to all procurement in the name of the Hamlet of Fort Liard by consultants and/or contracted management pursuance to consultant or management contracts.



HAMLET OF FORT LIARD

BYLAW – Procurement

Page 2 of 21

EXECUTION OF PROCUREMENT CONTRACTS

6. Where procurement has been pre-authorized in accordance with this bylaw, contracts may be signed by the Senior Administrative Officer responsible for the procurement on behalf of the Hamlet of Fort Liard.
7. Where procurement has been authorized by Council resolution, the contract shall be signed by the Senior Administrative Officer and the Mayor.

LIMITATIONS

8. Despite any other provisions of this bylaw, the following procurement contacts are subject to Council approval
 - a) Any contract requiring the approval of any other approval authority.
 - b) Any contact 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 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 been expressly delegated; and
 - h) Where the procurement is by way of tender.
9. The exercise or authority to award a procurement contract is subject to identification and availability of sufficient funds in the appropriate accounts within the Council approved budget.

IMPLEMENTATION AND CONFLICTS

10. The provisions of this bylaw apply to any and all procurement initiated by or on behalf of the Hamlet of Fort Liard after this bylaw is passed despite any references to the contrary in any bylaws, regulations or policies or other documentation

EFFECTIVE DATE

11. This Bylaw is effective March 01, 2021

REPEAL

12. Bylaw 201 is repealed.



READ a First Time this 17th day of December 2020.

READ a Second Time this 25th day of February 18, 2021.

READ a Third Time and finally passed this 25th day of February 2021.



Hilary Deneron
MAYOR



John W. McKee
SENIOR ADMINISTRATIVE OFFICER

As per Section 77(1)(d) of the Hamlets Act, I hereby certify that this bylaw has been made in accordance with the requirements of the Hamlets Act, and the bylaws of the Hamlet of Fort Liard.



**Schedule “A”
Procurement Policy**

1.	Policy	5
2.	Purpose	5
3.	Definitions	5
4.	General	7
5.	Procurement Documentation	8
6.	Delegation of Spending Authority	8
7.	Available Methodologies and Process Requirements	9
8.	Local Purchase	9
9.	Purchasing Methodologies	10
10.	Direct Purchase (DP)	10
11.	Request for Quotation (RFQ)	10
12.	Invitation to tender	11
13.	Requests for Proposals (RFP)	11
14.	Request for Quotation (RFQ) Procedures	12
15.	Invitation to Tender Procedures	12
16.	Request for Proposals (RFP) Procedures	13
17.	Notice of Tenders and Request for Proposals	13
18.	Non-competitive purchases	13
19.	Submissions of Tenders and Request for Proposals	14
20.	In House Bids	15
21.	Bid Deposit	15
22.	Confidentiality	16
23.	Standing Supplier Arrangements	16
24.	Eligible Suppliers	16
25.	Evaluation of Quotations, Tenders and Proposals	16
26.	No Acceptable Response Received	17
27.	Only One Response Received	17
28.	Custody of Documents	17
29.	Contract Records	18
30.	Contract Amendments and Revisions	18
31.	Exercise of Contract Renewal Options	18
32.	Change Orders	19
33.	Exclusion of suppliers in litigation	19
34.	Exclusion of supplier due to poor performance	19

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 5 of 21

35. Green Procurement 20
36. Fair Trade Products 20
37. Emergency Situation..... 20
38. Disposal of Surplus Goods..... 21
Schedule 1 – Goods and services not subject to this policy 21

PROCUREMENT POLICY

1. Policy

1.1 This policy covers all procurement of goods, services, or construction by and for the Hamlet of Fort Liard.

2. Purpose

2.1.1 The purpose of this policy is to ensure that the Hamlet of Fort Liard procurement processes comply with applicable statutes and to describe the means by which the Hamlet of Fort Liard will ensure openness, transparency and fairness in the procurement of goods, services and construction.

3. Definitions

3.1 In this policy, unless a contrary intention appears:

"Acquire" includes to buy, lease, and expropriate.

"Bylaw" means a bylaw made by a Council under the *Hamlets Act*.

"Council" means the Council of the Hamlet of Liard.

"Department Head" means the following Hamlet of Fort Liard employees: Manager – Works and Manager – Recreation.

"Direct Purchase" is where goods, services or construction are acquired directly from a services supplier, retailer, wholesaler or by ordering through a catalogue or product guide.

"Dispose" includes to sell and lease.

"Emergency" refers to the definition as outlined in bylaw number 281, known as the Emergency Management bylaw.

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 6 of 21

“Goods, services or construction”, also known as a “As and When Arrangements”, includes services, supplies, materials, equipment, and infrastructure of every kind that the Hamlet of Fort Liard may require to carry out the operations of the Hamlet of Fort Liard;

“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 Hamlet of Fort Liard; or,
- iv. the specification of a request for quotation, invitation to tender or request for proposal cannot be met by potential suppliers.

“Invitation to Tender” means an invitation made either generally or to selected potential suppliers to submit a tender for the goods, services or construction specified in the tender documentation.

“Local Business” means a business, as here defined, which has established a permanent office and/or location within the Hamlet of Fort Liard boundaries that hold a valid Hamlet of Fort Liard business licence.

“Professional Service Supplier” means a supplier of services requiring professional skills for a defined service requirement including:

- i. architects, engineers, designers, management, project managers, and financial consultants; and.
- ii. firms or individuals having specialized competence in environmental, planning, project management or other disciplines.

“Proponent” means a person who submits a bid or proposal.

“Proposal” means a written offer to provide goods, services or construction, or a combination of these that is submitted in response to a “Request for Proposals”.

“Purchase Order” means the purchasing document used to internally track purchasing transactions within the Hamlet of Fort Liard’s accounting system and order routine goods, services, or construction.

“Request for Quotation” or “RFQ” means a request made either generally or to selected potential suppliers for prices on specific goods, services, or construction.

“Request for Proposal” or “RFP” means a request made either generally or to selected potential suppliers for undefined goods, services or construction including a request to propose solutions or methods to arrive at the desired result.

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 7 of 21

“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.

“Senior Administrative Officer” or “SAO” means a person appointed by the Council of the Hamlet of Fort Liard to the position of Senior Administrative Officer pursuant to section 43 of the *Hamlets Act*, S.N.W.T. 2003, c. 22 and includes any person designated by them to act on their behalf;

“Standing supplier arrangement” means a contract under which the Hamlet of Fort Liard may purchase goods, services or construction which will be required on an ongoing basis but where the exact types or quantities of goods, services or construction required may not be precisely known or the time period during which the goods, services or construction are to be delivered may not be precisely determined.

“Supplier” means any individual or organization providing goods, services or construction to the Hamlet of Fort Liard including, but not limited to, contractors, consultants, vendors, project managers and services suppliers.

“Tender” means a solicitation, made by public advertisement, for bids in respect of a proposed contract.

4. General

4.1 Unless otherwise exempted by resolution of Council, the policies herein apply to all procurement by or in the name of the Hamlet of Fort Liard, except as specified in Schedule 1.

4.2 The Senior Administrative Officer shall review compliance with the procurement bylaw 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 Hamlet of Fort Liard, except in the case of an emergency, in which case the provisions of section 37 shall apply.

4.4 Unsolicited proposals received by the Hamlet of Fort Liard 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 Senior Administrative Officer who will resolve the question.

4.6 Procurement of goods, services or construction, 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.

4.7 In the case of a multi-year supply and/or service contract, for the purpose of determining whether or not 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.

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 8 of 21

4.8 In order to avoid conflicts of interest and maintain the integrity of the Direct Purchase, Request for Quote (RFQ) and Request for Proposal (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 Senior Administrative Officer shall ensure all goods procured on behalf of the Hamlet meet all applicable standards for use in Canada.

5. Procurement Documentation

5.1.1 To maintain consistency, the Senior Administrative Officer or Finance Officer, 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 Senior Administrative Officer. 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. Delegation of Spending Authority

6.1.1 Within the expenditure limits and the policies and procedures set out herein, staff shall be and are hereby authorized and empowered to procure goods, services or construction in the name of the Hamlet of Fort Liard and/or to initiate procurement processes as may be necessary to carry out the duties and operations of the Hamlet of Fort Liard.

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 Hamlet.

6.3 The Senior Administrative Officer must authorize purchases with a value not exceeding ten thousand dollars (\$10,000), including freight costs that are consistent with the approved budget.

The spending authority for other various senior staff is assigned as follows:

- | | |
|----------------------|---------|
| i. Finance Officer | \$2,000 |
| ii. Department Heads | \$2,000 |

6.4 All expenditures require a purchase order signed by the Senior Administrative Officer.

6.5 All expenditures include all costs such as freight and installation.

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 9 of 21

6.6 The Senior Administrative Officer 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 Department Heads listed in section 6.3. Assignment of spending authority shall be approved by the Senior Administrative Officer.

6.7 In the case of consultant contracts, management contracts, project management contracts or similar service contracts, any and all authority of the service provider to make expenditures in the name of the Hamlet of Fort Liard or which may be charged to the Hamlet of Fort Liard shall be specifically detailed in the contract in question.

7 Available Methodologies and Process Requirements

7.1 For the purposes of this bylaw, procurement is either:

- i. Pre-authorized; or
- ii. Not pre-authorized.

7.2 Procurement shall be and is hereby pre-authorized if it is either:

- i. within the expenditure limits authorized under section 6 and is performed in accordance with the policies and procedures set out therein; or,
- ii. done in accordance with the terms of a contract that explicitly authorizes expenditures on behalf of or in the name of the Hamlet of Fort Liard.
- iii. procurement not pre-authorized in accordance with section 7.1 shall require Council approval

8. Local Purchase

8.1 The Hamlet will utilize local goods, services, and construction providing that the business:

- i. Amount is less than \$2,000 and an item normally stocked by the local business.
- ii. Is considered a local business as defined by this bylaw; and
- iii. Holds a valid Hamlet of Fort Liard business licence; and
- iv. Has on file with the Hamlet, a completed "As and When Form", and
- v. Meets all requirements as outlined in this policy, any Request for Quotes, Request for Proposals, or Invitations to Tender.

8.2.1 When goods, services or construction is offered by one local business that business will be utilized providing the business has not been deemed exempt as per section 23 and; and if possible, a second quote will be solicited to negotiate and obtain a fair cost to the Hamlet.

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 10 of 21

8.3 When two or more local businesses offer the same goods, services or construction, quotes will be solicited from all businesses and the lowest quote will provide the goods, service, or construction.

8.4 When the minimum quote requirement cannot be met locally, non-local quotes must be solicited to meet quote requirements unless there is only one available non-local supplier.

8.5 When quotes are received from both a local and non-local supplier, the local business shall be provided a fifteen (15%) cost threshold. Adjustments would need to be made to include the cost of freight in the evaluation of the quote.

8.6 Local businesses deemed an unsatisfactory supplier, as per section 23 of this policy, will be exempt from providing quotes, proposals and/or bids, for the period determined by Council.

8.6 Agreement between all supplier and the Hamlet of Fort Liard must be signed prior the commencement of any service or construction.

9. Purchasing Methodologies

9.1.1 Subject to the provision of the bylaw and the provisions of this policy, goods, services, or construction may be acquired by one or more of the following methodologies:

- i. Direct Purchase (DP).
- ii. Request for Quotation (RFQ).
- iii. Invitation to Tender; or
- iv. Request for Proposal (RFP)

10. Direct Purchase (DP)

10.1 Direct purchase may be used in the following circumstances:

- i. The goods, service or construction is readily available at retail outlets or from service provider.
- ii. Are required on an item basis.
- iii. Have a total price that is less than \$2,000.

10.2 No person shall authorize or enter into a procurement contract on behalf of the Hamlet of Liard more than the expenditure limitation assigned to them under section 6.

11. Request for Quotation (RFQ)

11.1 Request for Quotes (RFQ) may be used in the following circumstances:

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 11 of 21

- 11.2 The cost of a good, service or construction is between \$5,000 and \$10,000 and
- i. A minimum of two (2) quotes is solicited; and
 - ii. Local purchase, as per section 8 of this bylaw is adhered to; and
 - iii. The lowest quote is awarded the Direct Purchase; and
 - iv. All back up documentation is filed with receipts.
- 11.3 The cost of a good, service or construction is between \$10,001 and \$25,000 and
- i. A minimum of three (3) quotes is solicited; and
 - ii. Local purchase, as per section 8 of this bylaw is adhered to; and
 - iii. The lowest quote is awarded the Direct Purchase; and
 - iv. All back up documentation is filed with receipts.
- 11.4 The cost of a good, service or construction is between \$25,001 and \$50,000 and
- i. A Request for Quotes is publicly advertised with the Hamlet of Liard, at a minimum; and:
 - ii. A minimum of three (3) quotes is solicited; and
 - iii. Local purchase, as per section 8 of this bylaw is adhered to; and
 - iv. The lowest quote is awarded the Direct Purchase; and
 - v. All back up documentation is filed with receipts.

12. Invitation to tender

- 12.1 Invitation to Tender procedures may be used in the following circumstances:
- i. The total price for goods and services is between \$50,001 and \$100,000; and
 - ii. The total price for goods, services or construction is between \$50,001 and \$250,000
 - iii. A request for quotes is publicly advertised with the South Slave Region, at a minimum

13. Requests for Proposals (RFP)

- 13.1 Invitation to Request for Proposals (RFP) procedures may be used in the following circumstances:
- i. The total price for goods and services over \$100,001; and
 - ii. The total price for construction over \$250,001; and
 - iii. A request for Proposal is publicly advertised with the South Slave Region, at a minimum
 - iv. the requirement is best described in a general performance specification.

- v. innovative solutions are sought; and,
- vi. to achieve best value, the award selection must be based at least in part on subjective evaluations.

14. Request for Quotation (RFQ) Procedures

14.1 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.

14.2 Potential suppliers shall be contacted in accordance with section 11.

14.3 A summary of the quotation received shall be prepared and all quotes shall be reviewed for compliance with the Request for Quotation.

14.4 The Hamlet of Fort Liard reserves the right to accept or reject any submission received.

14.5 A competitive process shall be undertaken whereby a minimum of three (3) quotations are solicited, and 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 to be solicited, an open process will be more competitive and is encouraged.

14.6 Procurement by Request for Quotation shall be undertaken only based on clear definition of the product, service, or construction 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.

14.7 The Hamlet of Fort Liard'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.

14.8 The lowest or any proposal will not necessarily be accepted.

14.9 Purchase Orders must be completed in addition to any other procurement documentation.

14.10 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.

15. Invitation to Tender Procedures

15.1 Procurement by Invitation to Tender shall be initiated by the preparation of tender documents containing the relevant specifications and terms and conditions for the purchase of goods, services or construction using the Hamlet of Fort Liard's standard formats.

15.2 The issuing department shall be responsible for arranging for the public opening of tenders at the time and date specified in the tender document.

15.3 A summary of the tenders received shall be prepared and reviewed for compliance.

15.4 The Hamlet of Fort Liard reserves the right to accept or reject any and all tenders.

16. Request for Proposals (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 combinations thereof, a procedure may be used that would include a pre-qualification phase.

16.3 The Senior Administrative Officer 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 Hamlet of Fort Liard 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. Notice of Tenders and Request for Proposals

17.1 All tenders and request for proposals that are deemed "Invitation Only" will be made public.

17.2 Public notices for the purposes of soliciting bids or proposals will be advertised as follows:

- i. The Hamlet's website.
- ii. Local public bulletin boards; and
- iii. If relevant, professional associations; and
- iv. Where applicable, electronically on an approved tendering website that is equally accessible to all Canadian suppliers.

18. Non-competitive purchases

18.1 The requirement for competitive bid solicitation for goods, services or construction may be waived under joint authority of the Senior Administrative Officer and the appropriate

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 14 of 21

Manager and replaced with direct negotiations with a particular potential supplier under the following circumstances:

- i. 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.
- ii. where, due to abnormal market conditions, the goods, services, or construction required are in short supply.
- iii. where only one source of supply would be acceptable and cost effective.
- iv. where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists.
- v. 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.
- vi. where in the event of an emergency as defined by this policy, a requirement exists.
- vii. where the requirement is for a utility for which there exists a monopoly; and,
- viii. where the requirement is for professional services provider.

18.2 When a sole source supplier is proposed to provide goods, services or construction, 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.

19. Submissions of Tenders and Request for Proposals

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

19.2 Electronic submission of documents is the preferred method of receipt of proposal documents.

19.3 Tenders and Request for Proposals received later than the specified closing time shall not be accepted.

19.4 A tender and Request for Proposals requiring a bid deposit shall be void if such security is not included in the tenderer's bid.

19.5 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 Senior Administrative Officer.

19.6 All tenders shall be opened in public at a time as specified in the tender. In attendance at the tender shall be the Senior Administrative Officer, the staff person responsible for the project as well as a least one representative from Administration/Finance.

19.7

19.7 Members of the appropriate Committee shall receive notice of the date, time, and location of the public tender opening.

20. In House Bids

20.1 During the procurement process, in house bids will not be considered.

21. Bid Deposit

21.1 The Senior Administrative Officer may require that tenders be accompanied by a bid security to guarantee the entry into a contract by the successful tenderer.

21.2 The Council or where delegated, the Senior Administrative Officer, may demand in the tender, as part of the bid, a percentage of the bid, not to exceed 15% that may be held against the successful completion of the project.

21.3 The bidder shall enclose bid security in accordance with either:

- i. A bid bond from a company whose bonds are acceptable to Council. Bonds shall be made payable to the Hamlet; or
- ii. A bid security deposit which must be a certified cheque, bank draft, a bank irrevocable letter of guarantee, or such other bid security as the Council; considers acceptable. The bid security deposit must be payable to the Hamlet.
- iii. Such other performance security that may be determined to be suitable.
- iv. The bid security deposit may be forfeited at the discretion of the Council if the bidder refused to enter into a contract when called upon to do so.

21.4 The Senior Administrative Officer 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.

21.5 Prior to issuing a tender, the Senior Administrative Officer shall determine the amount of bid deposit required, if any.

21.6 Prior to commencement of work and where deemed appropriate, evidence of insurance coverage satisfactory to the Senior Administrative Officer must be solicited, ensuring indemnification of the Hamlet of Fort Liard and any municipality on whose property the work may be carried out.

21.7 Prior to payments to suppliers, certificates or clearance from the Workers' Safety and Compensation Commission (WSCC) shall be solicited ensuring all premiums or levies have been paid to the Commission.

22. Confidentiality

22.1 Unsuccessful tenders and request for proposals are considered confidential information. The tender or request for proposal documents must make the confidentiality of bids or proposals clear.

- i. In the case of a request for proposal, the public release of information related to unsuccessful proposals is limited to the name of the proponent.
- ii. In the case of tenders, the public release of information related to unsuccessful proposals is limited to the amount of the bid.
- iii. In the case of tenders and request for proposals, the name of the successful proponent and the contract value becomes public once a contract is awarded.

23. Standing Supplier Arrangements

23.1 A standing supplier may be used where:

- i. the same goods, services or construction will be required on a repetitive basis over a period of time and the actual demand is not known in advance; or,
- ii. a need is anticipated for a range of goods, services or construction 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.

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

23.3 More than one standing supplier may be selected where it is in the best interests of the Hamlet of Fort Liard and the procurement documentation allows for more than one.

23.4 Existing standing supplier arrangements shall be utilized unless the proposed procurement is related to an emergency in accordance with section 37.

23.5 In the procurement documentation for a standing supplier arrangement, the expected quantity of the specified goods, services or construction to be purchased over the time 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.

24. Eligible Suppliers

24.1 The Senior Administrative Officer shall, on an annual basis, advertise in a Northern newspaper or other media that the Hamlet of Fort Liard is seeking expressions of interest from contractors for various construction services including labour and equipment rates. This registry shall be kept by the Senior Administrative Officer for use in addressing any small-scale construction projects deemed necessary by the Hamlet of Fort Liard.

25. Evaluation of Quotations, Tenders and Proposals

25.1 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 meeting of Council. The names of the lowest bidders shall be

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 17 of 21

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.

26. No Acceptable Response Received

26.1 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 in an effort to obtain an acceptable response.

26.2 The Senior Administrative Officer may waive the need for a revised bid solicitation and enter into 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:

- i. 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,
- ii. the Senior Administrative Officer agrees that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.

26.3 Negotiations undertaken in section 27.2 shall be undertaken to ensure that all ethical public procurement practices are followed.

26.4 The Hamlet of Fort Liard has the right to cease negotiations and reject any offer at any time.

27. Only One Response Received

27.1 In the event that only one response is received in a procurement process, the Senior Administrative Officer may:

- i. open and evaluate the bid; or,
- ii. return the unopened bid to the bidder when, in the opinion of the Senior Administrative Officer, the Hamlet of Fort Liard would reasonably expect to receive more than one bid, in which case the bidder shall be informed that the Hamlet of Fort Liard may be recalling the tender at a later date.

28. Custody of Documents

28.1 The Senior Administrative Officer shall be responsible for the safeguarding of the original purchasing and contract documentation for the procurement of goods and services.

28.2 A copy of contract documentation for the procurement of goods and services should be kept by the Finance Department for record management purposes.

29. Contract Records

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

- i. acceptance by a supplier of the Hamlet of Fort Liard's purchase order.
- ii. acceptance by the Hamlet of Fort Liard of a supplier's quotation or tender; or,
- iii. negotiation after a Request for Proposal.

29.2 A Purchase Order approach may be used when the resulting procurement contract is straightforward and will contain the Hamlet of Fort Liard's standard terms and conditions.

29.3 A formal contract approach is to be used when the resulting procurement contract is complex and will contain terms and conditions other than the Hamlet of Fort Liard's standard terms and conditions.

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

30. Contract Amendments and Revisions

30.1 No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Hamlet of Fort Liard.

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

30.3 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.

30.4 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 Senior Administrative Officer shall be submitted to Council detailing the proposed amendment and proposing the source of financing.

31. Exercise of Contract Renewal Options

31.1 Where a contract contains an option for renewal, such option may be exercised by the Senior Administrative Officer provided that all the following apply:

- i. the supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract.
- ii. the Senior Administrative Officer is of the opinion that the exercise of the option is in the best interest of the Hamlet of Fort Liard.
- iii. funds are available in appropriate accounts within the council approved budget including authorized revisions to meet the proposed expenditure; and,
- iv. the amount of the extension does not exceed the assigned spending authority.

31.2 In the event that the provisions of section 31.1 are not complied with, renewals or extensions shall require the authorization of Council.

32. Change Orders

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

- i. 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, services or construction and the determination of the price adjustments applicable to any such change.
- ii. Proper documentation is prepared in accordance with the provisions of the contract.
- iii. Change orders comply with assigned authorities within this policy.

33. Exclusion of suppliers in litigation

33.1 The Hamlet of Fort Liard 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 or has been engaged, either directly or indirectly through another corporation in legal action against the Hamlet of Fort Liard, its elected or appointed officers and employees in relation to:

- i. any other contract or services; or
- ii. any matter arising from the Hamlet of Fort Liard's exercise of its powers, duties, or functions.

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

34. Exclusion of supplier due to poor performance

34.1 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.

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

35. Green Procurement

35.1 The Hamlet is committed to the purchase of goods and services with due regard to the preservation of the natural environment and to encourage the use of environmentally friendly products and services.

35.2 All staff are encouraged to seek additional ways of achieving the goal of being environmentally safe and responsible by thorough review of each procurement process to ensure that, wherever possible and economically feasible, the Hamlet's solicitation document includes specifications that reflect environmentally friendly attributes of the goods and services.

36. Fair Trade Products

36.1 The Hamlet shall give equal consideration for the purchase of "Fair Trade Certified" products that are offered in response to a procurement request provided the submission is compliant with the Hamlet's policies, that it meets or exceeds the stated specification or terms of reference and, is determined to be the economically best value for purchase.

37. Emergency Situation

37.1 Notwithstanding any other provisions of this policy, goods, services, or construction may be purchased on an emergency has been declared under Hamlet bylaw 281.

37.2 Under an emergency, the appointed Emergency Management Organization may make emergency purchases under one thousand (\$1,000) during a community emergency.

37.3 All emergency purchases must be reported to the Senior Administrative Officer and the Council and a purchase order issued as soon as reasonably possible under the circumstances.

37.4 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.

38. Warranties

38.1 The tendering process will not be used where the carrying out of work by a contractor other than a contractor who did the original work would nullify the warranty or guarantee held. In this situation, the Senior Administrative Officer can choose the method of procurement if a warranty or guarantee is in place.

38.2 The tendering process will not be used when it is necessary to ensure compatibility with existing products or to avoid violating the warranty or guarantee held requirements when services is required. In this situation, the Senior Administrative Officer can choose the method of procurement if a warranty or guarantee is in place.

HAMLET OF FORT LIARD

BYLAW – Procurement

Page 21 of 21

39. Disposal of Surplus Goods

39.1 All staff shall notify the Senior Administrative Officer when items become obsolete or surplus to their requirements.

39.2 The Senior Administrative Officer shall be responsible for ascertaining if the items can be of use to staff rather than disposed of.

39.3 Items that are not claimed for use will be disposed of by silent auction or tender, or whichever method is most suitable for the equipment or material involved in the opinion of the Senior Administrative Officer.

39.4 Computer equipment will be professionally cleaned and donated or disposed of with whichever method is most suitable for the equipment or material involved in the opinion of the Senior Administrative Officer.

39.5 The revenue from the sale of obsolete material shall be credited to the appropriate revenue account.

Schedule 1 – Goods and services not subject to this policy

1. Petty cash items
2. Training and education including conferences, courses, conventions, magazines, memberships, periodicals, seminars, staff development, staff workshops
3. Refundable employees' expenses including cash advances, meal allowances, travel expenses, accommodation
4. Employer's general expenses including payroll deduction remittances, insurance premiums, and tax remittances
5. Licenses, certificates, and other approval required.
6. Ongoing maintenance for existing computer hardware and software.
7. Professional and special services: additional non-recurring accounting and auditing services, legal counsel, banking services where covered by agreements, public debenture sales
8. Group benefits
9. Realty services regarding the lease, acquisition, demolition, sale of land, appraisal of land, and survey
10. Project management services
11. Utilities where a franchise agreement or monopoly exists
12. Engineering services
13. Real property acquisitions, including the leasing of property