



BY-LAW #665

**PURCHASING, TENDERING, CONTRACT AND LOCAL
INCENTIVE BY-LAW AMENDMENT**

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THE CORPORATION OF THE CITY OF IQALUIT, NUNAVUT

BY-LAW # 665

PURCHASING, TENDERING, CONTRACT AND LOCAL INCENTIVE BY-LAW AMENDMENT

BEING a By-Law of the City of Iqaluit to amend By-Law no. 581, The City of Iqaluit Purchasing, Tendering, Contract and Local Incentive By-Law;

WHEREAS pursuant to Section 59(1) of the *Cities, Towns and Villages Act* as amended by s.Nu.2003, a council, by by-law, may amend, repeal a by-law:

NOW THEREFORE PURSUANT to the provisions of the *Cities, Towns and Villages Act*, S.Nu. 2003 the Council of the City of Iqaluit, Nunavut, in regular session duly assembled, enacts as follows;

SEVERABILITY

If any provision of this by-law is declared invalid because of any word, phase, clause, sentence, paragraph or section of this by-law or any documents which form part of this by-law or an application thereof to any person or circumstance is declared invalid, the remaining provisions shall not be affected thereby, but shall remain in force.

SECTION 1 – SHORT TITLE

This By-Law may be cited as the "Purchasing By-Law".

SECTION 2 – INTERPRETATION

In this By-Law the following terms (unless the context specifically requires otherwise) shall have the following meanings:

- 2.1 "Acquisition" means the process whereby property or a service is

borrowed, constructed, foreclosed, leased, leased to purchase, purchased or rented.

- 2.2 "Addendum" means any change or clarification to the tender documents issued during the tender call period. For all contractors to bid on the same tender package, addenda must be used to ensure that all bidders receive written notification of changes or clarifications made during tender call period.
- 2.3 "Agreement" means the mutual understanding of the City and at least one other party. Understanding is usually conveyed through a contract or purchase order.
- 2.4 "Auction Manager" means the individual or organization selected to manage a public auction for the disposal of City property.
- 2.5 "Award" means authorization to proceed with the purchase of goods, services and construction from a chosen supplier.
- 2.6 "Best Value" means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan.
- 2.7 "Bid" means an offer or submission from a supplier in response to a bid solicitation. Also to provide a service under stated terms and conditions.
- 2.8 "Bid Solicitation" means a formal request for bids that may be in the form of an Expression of Interest, Request for Quotation, Request for Qualifications, Request for Tender, Request for Proposal or Request for Standing Offer (As and When).
- 2.9 "Budget" means budget of the City of Iqaluit for the current fiscal year.
- 2.10 "City" means The Municipal Corporation of the City of Iqaluit.
- 2.11 "City Property" means real or personal property belonging to the City.
- 2.12 "Construction" means 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, 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 or architectural work, but does not include professional services related to the construction contract unless they are included in the procurement;

- 2.13 "Contract" means a binding agreement in writing by way of a Service Agreement or Service Agreement incorporating a formal agreement or a formal agreement between two or more parties that creates an obligation to do or not to do a particular thing, and signed by both parties.
- 2.14 "Cost" means the actual historical cost, including freight, installation, construction or the appraised value.
- 2.15 "Council" means the Council of the City of Iqaluit.
- 2.16 "Council approved budget" means council approved budget including authorized revisions.
- 2.17 "Director" means the person appointed by the Chief Administration Officer to be responsible for the operation of a department and includes the person appointed to the position of Chief Administrative Officer.
- 2.18 "Disposal" means the removal of material from the City by sale, lease, grant, and donation, trade in, alternative use or destruction.
- 2.19 "Fair Market Value" means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length that are fully informed and not under any compulsion to transact.
- 2.20 "FOB" means Free on Board and is commonly used in pricing to establish the point at which title to purchased materials passes to the owner. FOB is relevant to, for example, responsibility for insurance coverage, taxes, transportation costs and so on.
- 2.21 "FOB Origin, Freight Collect:" means the buyer owns the goods in transit, bears and pays the freight costs and files any transportation claims.
- 2.22 "FOB Origin, Freight Prepaid:" means the buyer owns the goods in transit, files any transportation claims. The seller pays the freight charges and bears the freight charges.
- 2.23 "FOB Origin, Freight Prepaid and Charged:" means the buyer owns the goods in transit, bears the freight charges and files any transportation claims. The seller pays the freight charges and invoices the buyer.
- 2.24 "FOB Destination, Freight Collect:" means the buyer bears and pays the freight charges. The seller owns the goods in transit and files any transportation claims.
- 2.25 "FOB Destination, Freight Prepaid:" means the seller bears and pays the

freight charges, owns the goods in transit and files any transportation claims.

- 2.26 "Formal Competitive Bid" means the process whereby an invitation to tender or a request for proposal is solicited by the city by means of an invitation to specific suppliers or by advertising. A closing date and time is clearly stated.
- 2.27 "Goods" means movable property including,
- (a) the costs of installing, operating, maintaining or manufacturing such movable property, and
 - (b) raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous form, unless they are produced as part of a construction contract.
- 2.28 " Holdback" means an amount withheld under the terms of the contract to ensure the complete performance of the contract and to avoid overpayment in relation to progress of work.
- 2.29 "Local" means within the municipality.
- 2.30 "Local Supplier" means a supplier, which has a current city business license and which owes or leases real property in the City and which employs or self employs residents of the City in the course of doing business.
- 2.31 "Material" means goods, supplies, or items required for maintenance, repair or operating purposes.
- 2.32 "Obsolete" means personal property, which no longer meets specifications.
- 2.33 "Professional Services" means services requiring the skills of professionals for a defined service requirement including,
- (a) architects, engineers, designers, management and financial consultants; and
 - (b) firms or individuals having specialized competence in environmental, planning or other disciplines.
- 2.34 "Progress Payment" means a payment made under the terms of a contract after the performance of the part of the contract in respect of which payment is made but before the performance of the whole contract.

- 2.35 "Proposal" means a bid, which is submitted in response to a request for proposal. A proposal is used when it is generally known what, when, and why personal property or a service is required but not how. A proposal seeks creative input from a supplier and is intended to facilitate both objective and justifiable reasons for choices.
- 2.36 "Purchase" means to acquire goods, services or construction by purchase, rental, lease or trade.
- 2.37 "Purchase Order" means a written offer to a supplier formally stating all terms and conditions for the purchase of goods, services or construction or a written acceptance of an offer received in accordance with this By-Law. It is the use of the City's pre-printed document used to formalize an agreement with a supplier. The purchase order has the same effect as a contract.
- 2.38 "Purchase Requisition" see requisition.
- 2.39 "Purchasing" means the act of acquiring goods or services.
- 2.40 "Quote or Quotation" means a bid submitted in response to a Request for Quotation. The quotation is used to obtain pricing and delivery information from suppliers in an informal manner rather than using an invitation to tender or a request for proposal. Usually reserved for low value property or a service.
- 2.41 "Real Property" means land and buildings, and includes fixtures that are permanently attached to buildings and cannot be removed without damaging the building.
- 2.42 "Requisition" means the City's pre-printed document used internally to transmit the needs of a requesting department to Purchasing in writing. It provides a record of the request, indicates where costs are to be allocated and approves the commitment of funds by allowing for signatures of authorized personnel. The requisition also serves as a reference for generating the purchase order or the formal contract.
- 2.43 "Security Deposit" means a deposit of securities by a supplier that the City may convert under defined conditions to complete the supplier's contractual obligation.
- 2.44 "Sole Source" means when a source of supply is predetermined to be the only source capable of furnishing the need of performing the service; or the value of the service is less than \$ 10,000 or an emergency situation arises.

- 2.44 "Special Circumstance" means
- (a) an event that is exceptional or could not be foreseen and is a threat to the health, safety or welfare of the public, or
 - (b) an event that has disrupted essential services that needs to be re-established without delay.
- 2.46 "Standing Offer" "as and when" means an offer from a supplier that allows the City to purchase frequently ordered goods, services or construction from suppliers at prearranged prices, under set terms and conditions, when and if these are requested but no contract exists until the City places an order against the Standing Offer (as and when).
- 2.47 "Supplier" means a source that is capable or potentially capable of furnishing property or providing a service. A supplier shall be deemed to include a consultant, a contractor, a person, a professional trade or a vendor.
- 2.48 "Supply Management" means the Purchasing Agent and his or her staff are responsible for performing the purchasing services of the City.
- 2.49 "Surplus" means property which is extra to the City's needs therefore not required.
- 2.49 "Tender" means a bid which is submitted in response to an invitation to tender. A tender is used when it is known what, when, why, and how property or a service is required. The main concern is price. Suppliers compete on the pricing for the detailed property or service.

The foregoing defined words or any derivative thereof shall have a plural, masculine, feminine, or neuter meaning where the text so requires.

SECTION 3 – APPLICATION

- 3.1 All schedules attached hereto form a part of this By-Law.
- 3.2 The procedures prescribed in this by-law shall be followed to make a contract award or to make a recommendation of a contract award to Council.

SECTION 4 – RESPONSIBILITY AND AUTHORITY

- 4.1 Council delegates to the City's Chief Administrative Officer the authority to

commit or expend funds for the acquisition of property or services as herein outlined, from the approved budget of the City. The Chief Administrative Officer may as permitted within this By-law, by written documentation action only delegate the commitment or expenditure of funds to the City Directors. Such delegation will enable staff to initiate expenditures against approved budget for which they are accountable. Council also delegates to the Chief Administrative Officer the authority to dispose of surplus or obsolete assets. The Chief Administrative Officer may delegate the disposal of assets to other City staff.

- 4.2 Directors have responsibility for procurement activities within their departments and are accountable for achieving the specific objectives of the procurement project. The authority and that which is delegated, carries with it the responsibility to ensure that:
 - (a) the property or service received is that which was contracted for;
 - (b) the price charged is that which was agreed.
 - (c) all terms and conditions of the contract are fulfilled; and
 - (d) the commitment or expenditure is a real charge against the activity to which it is coded.
- 4.3 Directors have the authority to award contracts in the circumstances specified in this by-law provided that the delegated power is exercised within the limits prescribed in this by-law, and the requirements of this by-law are met.
- 4.4 Directors in conjunction with the Purchasing Agent and his staff shall provide evidence that the contract pricing represents fair market value.
- 4.5 The Purchasing Agent is responsible for:
 - a) providing professional procurement advice and service to directors
 - b) monitoring compliance with this by-law
 - c) notifying Directors, in advance if possible of non compliance and,
 - d) informing Director of Finance that non-compliance with this by-law has occurred.
- 4.6 The Purchasing Agent has the authority to reject the proposed action of a Director for those actions specified in this by-law requiring joint "Director and Purchasing Agent" decision.
- 4.7 The Chief Administrative Officer has the authority to instruct Directors not to award contracts and to submit recommendations to council for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interest of the City.

- 4.8 In the event of an emergency the Chief Administrative Officer has the authority to expend whatever funds are reasonably necessary to deal with the situation. Prior to expending or committing such funds, the City's Chief Administrative Officer shall use his or her best efforts to contact the Mayor or the Deputy Mayor, advise of the nature of the emergency and the amount of funds to be committed or expended and obtain verbal approval. Any such expenditure or commitment shall be reported to Council at the earliest opportunity.
- 4.9 Emergencies generally occur as a result of fire, flood, water breaks or equipment repair. In instances where an emergency occurs after hours and purchases are made by departments, a requisition is to be forwarded to the purchasing department on the next working day following the purchase and shall include an explanation of the circumstances of the emergency.

SECTION 5 – SIGNING AUTHORITY

- 5.1 To allow for the efficient operational needs of City departments signing authority levels per transaction have been delegated to various positions within their program responsibility areas as follows:

Administration

Chief Administrative Officer	\$ 250,000.00
City Clerk	\$ 10,000.00

Recreation Services

Director Recreation Services	\$ 50,000.00
Facilities Manager	\$ 10,000.00

Economic Development

Director Economic Development	\$ 40,000.00
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Finance

Director of Finance	\$ 40,000.00
Controller	\$ 10,000.00
Senior Accountant	\$ 2,000.00

Human Resources

Human Resource Officer	\$ 10,000.00
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Public Works

Director Public Works	\$ 50,000.00
Operational Superintendent	\$ 25,000.00
Foreman	\$ 2,000.00

Emergency Services

Fire Chief	\$ 40,000.00
Deputy Fire Chief	\$ 10,000.00

By Law

Chief By-Law Officer	\$ 10,000.00
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Engineering

Director of Engineering	\$ 50,000.00
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Planning and Lands

Director of Planning & Lands \$50,000.00

- a) No changes to the assigned level of signing authority can be made unless authorized in writing by the Chief Administrative Officer of the City.
- b) Temporarily covering for the next higher level, such as for vacation and other forms of lengthy leaves, signing authority is automatically delegated for the specific period of time, with the exception of the Chief Administrative Officer: which authority must come from Council.

SECTION 6 – FUNDING APPROVAL

6.1 The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Council approved budget.

6.2 Where goods and services are routinely purchased or leased on a multi year basis, the exercise of authority to award a contract is subject to:

- (a) the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved budget.
- (b) The requirement for the goods and services will continue to exist in subsequent years and in, the opinion of the Director of Financial Services, the required funding can reasonably be expected to be made available, and
- (c) The contract has a provision in it that the supply of goods or services in subsequent years is subject to the approval of council of the departmental estimates to meet the required expenditures.

6.3 The Purchasing Agent shall reject all purchase requests for contracts for which sufficient funds are not available and identified unless, in the opinion of the Purchasing Agent, the deficiency is minimal and alternative funding has been identified.

SECTION 7 - RESTRICTIONS

7.1 No requirement may be divided to avoid the application of the provision of this by-law.

- 7.2 A director shall not award a contract where supply management has determined that the provisions of this by-law have not been adhered to and has so advised the Director.
- 7.3 The Purchasing Agent shall,
- (a) Reject all purchase requisitions for services where the services could result in the establishment of an employee – employer relationship.
 - (b) With the Director, determine whether the requirement referred to in clause 7 (3) (a) can be revised, or the requirement should be forwarded to the Human Resources Department for action.

SECTION 8 – PROJECT COSTS

- 8.1 Where this by-law prescribes financial limits on contracts that may be awarded on the authority of the Director, or provides for financial limits on contracts required and to be reported to council, for the purpose of determining whether a contract falls within these prescribed limits, the contract amount shall be the sum of:
- (a) all costs to be paid to the supplier under the contract; and
 - (b) all applicable taxes
 - (c) less any rebates.

SECTION 9 – COUNCIL APPROVAL

- 9.1 Despite any other provision of this by-law, the following contracts are subject to Council approval:
- (a) Where the cost amount proposed for acceptance is higher than the Council approved budget and the necessary adjustments cannot be made.
 - (b) Where the revenue amount proposed for acceptance is lower than the council approved budget.
 - (c) Where a substantive objection emanating from the bid solicitation has been filed with the Director or with the Purchasing Agent.
 - (d) Where a major irregularity precludes the award of a tender to the supplier submitting the lowest responsive bid, and
 - (e) Where authority to approve has not been expressly delegated.
- 9.2 No provision of the by-law precludes a Director or Purchasing Agent from submitting an award to Council where:

- (a) in the opinion of the Director, it is in the best interest of the City to do so, or
- (b) it is a matter of procurement procedure and, in the opinion of the Purchasing Agent; it is in the best interest of the City to do so.

SECTION 10 – PROCUREMENT DOCUMENTATION

- 10.1 In order to maintain consistency, the Purchasing Agent shall provide instructions to Directors on procurement policies and procedures and on the structure, format and general content of procurement documentation.
- 10.2 The Purchasing Agent may review proposed procurement documentation to ensure clarity, reasonableness, and quality and shall advise the Directors of suggested improvements.
- 10.3 Procurement documentation shall avoid use of specific products or brand names where practical.
- 10.4 Notwithstanding subsection 10 (3), a Director may specify a specific product or brand name for essential functionality purposes to avoid unacceptable risk or for some other valid purpose. In such instances, the Director and the Purchasing Agent shall manage the procurement to achieve a competitive situation if possible.
- 10.5.1 The Purchasing Agent shall issue and maintain guidelines for the documentation and content of terms of reference and general scope of work.

SECTION 11 – LEGAL SERVICES

- 11.1 The procurement of legal services is directed and approved by Council.

SECTION 12 – CANCELLATION OF A BID

- 12.1 A Director may request the Purchasing Agent to cancel a bid solicitation at any time up to the contract award.

SECTION 13 – PROCUREMENT PROCEDURES

- 13.1 The following are authorized procedures for the procurement of goods, services and construction contracts.

Procedure	Project Cost
Petty Cash	\$ 50.00 or less
Local Purchase Order	\$ 200.00 or less
Departmental Purchase Order	\$ 5,000 or less
Credit Card Purchase	\$ 25,000 Limit
Request for Quotation	\$ 25,000 or less
Request for Tender	Greater than \$ 25,000
Request for Proposal	Greater than \$ 25,000
Request for Standing Offer (as and when)	Not to exceed \$ 10,000 per occurrence
Non competitive Purchase (sole source)	Not to exceed \$ 10,000 Per occurrence

SECTION 14 – PURCHASES OF \$50 OR LESS

- 14.1 The controller shall possess a petty cash fund for expenditures less than \$50.00.
- 14.2 Expenditures not exceeding \$ 50.00 including purchases of goods, services and construction may be made from Petty Cash in any one instance. Petty cash should only be used when it is not feasible to use a local purchase order.
- 14.3 All petty cash disbursements shall be evidenced by vouchers and shall be processed through the Controller.

SECTION 15 – LOCAL PURCHASE ORDERS OF \$200 OR LESS

- 15.1 Purchase for goods or services not exceeding \$ 200.00 in value may be made using a local purchase order.
- 15.2 Local Purchase Order shall be controlled and authorized by the Directors of city departments.
- 15.3 Employees may use Local Purchase Orders if authorized by their Manager or Director of their department.

SECTION 16 – DEPARTMENTAL PURCHASE ORDERS LESS THAN \$5,000

- 16.1 Purchase for goods, services or construction not exceeding \$ 5,000 in value may be made using a properly authorized purchase order.

33.24.2 The evaluation will be based only on the evaluation criteria established in the RFP. The exception to this would be criteria established in a post-proposal call addendum, as discussed in more detail later in this section.

33.24.3 The evaluation criteria are given an assigned weight by relative importance. This is done before the RFP is issued and is normally included in the RFP document. Each submission is then rated according to the following degrees of satisfaction:

- Poor 1 to 3 Points
- Fair 4 to 6 Points
- Good 7 to 8 Points
- Excellent 9 to 10 Points

33.24.4 For each (criterion, the assigned weight is multiplied by the proposers rating for that criterion to yield the total points for each criterion. The total points are added to get the total score, which represents the overall degree of satisfaction with the specific proposal.

33.24.5 All responsive proposals received will be evaluated.

33.24.6 Each member of the evaluation committee should initially review or evaluate the proposals separately, using the rating form included in the RFP. The final evaluation and rating of the proposals and the recommendation for award will represent a consensus reached by the committee, although this consensus may be reviewed by the Director and/or Chief Administrative Officer, who may provide additional information. Normally the evaluation committee will recommend that the contract be awarded to the firm with the highest total score.

33.25 Application of the Nunavut Incentive Policy

33.25.1 Projects which have joint funding with the Government of Nunavut must incorporate the NNI Policy in the evaluation criteria.

33.26 Requests for Tender

33.26.1 A request for Tender shall be used for purchases exceeding \$25,000.00 where all of the following criteria apply:

- i. Two or more sources are considered capable of supplying the requirement.

- ii. The requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria.
- iii. The market conditions are such that tenders can be submitted on a common pricing basis.

33.26.2 The Director shall provide to Purchasing Agent a purchase requisition containing the relevant specifications, terms and conditions for the acquisition of goods, services and construction.

33.26.3 For Road, Water and Sewer and other assigned construction projects, The Director of Public Works and the Director of Engineering and Planning shall establish the specifications and be responsible for the contents of the Request for Tender.

33.26.4 The Purchasing Agent shall:

- i. Review the specifications, terms and conditions relevant to the acquisition of goods, services or construction.
- ii. Suggest changes or provide other information to the Director as appropriate.
- iii. Give notice of the request for quotation by requesting submissions from those suppliers contained in a list of vendors who appear best qualified and comply with NNI policy that meet the provisions of the quotation.
- iv. Review the bids to ensure compliance with the related procedures and established terms or conditions, and
- v. Consider any irregularities and act in accordance with this by law regarding irregularities contained in bids.

33.26.5 Directors or Department Managers (on behalf of the concerned director) may award contracts emanating from a Request for Tender not exceeding \$ 25,000.00 provided that it is in accordance with the amounts in the signing authority section of this policy.

- i. Sufficient funds are available and identified in appropriate accounts within Council approved departmental budget.
- ii. The award is the lowest responsive bidder.
- iii. The Purchasing Agent is in receipt of a funded requisition.
- iv. The provisions of this by-law are followed.

33.26.6 Written documentation respecting the award of the contract is to be kept on the procurement file.

33.26.6 Requests for tenders must be signed by Director department managers or their delegates.

33.26.7

SECTION 34 – RFP PURCHASES EXCEEDING \$25,000

A Request for Proposal should be used where one or more of the criteria for issuing a Request for Tender cannot be met, such as:

- a) Owing to the nature of the requirement, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution rather than on price alone.
 - b) It is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement.
- 34.1 The Director shall provide the Purchasing Agent with a purchase requisition, terms of reference, and evaluation criteria including the scoring assessment to be applied in assessing the proposals submitted.
- 34.2 The Director and Purchasing Agent may jointly select a supplier to provide professional services without competition where:
- a) the estimated total costs does not exceed \$ 10,000, and
 - b) the cost of preparing a detailed proposal would deter suppliers from submitting proposals.
- 34.3 The Purchasing Agent shall issue a request for proposal in the same manner as for a request for tender as set out in this by-law excluding the requirement for a public opening, if the estimated value is less than \$10,000.00.
- 34.4 Where the requirement is not straightforward or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number or any combination thereof, a multi step procedure may be used that would include a pre-qualification stage to ensure the workload is a manageable level.
- 34.5 A selection committee, composed of a minimum of one Director/Manager from the department and the Purchasing Agent, shall review all proposals against the established criteria and reach consensus on the final rating results and ensure that the final rating results with supporting documents are kept on the procurement file.
- 34.6 The Purchasing Agent shall forward to the Director a summary of the procurement and recommendation for award of contract to the supplier meeting all mandatory requirements and providing best value as stipulated in the request for proposal.
- 34.7 The Purchasing Agent and the Departmental Director may recommend a

contract within the limits of the signing authority established within this by-law or emanating from a request for Proposal provided that:

- (a) sufficient funds are available and identified in appropriate accounts within Council approved Departmental budgets including authorization provisions.
- (b) The award is made to the supplier meeting all mandatory requirements and providing best value as stipulated in the Request for Proposal.
- (c) Supply Management is in receipt of a funded requisition, and
- (d) The provisions of this by-law are followed.

34.8 Awards emanating from a request for proposal requires Chief Administrative Officer approval as per the signing authority established under this by-law.

34.9 Request for Proposals must be signed by the Department Director and or delegate and the Purchasing Agent.

SECTION 35 – STANDING OFFER PURCHASES (AS AND WHEN)

35.1 A request for standing offer (As and when) may be used where:

- (a) One or more clients repetitively order the same goods or services and the actual demand is not known in advance, or
- (b) A need is anticipated for a range of goods, services and construction for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.

35.2 Supply management shall establish and maintain Standing orders (As and When) that define source and price with selected suppliers for all frequently used goods or services.

35.3 To establish prices and select sources, supply Management shall employ the provisions contained in this by-law for the acquisition of goods, services and construction.

35.4 More than one supplier may be selected where it is in the best interest of the City and the bid solicitation allows for more than one.

35.5 Where purchasing action is initiated by a department for frequently used goods or services, it is to be made with the supplier or suppliers listed in the standing offer.

- 35.6 In a Request for Standing Offer, the expected quantity of the specified goods or services 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.
- 35.7 A call –up against a standing offer is considered to be an individual contract, and the normal contract award prescribed limits apply, unless otherwise stated in the original approval document.
- 35.8 A (As and When) Service contract is issued by Director or Manager to service providers as per schedule on an annual basis.

SECTION 36 – UNSOLICITED PROPOSALS

- 36.1 Unsolicited proposals will be accepted by the City of Iqaluit.

SECTION 37 – NON BUDGETARY CONTRACT APPROPRIATIONS

- 37.1 Where a requirement exists to initiate a project for which goods, services or construction are required and funds are not contained in appropriate accounts within the Council approved budget to meet the proposed expenditure, the Director shall, prior to the commencement of the purchasing process, submit a report to Council containing:
- (a) Information surrounding the requirement to contract,
 - (b) The terms of reference to be provided in the contract, and
 - (c) Information on the availability of the funds within existing budget, which were originally approved by Council for other purposes or on the requirement for additional funds.

SECTION 38 – TERM OF COUNCIL

- 38.1 Regarding contracts council should be discouraged from entering into contractual obligations or long term professional contracts within the last six months of their term.

SECTION 39 – CO OPERATIVE PURCHASING

- 39.1 The City may participate with other government agencies or public authorities in co-operative purchasing where it is in the best interest of the city to do so.

- 39.2.1 The policies of the government agencies or public authorities calling the co-operative tender are to be the accepted policy for that particular tender.

SECTION 40 – SUPPLIER PERFORMANCE

- 40.1 The Director shall document evidence and advice Supply Management in writing where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety violations.
- 40.2 The Director may in consultation with the Purchasing Agent and upon approval of the Chief Administrative Officer prohibit an unsatisfactory supplier from bidding on future contracts.
- 40.3 Suppliers may be subject to disqualification if there is sufficient evidence of consistent failure to meet the standards specified by the City of Iqaluit. The user department will maintain supplier performance files. Suppliers may be evaluated based on competitive price, quality of product, contract adherence and performance, and after sales service. Upon reasonable notice in writing to the supplier involved, and after a reasonable opportunity for response, a supplier can be disqualified for a period not exceeding three years from participation in a solicitation for goods and services.
- 40.4 A written decision shall be issued to the disqualified or suspended supplier setting out the reasons for disqualification or suspension, to the usual business address of that person as shown in the records of the purchasing section.
- 40.5 Disqualification will be approved by the Chief Administrative Officer.
- 40.6 Any supplier having an account due (property tax, utility invoice, land lease due to the City of Iqaluit which is in arrears for a period of ninety days, will have such arrears deducted from payments being made to the supplier.

SECTION 41 – PROPERTY DISPOSAL

- 41.1 As stipulated in By-law #404, Property Procedures By-law.

SECTION 42 – RECEIPT OF GOODS

- 42.1 The Director shall,
- (a) Arrange for the prompt inspection of goods on receipt to confirm conformance with the terms of the contract.
 - (b) Inform the Purchasing Agent of discrepancies immediately.

- 42.2 The Purchasing Agent shall coordinate an appropriate course of action with the Director for any non-performance or discrepancies.

SECTION 43 – PURCHASING FROM EMPLOYEES

- 43.1 Direct purchase from employees or an employee's immediate family of any material, service or equipment is not permitted unless specific exemption has been obtained from the Chief Administrative Officer.
- 43.2 Direct purchases from Councillors must not contravene the Conflict of Interest Legislation.

SECTION 44 – FOREIGN PURCHASES

- 44.1 All acquisitions made from a foreign country must go through the Purchasing Department.
- 44.2.1 Foreign shipments under \$ 1,200.00 Canadian do not require a Canada Customs Invoice. A commercial invoice, stating the country of origin of the goods and the currency of settlement, is acceptable and must accompany the shipment. A NAFTA certificate must also be included.
- 44.2.2 Items acquired by the City of Iqaluit are entitled to preferential customs duty treatment. The purchasing agents shall be responsible for obtaining the maximum benefit of duty allowed.
- 44.2.3 The purchasing agent will ensure continuity in planning foreign currency requirements, negotiating terms and conditions, arranging the most expedient method of shipping and proper customs clearance.
- 44.2.4 The purchasing agent will also ensure compliance with the law including customs tariffs and regulations.

SECTION 45 – LOCAL PREFERENCES POLICY

- 45.1 Business will be conducted with suppliers that are reliable and competent and have the technical and financial capabilities to provide the required property and service in accordance with NNI Policy.
- 45.2 The City's priority will be to do business with:
- a) Iqaluit based suppliers to the extent that qualified ones are available.
 - b) Other Nunavut based suppliers to the extent that qualified ones are available.

- c) Other provinces and territories of Canada to the extent qualified ones are available.

SECTION 46 - EFFECTIVE DATE

This By-law shall come into effect on the Third and Final Reading.


THIS BY-LAW READ a First Time this 30 day of October, 2007 A.D.


Allen Hayward
Deputy Mayor


John Hussey
A/Chief Administrative Officer

THIS BY-LAW READ a Second Time this 30 day of October, 2007 A.D.


Allen Hayward
Deputy Mayor


John Hussey
A/Chief Administrative Officer

THIS BY-LAW READ a Third and Final Time this 13 day of November, 2007 A.D.



Elisapee Sheutiapik
Mayor

John Hussey
A/Chief Administrative Officer