

Procurement Policy



The Corporation of
the Town of Fort Erie

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1. Part 1 - Purposes, Goals and Objectives

- 1.1. The purposes, goals and objectives of this policy and of each of the methods of Purchasing authorized herein are:
- (a) to encourage competitive bidding;
 - (b) to ensure objectivity and integrity in the Procurement process;
 - (c) to ensure fairness between Bidders;
 - (d) to maximize efficiencies in the Procurement Process, including through electronic Procurement means;
 - (e) to authorize a variety of purchasing methods, and to use the most appropriate method depending on the particular circumstances of the Procurement;
 - (f) to the extent possible, ensure openness, accountability and transparency while protecting the best interests of the Town;
 - (g) to ensure compliance and consistency with all applicable legislation and trade agreements, policies and procedures;
 - (h) to obtain the Best Value for the Corporation when procuring Goods and/or Services;
 - (i) to avoid real and perceived conflicts between the interests of the Corporation and those of the Corporation's employees and elected officials and to ensure compliance with the *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M.50, as amended;
 - (j) to encourage the Purchase of Goods and/or Services with due regard to the preservation of the natural environment;
 - (k) to promote, and incorporate wherever possible in Purchasing activities of the Corporation, the requirements of the *Ontarians with Disabilities Act*, 2005, S.O. 2005, c. 11, as amended;
 - (l) to adhere to the code of ethics of the Ontario Public Buyers Association and the National Institute of Government Purchasing;

(m) to maintain timely and relevant policies and procedures;

(n) to delegate the appropriate level of authority to enable Town departments to meet services requirements.

2. Part 2 – Definitions

2.1. For the purposes of this policy:

Award or Awarded means selection to enter into a Contract with a chosen Supplier;

Best Value means the best combination of cost, technical merit, and quality as determined by the Town. The Best Value may not be the lowest cost;

Bid means a Tender, Proposal or Quotation or other formal offer or submission from a Bidder in response to a Bid Solicitation from the Town;

Bidder means the legal entity that submits a Bid in response to a Bid Solicitation;

Bidding System means the Corporation's website-based solution for issuing Bid Solicitations and/or receiving Bid submissions and posting Bid results;

Bid Irregularity means a potential or actual non-compliance with a Bid submission that may lead to the disqualification of a Bid, or that may require corrective action to take place in order to make the Bid compliant;

Bid Security means the form of security required by the terms and conditions of Bid Solicitations to guarantee that the successful Bidder enters into a Contract with the Corporation as required;

Bid Solicitation means a formal request for Bids issued by the Town, which describes what is needed and how it will be obtained. Bid Solicitations include but may not be limited to Requests for Quotation, Requests for Tender, Requests for Proposal, Requests for Pre-Qualification and Requests for Expression of Interest;

CAO means the Chief Administrative Officer of the Corporation or designate;

Clerk means the appointed employee from the Corporation who without note or comment, records all resolutions, decision and other proceedings of council, who keeps originals or copies of all by-laws and all minutes of the proceedings of the council;

Compliant means in relation to a Bid or the Supplier making a Bid in response to a particular method of Procurement being used under this policy, that the Bid or

the Supplier as the case may be, complies or has complied in all material respects with the requirements of the particular method of Procurement as reflected in the documents issued for that purpose and is not liable to disqualification for failure to comply;

Conflict of Interest means a situation or circumstance, real or perceived, which could give a Supplier an unfair advantage during a procurement process, or compromise the ability of the Supplier to perform its obligations under its Contract. A situation where a personal, business or other interest of an elected or appointed official, officer or employee of the Town is, or can be reasonably be perceived to be, in conflict with the interests of the Town, this includes, but is not limited to:

- a) the giving or receiving of a Direct or Indirect Interest, or a direct or indirect advantage or privilege, by any person or business that offers Goods, Services or Construction to the Town;
- b) a Direct or an Indirect interest in any business that provides Goods, Services or Construction to the Town;
- c) a Conflict of Interest as defined in the *Municipal Conflict of Interest Act*;
- d) a Conflict of Interest as defined in the Town's Employee Guide to Ethical Conduct Policy #PC-005, as may be amended

Construction means a construction, reconstruction, demolition, repair or renovation of a building, structure or other infrastructure or engineering or architectural work and includes site preparation, excavation, drilling, soil or seismic investigation, the supply of products and materials and the supply of equipment and machinery incidental to the Construction, and the installation and repair of fixtures of a building, structure or other engineering or architectural work;

Consulting Services, Professional or Specialized Services or Consultants means those Services of an advisory or professional nature required by the Town to support Construction, policy development, decision making, administration, or the general management of the Town, and are generally provided by persons who possess specific knowledge, expertise, advice, technical skills or unique abilities in a particular field of science or business, which include:

- a) Architects, engineers, designers, surveyors, geoscientists, project managers, financial management, communications or public relations consultants, recruiters, auditors, accountants, appraisers, legal service providers and healthcare professionals;

- b) Firms or individuals having specialized competence in environmental, planning or similar disciplines; and
- c) Software consultants and any other persons providing similar services.

Contract means a binding agreement between two or more parties that creates an obligation to Procure Goods, Services, or Construction and includes both a Purchase Order and a Formal Agreement;

Corporation means The Corporation of the Town of Fort Erie;

Council means the Council of the Town of Fort Erie;

Council Approved Budget or Budget means Council approved departmental budgets including authorized revisions, or where applicable, Council approved budgets for local boards or committees to which this policy applies;

Delegate or Delegation means the formal process of a Department Head delegating authority in writing to a Delegate;

Delegate also means a Town employee who through a formal process, has been authorized to act on behalf of another either:

- a) during a temporary absence; or
- b) on a permanent basis to support operational effectiveness.

Department means an area of operation within the Town, provided with a Budget to deliver Goods, Services or Construction to the public;

Department Head means the most senior manager responsible for a Town Department or Delegate. The position may be identified by the title, Director;

Department Representative means a Town employee authorized to Procure and Dispose of Goods, Services or Construction on behalf of the Department up to a specified dollar value;

Designate means a person authorized or appointed to act on their behalf;

Direct Interest arises when an employee may derive or be seen to derive some personal benefit or avoidance of a personal loss. These interests are generally financial in nature;

Director of Corporate Services / Treasurer means the Director of Corporate Services / Treasurer of the Corporation or designate;

Disability or Disabilities shall have the same meaning as that in the *Ontarians with Disabilities Act, 2001*, as amended, or any successor legislation thereto;

Disposal or Dispose means the sale, trade, redeployment, and/or destruction or donation of surplus personal property, vehicles or equipment;

Emergency means a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public, or is likely to cause significant loss or damage to the property of the Corporation or the residents of the Town of Fort Erie or to prevent serious damage, disruption of work or to restore or to maintain essential services to a minimum level;

Evaluation means the process that takes place after the Bid submission deadline to determine if the Bids submitted are Compliant and to evaluate the Bids using the evaluation criteria included in the Bid Solicitation;

Fairness Monitor means an independent third party whose role is to observe all or part of a Procurement process, to provide feedback on fairness issues;

Formal Agreement means a written Contract outlining the terms and conditions for the Procurement of Goods and/or Services or Construction and executed by the Town and the Supplier;

Formal Quotation means an offer in writing by way of a call for Quotation to execute certain specified work or to supply certain specified Goods and/or Services or Construction in response to the information contained in the call for quotation. This method requires that the solicitations are published and received using the Towns Bidding System.

Goods means, in relation to Procurement, moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property), including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general Construction Contract but does not include Real Property;

Group Purchasing Organization or “GPO” means an entity whose goal is to leverage the power of a group of businesses or organizations to obtain discounts from Suppliers based on the collective buying power of its members;

Indirect Interest arises when the potential benefit or loss would be experienced by another person or corporation having a relationship with the employee. These interests are generally financial in nature;

Informal Quotation mean a competitive Bid or price quotation for Goods and/or Services or Construction that is conveyed by letter, fax, e-mail, or other means and does not require a sealed Bid, public opening, or public reading of Bids;

Lease means a contract by which one party (lessee) enters into a contract with a second party (lessor) for possession and use of Goods for a specified period of time at a pre-determined cost;

Litigation means any unresolved dispute between the Town and any other party or related party adverse in interest, including third party and cross claims, where either a legal proceeding has been commenced or a threat of legal action has been made in writing for an injunction, a mandatory order, a declaration or for the payment of damages or recovery of money;

Lobbying means any attempt by individuals or interest groups to communicate with government personnel influence or attempt to influence their actions or decisions regarding procurement matters.

Lowest Compliant Bid means the Bid that would provide the Corporation with the desired Goods, Services or Construction at the lowest Total Contract Price, meets all the specifications and contains no irregularities requiring automatic rejection;

Manager of Procurement means the person or designate who manages and supervises the procurement function on behalf of the Corporation, reporting to the Director of Corporate Services / Treasurer;

Negotiated Request for Proposal or “NRFP” means a non-binding flexible format public request for Proposal by the Corporation made in accordance with this policy, seeking Proposals to supply Goods and/or Services or Construction which may or may not result in an Award by the Corporation;

Negotiation means a process whereby the Town may negotiate directly with one or more Suppliers with the intent to Award a Contract or extend an existing Contract;

Petty Cash means a relatively small amount of cash kept on hand for making immediate payment for small, non-reoccurring, miscellaneous expenses;

Procedure means internal instructions or guidelines to departments, issued by the Manager of Procurement on supply and service management and/or procurement matters;

Procure or Procurement or Purchase means to acquire Goods, Services or Construction by purchase, rental, lease or trade;

Procurement Representative means the representative of the Town specified in the Bid Solicitation document;

Procurement Division means the group of employees responsible for Procurement and Disposal of all Goods and/or Services and Construction for the Town and for the administration of this policy;

Proposal means a submission received in response to a Request for Proposal (RFP);

PCard or Purchasing Card means a credit card issued in the name of both the Town and an authorized Department Representative for Procuring Goods and Services on behalf of the Town;

Purchase Order or “**PO**” means a standard Contract used by the Town to formalize a Procurement with a Supplier of Goods and/or Services or Construction;

Purchase Requisition means a request for Goods and/or Services or Construction prepared by the requisitioning Department, for which the Budget has been approved;

Quotation or **Quote** means a binding statement of price, terms of sale, and description of the Goods and/or Services or Construction offered by a Supplier;

Real Property means land, or land and buildings, and includes fixtures attached to such land or buildings;

Request for Expressions of Interest or “**RFEOI**” means a public request made by the Corporation seeking responses from potential suppliers for the purposes of compiling a list of potential suppliers who may be interested in providing Goods and Services to the Corporation from time to time. Receipt of an Expression of Interest by the Corporation shall not create any obligation on the potential Supplier or Corporation;

Request for Pre-Qualification or “**RFPQ**” means a request for the submission of information from potential Bidders including the qualifications, experience, financial capability, education, background and staffing of any Supplier who may qualify to supply deliverables to the Town;

Request for Proposal or “**RFP**” means a solicitation to provide Goods and/or Services or Construction to the Corporation. The solicitation is intended to open competition and encourage a variety of alternative proposals that may be considered by the Corporation. Request for proposals are normally evaluated in 2 separate stages (technical and financial). In general terms, the RFP process includes but is not limited to, issuing the RFP, collecting proposals and evaluating submissions. The intention is to select to submission which is provides

the best solution to the Corporations requirement to overcome a challenge or achieve a strategic objective. It is the Corporations intention to consider award to the Supplier who has achieved the highest evaluation score, not necessarily the lowest cost solution.

Request for Quotation or “**RFQ**” means a document that details the Corporation’s needs and seeks Suppliers to respond with a detailed pricing proposal. Generally, the Corporation issues and RFQ when looking for the lowest possible price for the specific Goods and/or Services or Construction which is being sought;

Request for Tender or “**RFT**” means a solicitation by the Corporation which details in specific terms what is required. The solicitation document contains detailed specification for the performance of the work as well as detailed qualifications and requirements for Suppliers to meet. Award (if any) is made to the Supplier who has met all requirements and has submitted the lowest financial submission. This process is often evaluated in 2 separate stages (technical and financial);

Roster means a list of Suppliers that have participated in and successfully met the requirements of a Request for Pre-Qualification (RFPQ), and have been pre-qualified to perform work assignments involving the delivery of a particular type of Goods, Services or Construction;

Services means activities that do not have a physical presence and includes Consulting, Professional and Specialized Services and Services procured as part of a Construction Contract;

Single Source means the non-competitive Procurement process to acquire Goods and/or Services or Construction from a specific Supplier even though there may be more than one Supplier capable of delivery of the same Goods and/or Services or Construction;

Sole Source means there is only one Supplier of the Goods and/or Services or Construction that meets the requirements of the Town;

Standing Order means a Purchase Order to procure repetitively ordered Goods, Services or Construction for a defined period of time at an established price, under set terms and conditions if they are required;

Supplier means a person or organization offering, providing or contractually required to provide Goods, Services or Construction to the Town;

Tender means a written detailed offer from a Supplier to supply Goods, Services or Construction where there are clearly defined criteria or specifications;

Total Contract Price means the Contract cost for the full term of the Contract and in the case of a Contract containing renewal or extension provisions the Total Contract Price for the initial term and all potential renewal or extended terms including the non-refundable portion of Harmonized Sales Tax (HST), where applicable, but including all other applicable fees charges and disbursements, less applicable rebates and discounts;

Town means The Corporation of the Town of Fort Erie;

Town Solicitor means a solicitor or a firm of solicitors which the Town may retain or employ from time to time to perform such legal services on behalf of the Town as may be required for the purposes of representing the Town;

Trade Agreements means any agreements with respect to access to government procurement opportunities as may be applicable to the Corporation, e.g. Canadian Free Trade Agreement "[CFTA](#)" and Canadian-European Union Comprehensive Economic and Trade Agreement "[CETA](#)";

Unsolicited Proposals means Proposals received by the Town from a Supplier(s) who have approached the Town with a Proposal that has not been requested through a regular procurement process.

3. Part 3 - Application

- 3.1. This policy applies to all Procurement and Disposal carried out by the Town or any of its officers, and employees with the exception of:
- a) those Goods and Services outlined in Schedule 1; or,
 - b) where an applicable trade agreement or statute of Ontario or Canada supersedes or is in conflict with this policy, in which case the requirements of the trade agreement or statute shall take precedence; or,
 - c) when a Council Resolution requires that the Procurement or Disposal be carried out in some manner other than by this policy.
- 3.2. A Council Resolution adopted by Council:
- a) shall be made after receipt of a written administrative report describing the nature of the Procurement, or Disposal and including advice and recommendations from both the Town Solicitor and the Department Head of the requisitioning department;

- b) shall state that Council is satisfied that it is necessary in the public interest and shall give the reason or reasons for so concluding.
- 3.3. Where the authority to enter into a Contract for the Procurement of Goods, Services or Construction is a decision entirely within the jurisdiction of a local board of the Town the local board may use the Services of the Procurement Division. In this case all terms and conditions of this policy will apply except:
- a) Any reference to “Council” shall be read as a reference to the “Board”; and,
 - b) Any reference to a Department Head, Department Representative or CAO shall be read as the head of the administrative function of any Board, or their Delegate created by a formal process in writing and provided to the Procurement Division.

4. Part 4 - Integrity of Procurement Process

4.1. Code of Conduct

- a) With regard to Procurement, elected officials shall adhere to the Town Code of Conduct for Members of Council.
- b) With regard to Procurement, employees shall adhere to the Employee Guide to Ethical Conduct.

4.2. Conflict of Interest

- (a) Personal purchases shall not be made for any elected or appointed officials, members of a board or commission, or for Town officers, employees, their families or non-arm’s length businesses.
- (b) An employee of the Town who has the responsibility for declaring surplus assets shall not bid on or personally obtain any goods that he or she has declared as surplus.
- (c) Every elected official, employee of the Town or their families (as defined in the *Municipal Conflict of Interest Act*) is expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any Purchase Order or Contract is, or might be awarded, any rebate, gift or money, except:
 - i. gifts of a very small intrinsic value; or

- ii. moderate hospitality during the normal course of business that would not significantly exceed what would be perceived by others as influencing the making of a business decision.

- (d) All elected officials, officers or employees of the Town shall declare any Conflicts of Interest to the Manager of Procurement and shall not be involved in a Bid Solicitation process where a real or perceived Conflict of Interest has been found or deemed to exist, including, but not limited to:

- i. requesting the Goods and/or Services, setting the parameters of the Purchase, evaluating Bids or recommending, deciding or making Awards;

- ii. direct contact with those making those Purchasing decisions, both in Procurement and the user Department.

4.3. Supplier Conflict of Interest

- a) All Suppliers contracted by the Town, acting as a Consultant or as a Professional Representative of the Town, shall immediately disclose any actual or perceived conflict of interest, in writing to the Procurement Division.

- b) Suppliers shall be precluded from submitting a Bid for any Bid Solicitation in which the Supplier or its employees has participated in the preparation of the Bid Solicitation. In this situation, any submitted Bid shall be rejected or disqualified.

- c) Failure by a Supplier to have disclosed in their Bid an actual or perceived Conflict of Interest may result in cancellation or suspension of the Award, or termination of the Contract at the Town's discretion, without compensation.

4.4. Lobbying Restrictions

- a) Lobbying restrictions shall apply to Suppliers, their staff members, or anyone involved in preparing a Bid. No Suppliers, their staff members or anyone involved in preparing a Bid shall engage in any form of political or other Lobbying whatsoever or seek to influence the outcome of the Bid Solicitation process or subsequent Award. This restriction extends to all the Corporation's staff and anyone involved in preparing a Bid Solicitation or participating in a Bid evaluation process and members of Council;

- b) The Corporation may reject any Bid by a Supplier that engages in such Lobbying, without further consideration, and may terminate that Supplier's right to continue in the Procurement process;
- c) During a Procurement process, all communications for formal solicitations shall be made through the Procurement Division via the Town's Bidding System. No supplier or person acting on behalf of a Supplier or group or Suppliers, shall contact any elected official, consultant or any employee of the Corporation to attempt to seek information or to influence the Award;
- d) Elected officials shall refer any inquiries about a Bid Solicitation to the Manager of Procurement;
- e) The Director of Corporate Services / Treasurer may reject or disqualify any Bid from a Supplier that engages in such lobbying at any stage of the Bid Solicitation process.

4.5. Local Preference

- a) In order to comply with applicable law and trade agreements, including the *Discriminatory Business Practices Act*, R.S.O., 1990, the Town shall not discriminate between Suppliers based on location, whether it be; Town, Region, or Province or Country, resulting in no local preference.

5. Part 5 – Roles and Responsibilities

5.1. Director of Corporate Services / Treasurer

- a) shall be appointed all necessary authority to administer this policy and duties authorized within the policy on behalf of the Town;
- b) shall be responsible to:
 - i. develop and implement Administrative Policies and Procedures supporting the ongoing compliance with this policy;
 - ii. monitor compliance with this policy;
 - iii. notify Council of non-compliance with this policy if the non-compliance cannot be rectified; and
 - iv. review Bids where there have been allegations of Lobbying, Conflict of Interest, or other inappropriate behavior and report to

the CAO on the outcome of such reviews.

5.2. Department Representatives

- a) All Department Representatives shall:
 - i. comply with the provisions of this policy in the performance of their duties and report non-compliance with the Policy to the Director of Corporate Services / Treasurer;
 - ii. ensure that all Contract terms and conditions comply with the Bid Solicitation;
 - iii. prepare and approve all specifications and terms of reference in consultation with the Manager of Procurement. Specification shall be definitive as to quantity, quality and/or function;
 - iv. manage contracts to ensure Goods and/or Services and Construction are received by the Corporation and comply with Contract terms and conditions;
 - v. monitor all Contract expenditures to ensure that all financial limitations have been complied with and that all accounts are paid within the times set out in the Contract;
 - vi. monitor the performance of Suppliers;
 - vii. promote standardization of Goods and/or Services and Construction, where such standardization supports the purpose, goals and objectives of this policy;
 - viii. ensure that all Goods and/or Services and Construction procured have in fact been received and recorded such receipts in the manner prescribed by the Manager of Procurement; and
 - ix. attend Procurement training as required.

5.3. Manager of Procurement

- a) The Manager of Procurement is responsible for and has the authority to:
 - i. act as the Procurement Representative for the Town, for the purposes of purchasing or selling Goods and/or Services and Construction;

- ii. dispose of Town assets and other property, excluding Real Property;
- iii. call for, receive, open and review Bids;
- iv. provide professional procurement advice and services to requisitioning Departments including the application of this policy to Procurement and Disposals and exercise discretion as prescribed when alternative courses of action are permitted;
- v. require a requisitioning Department to use a specific method of Procurement;
- vi. establish through consultation with the requisitioning Department and the Town Solicitor standards, and terms and conditions (as applicable) for Bid Solicitations, Contracts and other documents;
- vii. review specifications to determine if they are in the appropriate form, indicate the minimum acceptable quantity level, are commercially practical and in sufficient generic form to ensure competitive bidding;
- viii. establish and update the necessary procedures, and related documents and forms to carry out the objectives and requirements of this policy;
- ix. co-ordinate the standardization of specifications for similar items ordered by different Departments, resulting in benefits to the Town through reduced costs and common standards;
- x. advise the requisitioning Department when a Procurement process may not conform to an applicable trade agreement as early as possible in the Bid Solicitation process;
- xi. provide ongoing training and education related to this policy;
- xii. retain documentation evidencing procurement processes;
- xiii. monitor adherence to this policy, and report non-compliance in writing, to the Director of Corporate Services / Treasurer and appropriate Department Heads;
- xiv. collaborate with Group Purchasing Organizations and participate in opportunities where deemed beneficial to the Town; and

- xv. issue corporate credit cards to Department Representatives and Department Heads for the acquisition of Goods and/or Services and Construction to impose terms and conditions on their use.

5.4. Department Heads

- a) Department Heads are responsible for the Procurement of Goods, Services and Construction for their Department and have responsibility within their Department operations to:
 - i. ensure that all Procurement activities and decisions are Compliant with all applicable sections of this policy;
 - ii. ensure that spending authorities provided to Delegates support effective and efficient Procurement;
 - iii. ensure that all authority to Award a Contract is subject to the identification and availability of sufficient funds in the appropriate Council Approved Budget;
 - iv. prepare accurate and complete market-ready specifications, scope of work and terms of reference;
 - v. report to Council on proposed Procurement which requires Council approval, as outlined in Schedule 2;
 - vi. review Contract documents to ensure the scope of work and/or service sought in the Bid Solicitation is accurately represented in the executed Contract;
 - vii. ensure that the Goods, Services or Construction Procured or Disposed of are being delivered or removed in accordance with the scope of work and or other terms of the applicable Contract;
 - viii. support the timely payment of accounts within the times set out in the Contract and prompt payment legislation as prescribed by the *Construction Act*, R.S.O. 1990, c. C.30 as amended (provided the Supplier has met all conditions of the Contract and precluding processes undertaken by Accounts Payable); and
 - ix. review Supplier performance, and take appropriate steps after the review.

5.5. Chief Administrative Officer

- a) The CAO is responsible for and has the authority to:

- i. impose restrictions on Procurement activities from time to time where they consider it necessary and in the best interests of the Town; and
- ii. support Council in satisfying Council's role.

5.6. Council

- a) In accordance with best practices in municipal procurement, there is a need for a clear separation of political and administrative functions in relation to the Town's procurement functions.
- b) Members of Council shall approve the Budget and scope of projects as part of the annual operating and capital budget process or individual project approval submissions from Departments throughout the year. Approval of the project scope and Budget by Council shall be deemed to be approval for the subsequent Award of a Contract in accordance with the procurement processes and staff Delegations of Authority to Award detailed in this Policy and where the cost amount of the Contract is within the Budget previously approved by Council.
- c) In keeping with municipal procurement best practices, members of Council shall have no involvement in specific procurements, including not receiving any related information or documents from the time those procurements have been advertised or solicited until the Contract has been entered into except where the recommendation for Award has been forwarded to Council for approval as noted above.
- d) The Mayor and Members of Council who receive inquiries from Suppliers related to any specific procurement are required to advise the Suppliers to communicate with the contact individuals identified in the procurement document, if any, or with the Town's Procurement Division.

6. Part 6 – Requirement for Approval

Except as provided in Section 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 Budget.

- 6.1. Notwithstanding any other provision of this policy, any of the following situations require Council Approval to proceed with an Award:
 - a) Where a requirement exists to initiate a project for which Goods, Services or Construction are required and funds are not contained within the Council Approved Budget to meet the proposed

expenditure, the Department Head shall prior to commencement of the Procurement process, submit a report to Council containing:

- i. information surrounding the requirement to contract;
 - ii. the terms of reference to be provided in the contract;
 - iii. information on the availability of the funds within existing estimates, which were originally approved by Council for other purposes, or on the requirement of additional funds; or
- b) the recommended Award is >\$100,000 and exceeds the approved Budget by the lesser of \$100,000 or 10%; or
 - c) the recommended Award is not the lowest Compliant Bid for a Request for Tender; or the highest ranked respondent for a Request for Proposal, or
 - d) the recommended Award would result in a Contract term, including renewals exceeding ten years, or
 - e) when recommended by the CAO, or
 - f) the Award is for a Sole or Single Source Contract and the Total Contract Price exceeds \$100,000.
- 6.2. Employees of the Town identified in Schedule 2 shall have the authority to Procure, Award and execute Contracts and all other documents necessary to effect the Award or Purchase complies with this policy.
- 6.3. Formal approval of the annual Budget constitutes Council's approval to proceed with the Procurement process. No further authorization by way of a policy or resolution to Award or execute a Contract is required, except as specifically stipulated in Schedule 2.
- 6.4. The authority in Schedule 2 to Procure, and execute related Contracts is established based on the Total Contract Price at the time the Contracts were originally executed. The Total Contract Price for the purposes of determining the necessary approvals and procedures shall:
- a) be the Total Contract Price at the time the Contract was originally executed; and,
 - b) include the non-refundable portion of taxes and duties;

- c) in the case of multi-year Contracts, the Total Contract Price will be the estimated total expenditure under the Contract, including all renewals or option years.
- 6.5. In the case of Goods and/or Services or Construction of a similar type being supplied on a repetitive basis over the year or season, the Total Contract Price will be determined based on the estimated cost of such Goods and/or Services or Construction supplied in the whole calendar year or season.
- 6.6. No Procurement, or Contract shall be divided in an effort to reduce the Total Contract Price or to otherwise avoid or circumvent the application of any of the provisions of this policy.
- 6.7. Where all the requirements of this policy have been met, the employees or officers of the Corporation identified in Schedule 2 have the authority to execute Contract documents and all other documents necessary to effect the Award or Purchase of Good and/or Service, up to the prescribed limits, provided that:
- a) the documents being in a form satisfactory to the Town Solicitor; and
 - b) any proof of insurance and the provision of financial securities required under the Contract are satisfactory to the Town Solicitor; and
 - c) the Procurement is in compliance with this policy.

7. Part 7 - Procurement Planning

7.1. Planning

- a) Except for the exemptions in Schedule 1 and Direct Purchase, all Procurements shall be conducted through or reviewed by the Procurement Division.
- b) Requisitioning Departments planning large and/or complex Construction projects which meet financial thresholds covered in Trade Agreements for the Procurement of Goods and/or Services or Construction shall be required to:
 - i. engage the Procurement Manager during the planning phase;
 - ii. address the applicability of trade agreements identified by the Procurement Division. Purchasing by the Corporation may be subject to the provision of Trade Agreements. Where an

applicable Trade Agreement is in conflict with this policy, the Trade Agreement shall take precedence to the extent only of the conflict;

The Procurement Division shall advise the applicable Department Head when a Purchase may not conform to an applicable Trade Agreement as early as possible in the Bid Solicitation process;

- iii. determine if a Fairness Monitor is required for the Procurement; and
- iv. address any other requirements set out in procedures prepared by the Procurement Division for large and/or complex Procurements covered by Trade Agreements.

7.2. Selection of Method of Procurement

- a) The selection of the appropriate Procurement method will be based on the specific circumstances of the Procurement including the recommended Procurement Method for the dollar value of the transaction as set out in Schedule 2.
- b) The Procurement Division shall be responsible for confirming the Procurement Method to be used.
- c) Procurement authorized under Parts 8 and 9 shall be aligned with the Procurement Objectives in Part 1.
- d) Requisitioning Departments are responsible for identifying and complying with all the requirements applicable to the specific method of Procurement being undertaken as outlined in Parts 8 and 9 of the Procurement Division's policies and procedures.

7.3. Specifications and Evaluation Criteria

- a) Requisitioning Departments are responsible to provide all the specifications necessary for the Bid Solicitation including:
 - i. the scope of work, and relevant information such as provisions, terms, and minimum requirements for the Procurement;
 - ii. ensuring the specifications provide a clear and accurate description of requirements to be met in the Contract;
 - iii. Identify and consider the application of financial securities and insurance requirements for intended contract are appropriate;

- iv. determining the Evaluation criteria for a response to a RFP Bid Solicitation; and
- v. Ensure that funding is available in the Budget
- b) The Procurement Division and the Town Solicitor may review and recommend improvements or clarifications to both specifications and Evaluation criteria, to improve the likelihood of attracting and selecting the best suited Bidder.
- c) If specifications are developed by an external consultant, that consultant shall be precluded from submitting a Bid in response to the Bid Solicitation for which the Specifications were prepared.
- d) The Procurement Division may issue an RFEOI for the purpose of informing specifications and to improve the likelihood of a subsequent Bid Solicitation resulting in Best Value.

7.4. Request for Expressions of Interest (RFEOI)

- a) A RFEOI may be undertaken to gather information from Suppliers related to the types of Goods, Services or Construction available and/or the scope of business requirements.
- b) RFEOIs shall not be used to pre-qualify Suppliers or obtain specific costs for specified Goods, Services or Construction.
- c) Receipt of a response to a RFEOI issued by the Town shall not create any Contract or obligation between the Town and the Supplier.

7.5. Request for Pre-Qualification (RFPQ)

- a) The intent of a RFPQ is to pre-qualify Suppliers that are most likely to provide a positive outcome or response to a Bid Solicitation. A RFPQ may be undertaken to qualify Suppliers who meet specified criteria and include them in a list or Roster (Part 9). These listed Suppliers may be invited to participate and compete in a subsequent Bid Solicitation.
- b) Planning for the Issuance of a RFPQ shall be conducted in accordance with Part 7.
- c) Issuance of the RFPQ as well as receipt, and Evaluation of the responses shall be conducted in accordance with Part 10.

- d) Receipt of a response to a RFPQ issued by the Town does not create any Contract or obligation between the Town and the Supplier.

8. Part 8 – Methods of Procurement

- 8.1. Any person Purchasing or Disposing of Goods and/or Services or Construction, except those identified in Schedule 1, on behalf of the Corporation shall do so using one of the following Methods of Procurement. The Method of Procurement may be used individually or in combination with one another, as may be appropriate in the circumstances.
- 8.2. Direct Purchase (Low Dollar Value Procurement ≤\$10,000)
 - a) Department Representatives may make a direct purchase from one Supplier for Goods and Services for a Total Contract Price ≤\$10,000 which results in a Procurement without a competitive bidding process.
 - b) This method of Procurement is appropriate when the administrative burden of another Procurement method is significant in relation to the price or value of the Goods and/or Services or Construction being procured and associated risks are assessed as low.
 - c) Department Representatives shall use Standing Orders or Rosters when available (Part 9).
 - d) Department Representatives may enter into Negotiations with a specific Supplier (in accordance with Part 10).
 - e) The Requisitioning Department is responsible for ensuring that Suppliers providing Goods, Services or Construction to the Town, where applicable, provide comprehensive liability insurance, workers' compensation certificate and comply with the *Occupational Health and Safety Act*, and declaration of compliance with the *Accessibility for Ontarians with Disabilities Act 2005*, as amended.
 - f) Payment for Goods, Services and Construction up to ≤\$10,000 may be made through the following means:
 - i. Voucher ≤\$1,000.00;
 - ii. PCard use is encouraged and should be used when possible without the need to issue a purchase order;

- iii. Purchase Order for transactions >\$1,000 is required where PCard has not been utilized; or
- iv. Petty Cash

- g) The Director of Corporate Services / Treasurer may authorize Departments to maintain a Petty Cash float. All expenditures from Petty Cash floats are to be authorized by Department Directors or designates. Petty Cash expenditures shall be recorded in the manner prescribed by the Director of Corporate Services / Treasurer and are subject to internal audit procedures.

8.3. Informal Quotation (Procurement greater than >\$10,000 and less than ≤\$50,000)

- a) An Informal Quotation shall be used for Procurement with a Total Contract Price greater than >\$10,000 and less than ≤\$50,000 to obtain competitive bidding in an expeditious and cost-effective manner.
- b) The Requisitioning Department will solicit, without formal advertising, at least three (3) written Quotations (if possible).
- c) Quotations received will be evaluated on cost and criteria outlined in the informal Bid Solicitation to select the preferred Supplier.
- d) The Requisitioning Department is responsible for ensuring that Suppliers providing Goods, Services or Construction to the Town, where applicable, provide comprehensive liability insurance, workers' compensation certificate and comply with the *Occupational Health and Safety Act*, and declaration of compliance with the *Accessibility for Ontarians with Disabilities Act 2005*, as amended.
- e) In accordance with Schedule 2, the Requisitioning Department is authorized to create a Purchase Requisition for the successful bidder.
- f) The Procurement Division may review the Quotations and the Purchase Requisition for compliance with the policy, prior to issuance of the Contract.

8.4. Formal Request for Quotation (Procurement >\$50,000 to ≤\$100,000)

- a) A Formal Request for Quotation shall be used for Procurement with a Total Contract Price value >\$50,000 to ≤\$100,000.

- b) The Requisitioning Department will provide the requirements relevant to the Procurement such as specifications, provisions, terms, and supplemental general conditions for the Bid Solicitation.
- c) The Requesting Department will prepare the Bid Solicitation by using either:
 - i. a Roster of Suppliers compiled by the Procurement Division in conjunction with the Requisitioning Department; or,
 - ii. publicly advertising the Bid Solicitation in compliance with Part 10; or,
 - iii. both a) and b) of this section above, if deemed beneficial.
- d) Suppliers shall submit only one Quotation which cannot be altered after submission.
- e) If possible at least three Quotations shall be solicited and subsequently evaluated:
 - i. on cost and Evaluation criteria outlined in the Bid Solicitation to select the preferred Supplier.
 - ii. by the Requisitioning Department. Prior to award, the Purchasing Division may review the purchase requisition, quotations received and other applicable contract documents to ensure accuracy and transparency of the intended award.
- f) The Procurement Division shall ensure the Purchase Requisition contains the relevant information such as specifications, provisions, terms, and supplemental general conditions for the Procurement; and, is authorized appropriately as per Schedule 2.
- g) After the Purchase Requisition has been authorized, Procurement Division will issue a Contract and provide it to the Supplier confirming the terms of the Procurement.

8.5. Request for Tender (Procurements >\$100,000)

- a) For Procurement with a Total Contract Price >\$100,000, a Request for Tender shall be published by the Procurement Division or designate, provided all of the following conditions apply:
 - i. two or more sources are considered capable of supplying the requirements;

- ii. the requirements are adequately defined to permit the Evaluation of Bids against clearly stated Evaluation criteria;
 - iii. the Town intends to accept the lowest compliant Bid without Negotiations.
- b) If the conditions in Part 8.5 a) do not apply, the appropriateness of procuring through a RFP shall be evaluated.
- c) The Requisitioning Department shall prepare the Bid Solicitation after completing the Procurement planning including determination of all the specifications necessary for the Bid Solicitation, in compliance with Part 7.
- d) Specifications as well as specific processes and procedures that will be followed for the Procurement will also be outlined in the Bid Solicitation including but not limited to:
 - i. the scope of work and relevant information such as specifications, provisions, terms, and minimum requirements for the Procurement;
 - ii. procedures for communication during the Procurement (Part 10);
 - iii. process for receipt and opening of Bids (Part 10);
 - iv. the basis of Award (Part 10);
 - v. opportunity for post Award debriefing (Part 13); and
 - vi. requirements for security, insurance and indemnification (Part 11).
- e) The Procurement Division will review the Bid Solicitation and arrange for its issuance.
- f) The Procurement Division will advertise the Bid Solicitation in accordance with Part 10 advertising, except where a list of pre-qualified Suppliers has been compiled in accordance with Part 7 on RFPQ.
- g) Where an RFPQ has previously been conducted, only pre-qualified Suppliers where applicable shall be notified and Bids shall only be accepted from pre-qualified Suppliers.

- h) RFT submissions will be evaluated by staff to ensure compliance with terms and conditions of the solicitation and recommendation will be made to Award to the lowest compliant Bidder.
- i) Upon Award of the Contract, the Requisitioning Department will:
 - i. ensure that for Contracts which exceed \$100,000 and prior to the Award of the Contract, the Requisitioning Department will ensure that the Contract has been reviewed through the Town Solicitor and provided to the Procurement Division;
 - ii. ensure the Contract is executed in accordance to the provisions of this policy and provided to the Procurement Division, where applicable; and/or,
 - iii. create and provide to the Procurement Division an approved Purchase Requisition in accordance with Schedule 2, containing all relevant information such as specifications, provisions, terms and supplemental general conditions.
- j) Upon receipt of an approved Purchase Requisition and an executed Contract where applicable, the Procurement Division will execute a Purchase Order confirming the terms of the Procurement to the Supplier and applicable Department Representative(s).

8.6. Request for Proposal or Negotiated Request for Proposal (Procurement >\$100,000)

- a) For Procurement with a Total Contract Price >\$100,000 an RFP or a NRFP shall be published by the Procurement Division or designate provided one or more of the following conditions apply:
 - i. Two or more sources are considered capable of supplying the requirements;
 - ii. The Procurement is required as a result of a problem, requirement or objective for which there is no clear solution; or
 - iii. The precise Goods and/or Services or Construction are not known and the Bidder is expected to define them so as to provide the Best Value solution; or
 - iv. The selection of the successful Bidder is based on the effectiveness of the proposed solution rather than on cost alone; or

- v. Procurement is in competitive format for requirements such as a design or a design build solicitation.
- b) The Requisitioning Department shall prepare the Bid Solicitation after completing the Procurement planning including determination of all the specifications necessary for the Bid Solicitation, in compliance with Part 7.
- c) Specifications as well as specific processes and procedures that will be followed for the Procurement will also be outlined in the Bid Solicitation, including:
 - i. the scope of work and relevant information such as provisions, terms, and minimum requirements for the Procurement;
 - ii. procedures for communication during the procurement (Part 10);
 - iii. process for receipt and opening of Bids (Part 10);
 - iv. the basis of Award;
 - v. opportunity for post Award debriefing (Part 13); and
 - vi. Requirements for security, insurance and indemnification (Part 11).
- d) The Procurement Division will review the Bid Solicitation and arrange for its issuance.
- e) The Procurement Division will advertise the Bid Solicitation in accordance with Part 10, except where a list of prequalified Suppliers has been compiled in accordance with Part 7.
- f) All RFPs will be evaluated consistently with specified processes which includes a specified Evaluation team, and criteria identified in the Bid Solicitation.
- g) Ensure that for Contracts which are >\$100,000, and prior to the Award of the Contract, the Requisitioning Department will ensure that the Contract has been reviewed through the Town Solicitor and provided to the Procurement Division.
- h) Award of an RFP shall comply with Part 10 and Schedule 2.

9. Part 9 - Special Circumstance Procurement

9.1. Unsolicited Proposals

- a) Unsolicited Proposals, and/or communications regarding potential Unsolicited Proposals, are Proposals received by the Town from a Supplier or Suppliers who have approached the Town, i.e. any Department Representative or Councillor, without solicitation. Unsolicited Proposals can be new or innovative ideas that could assist the Town in achieving its goals and have not been requested through the regular procurement process;
- b) Department Representative or Council shall not accept an Unsolicited Proposal and/or communication with respect to a potential Unsolicited Proposal. The Supplier shall be advised to direct the Unsolicited Proposal to the Manager of Procurement;
- c) The Manager of Procurement will log the Unsolicited Proposal and direct it to the appropriate Department Head. The Department Head shall first assess such Proposals on the basis of whether they align with the Town's strategic goals and objectives, do not circumvent the Town's regular procurement processes, and the Proposal's scale and scope aligns with the requirements and funding ability of the Town.
- d) If it is determined by the Department Head that there is a legitimate need for the Goods, Services and/or Construction offered by way of the Unsolicited Proposal and that funding is available, then it will be reviewed together by the Department Head, the Director of Corporate Services / Treasurer and, where appropriate, any other Department Head to determine the applicable acquisition process to be conducted in accordance with this policy.

9.2. Single and Sole Source Procurement

- a) Provided that a Department Representative does not use this provision for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers, a Department Representative may use Single or Sole Source Procurement in the following circumstances:
 - i. the compatibility of a Purchase with existing equipment, product standard, facilities or service is a paramount consideration;
 - ii. a Good and/or Service is Purchased for testing or trial use;

- iii. there is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier, i.e. sole source;
- iv. a serious and unforeseeable situation of urgency exists and the Goods and/or Services and Construction cannot be obtained in time by an open Procurement process. Instances of inadequate or uncoordinated planning shall not constitute cause for approval;
- v. the Corporation has a rental contract with a purchase option and the exercise of such purchase option is beneficial to the Corporation;
- vi. for matters involving security, police matters or confidential issues in which case a Purchase may be made in a manner that protects the confidentiality of the Supplier or the Corporation;
- vii. for work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
- viii. for the purchase of Real Property;
- ix. for work to be performed on property by a Contractor according to provisions of a warranty or guarantee held in respect to the property or original work;
- x. for the Purchase of Goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine Purchases;
- xi. to ensure compatibility with existing Goods and/or Services or Construction. Compatibility with existing Goods and/or Services or Construction may not be allowable if the reason for compatibility is the result of one or more previous non-competitive procurements;
- xii. to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representatives;
- xiii. for the Procurement of Goods and Services the supply of which is controlled by a Supplier that has a statutory monopoly;
- xiv. there are no Compliant Bids in response to a Bid Solicitation; or

xv. a Roster for Professional Services has been developed in accordance with this policy and the services to be purchased are from a Supplier named in the Roster.

- b) All purchases shall be authorized in accordance with the Purchasing Authorities and Contract Execution Authorities set out in Schedule 2;
- c) Where required by applicable Trade Agreement, Single or Sole Source Procurements shall be published on the Town's Bidding System.

9.3. Rosters for Professional or Specialized Services

- a) a RFPQ or a RFEOI may be conducted for the purposes of developing Rosters of qualified Supplier of Professional Services or Specialized Services for projects requiring similar and particular expertise. While the use of Rosters is strictly optional, the associated RFPQ or RFEOI shall be conducted in accordance with the provisions of this policy.
- b) All RFPQs and RFEOIs shall be advertised in accordance with this policy;
- c) An evaluation team shall analyze and evaluate the responses received using the criteria outlined in the RFPQ or RFEOI to select a number of qualified Suppliers of Professional Services Specialized Services to be placed on Roster;
- d) On subsequent projects, Suppliers of Professional Services or Specialized Services may be selected from the Roster to submit detailed proposals in response to a Bid Solicitation. The requesting Department shall invite Suppliers on the Roster to provide Services, using best efforts to equally distribute opportunities among the Suppliers on the Roster. In the event that the Roster includes only one (1) Supplier, the Town shall reserve the right to invite other Suppliers to submit bids;
- e) Alternatively, a Supplier may be selected from a Roster to submit a Bid for Professional Services or Specialized Services in accordance with Part 9.2 or 10.7 of this policy;
- f) Rosters shall be compliant with Trade Agreements and shall only be valid to a maximum of three (3) years from the date of formation;

- g) If in the opinion of the Manager of Procurement, the Roster is misused or ineffective the Manager of Procurement shall have the authority to terminate and or reestablish the Roster.

9.4. Emergency Procurement

- a) The Town may be required to respond to an emergency which shall mean either:
 - i. An emergency declared pursuant to *the Emergency Management and Civil Protection Act* 1990 (the "Act"); or
 - ii. An event or circumstance where the Town's municipal Emergency Control Group established under the Act has been activated; or when immediate Procurement of Goods, Services or Construction is essential or necessary to prevent or alleviate serious delay, a threat to public health, safety, or welfare, the disruption of essential Services or damage to public property. This may include but is not limited to compliance with Laws such as fulfilling a statutory order such as an environmental, public health, or workplace safety compliance order.
- b) To respond to an emergency, Goods, Services or Construction may be procured by the most economical and expedient means, using where possible:
 - i. Standing Order; and/or
 - ii. Rosters
- c) Approval limits for Procurement shall comply with Schedule 2, except that:
 - i. the requirement for a Council Approved Budget shall be waived, and
 - ii. Procurement in an Emergency exceeding \$100,000 shall be approved by the CAO.
- d) Reporting is required as outlined under the Town's Emergency Plan approved pursuant to the Act.

9.5. Leased Goods

- a) The acquisition of Goods through a Lease shall be completed in consultation with the Procurement Division.

- b) Depending upon the terms and conditions of a Lease, Lease payments may be included in the Town's debt and debt servicing costs, and as such decisions to Lease require a high level of scrutiny.
- c) Any decision to Lease Goods, which may include the Lease of office equipment, vehicles, machinery, and equipment, shall be based on the cost of leasing compared to another method of Procurement and an assessment of the risks associated with the Lease.
- d) Authority to incur expenditures through a Lease shall be subject to the spending authority levels as outlined in Schedule 2 of this policy and compliance with the Town's Lease Financing Policy and the *Municipal Act*, 2001. The Total Contract Price of Procurement shall be defined as the total payments that shall be made during the term of the Lease agreement plus any optional payments that may be made.

9.6. Co-Operative Procurement

- a) The Procurement Division may enter into arrangements with any publicly funded government body, ministry, agency, board, or authority on a co-operative or joint basis for Purchases of Goods, Services or Construction where there are economic advantages in so doing. Where a co-operative or joint basis Purchase occurs, such Purchases are deemed to comply with this policy. Co-operative Procurement for reporting purposes shall be considered a Request for Proposal or a Request for Tender based on the process undertaken by the originating agency.
- b) The appropriate level of Authorization on Schedule 2 will be determined by using the Total Contract Price of Procurement that would have been included in a Bid Solicitation if co-operative Procurement was not utilized.

10. Part 10 - Specific Processes Required for Procurement

10.1. Advertising of Bid Solicitations

- a) Purchases not covered under the monetary thresholds of applicable trade agreements shall be advertised on the Bidding System for a minimum of ten (10) calendar days preceding the stated closing date.
- b) When required by trade agreements, Purchases shall be advertised on the Bidding System for a minimum of twenty-five (25) calendar days preceding the closing date. This requirement may be reduced by Procurement to ten (10) calendar days provided that:

- i. a RFPQ has been previously issued for the Purchase or;
 - ii. a notice of planned Procurement has been posted for the Purchase using the Bidding System at least forty (40) calendar days (and not more than 12 months) in advance of the Bid posting.
- c) The Town shall advertise Bids that are impacted by trade agreements on any designated electronic Canada-wide single point of access as directed by the Government of Canada.
 - d) Any person involved in Purchases may advertise Purchases on multiple or alternative platforms in addition to those prescribed in this section if determined to be in the Town's best interest to do so.
 - e) Procurement of Goods, Services or Construction equal to or greater than \$50,000, for which Bidders have not been pre-qualified, shall at a minimum be advertised on the Town's website or a website authorized by the Procurement Division for posting Bid Solicitations, from the date the Bid Solicitation is issued up to and including the date on which the Bid Solicitation closes.
 - f) Where the Bidders have been previously pre-qualified in accordance with this policy no further advertising is required for Procurement.

10.2. Communication during the Blackout Period

- a) During the period of time from when the Bid Solicitation for an RFT or RFP is issued and until the Bid is Awarded by the Town (the blackout period), communication by the Bidders shall be through the Procurement Division, or as specified in the Bid Solicitation.
- b) Prior to the deadline for clarifications, as stipulated in the Bid Solicitation, the Bidders may seek clarification in writing from the Procurement Representative.

10.3. Addenda to a Bid Solicitation Document

- a) Adjustments, clarifications and changes to a Bid Solicitation shall be issued in writing by the Procurement Division as an addendum within the timeframe stipulated in the Bid Solicitation.
- b) Submission times and dates may be extended to allow for the issuance of an Addendum within a reasonable timeframe and not less than 48 hours prior to the submission deadline, as authorized by the

Procurement Division as outlined in the procedures and acceptable to the Procurement Division.

- c) The Supplier is responsible for obtaining and incorporating into a Bid any addenda issued.

10.4. Receipt and Opening of Bids

- a) All Bids (with the exception of submissions in response to Informal Solicitations) shall be received by the Procurement Division, in accordance with the instructions in the Bid Solicitation and opened at the time stated in the Bid Solicitation;
- b) Supplier names and bid amounts shall be posted on the Town's Bidding System for RFT. In the case of RFP, only the Supplier name shall be posted;
- c) Bid Irregularities shall be administered in accordance with this policy;
- d) The Town's standard Bid Solicitation documents shall provide that the Town shall have the right to reject the lowest or any Bid in its absolute discretion.

10.5. Bid Evaluation

- a) All Bid Evaluation criteria will be disclosed in the Bid Solicitation. In addition to Total Contract Price, criteria may include but not limited to the following:
 - i. comprehension and completion;
 - ii. experience and qualifications (organization and team);
 - iii. references;
 - iv. understanding of the project;
 - v. approach and methodology;
 - vi. work plan and schedule;
 - vii. warranty;
 - viii. maintenance, support and response time;
 - ix. accessibility standard and design features;
 - x. demonstrated financial stability;
 - xi. Supplier performance on previous Town Contracts;
 - xii. preservation of natural resources; waste reduction;
 - xiii. standardization;
 - xiv. sustainability.

10.6. Bid Irregularities

- a) The Procurement Division will maintain procedures to administer Bid Irregularities.
- b) Each Bid Solicitation document issued by the Town will outline irregularities with Bid Submissions that may lead to the disqualification of a Bid, or may require corrective action to take place in order to make the Bid Compliant as provided in Schedule 3.
- c) The process for administering irregularities arising from Bids shall be in the first instance, in accordance with Schedule 3 and in the event the Bid Solicitation does not provide a full answer to the irregularity in question, then in accordance with the procedures maintained by the Procurement Division.
- d) Notwithstanding sub-sections a), b) and c) of Part 10.6 and provided the Procurement Division and Requisitioning Department agree, prior to the issuance of the Bid Solicitation, Bid Irregularities may be governed by the provisions of other standard agreements in use such as, but not limited to, Niagara Peninsula Standard Contract Document or with the Canadian Construction Documents Committee in place of Schedule 3.

10.7. Negotiation

- a) Notwithstanding that some discussion and Negotiation with potential Suppliers may be a component of any Procurement Process, Negotiation may be used for Purchases of Goods and/or Services or Construction when any one or more of the following criteria apply:
 - i. the required Goods and/or Services or Construction are in short supply;
 - ii. competition is precluded due to the existence of any patent right, copyright, technical secret or control of raw material;
 - iii. a Single or Sole Source is being recommended;
 - iv. two (2) or more identical bids are received;
 - v. the Lowest Complaint Bid received meets all specifications and exceeds the Budget amount for the Procurement;
 - vi. the extension of an existing Contract would be more effective;

- vii. only one (1) Bid is received in response to a Bid Solicitation;
 - viii. a Roster for Professional Services has been developed in accordance with this policy and the Services to be purchased are from a person named in the Roster; or
 - ix. negotiation may be undertaken after the highest-ranked Bidder in an NRFP has been identified.
- b) Negotiation with more than one Bidder at the same time, for the same Procurement opportunity is prohibited.
 - c) All purchases shall be authorized in accordance with the Purchasing Authorities and Contract Execution Authorities set out in Schedule 2.

11. Part 11 – Security and Insurance

11.1. Security and Insurance

- a) The Town may require specified financial security and insurance and shall stipulate these requirements within the terms of the Bid Solicitation.
- b) The financial security may include the following:
 - i. Bid Security to ensure the successful Supplier on the Bid Solicitation enters into a Contract;
 - ii. Performance bonds to ensure the performance of the Contract;
 - iii. Labour and/or material bonds to ensure the payment of labour and materials supplied in connection with the Contract; and
 - iv. Other additional security that the Procurement Division deems appropriate relative to the terms of the Bid Solicitation.
- c) The acceptable forms of financial security shall be stipulated within the terms of Bid Solicitation.
- d) Prior to execution of the Contract the Supplier shall provide to the Town proof of insurance in accordance with the Bid Solicitation, satisfactory to the Town Solicitor.
- e) Failure to comply with terms and conditions of financial security and insurance within the Bid Solicitation, within the timeframes provided, shall be just cause for cancellation of the Award.

12. Part 12 – Contracts

12.1. Form and Execution of Contracts

- a) All Awards of greater than >\$50,000 Total Contract Price shall require the issuance of a Contract in the form of a PO and a Formal Agreement. Awards for greater than \$1,000 shall require the requesting department to issue a purchase requisition and subsequently have a PO approved.
- b) A PO which refers to the Town's standard terms and conditions outlined in the Bid Solicitation shall be used when the terms and conditions of the Procurement are unambiguous.
- c) A Formal Agreement shall be used when the terms of the Bid Solicitation are complex or are the result of Negotiation.
- d) It is the responsibility of the Manager of Procurement in consultation with the Town Solicitor to determine when it is in the best interest of the Town to establish a Formal Agreement with a Supplier.
- e) POs shall be executed in compliance with Schedule 2.
- f) If a Formal Agreement is required, it shall be executed in compliance with Schedule 2, providing the Formal Agreement is satisfactory in form and content to the Town Solicitor and in technical content to the Department Head.
- g) Contracts shall be executed prior to a Supplier commencing work. A PO shall be fully executed upon its provision to a Supplier.

12.2. Contract Renewals and Extensions

- a) Where a Contract contains an option for renewal or an extended term, the Department Head in conjunction with the Procurement Division shall confirm that:
 - i. the exercise of the option is in the best interest of the Town;
 - ii. Supplier performance is satisfactory, based on Contract terms and conditions;
 - iii. the Council Approved Budget is available to meet the proposed expenditure.

12.3. Contract Amendments

- a) Contract amendments to Total Contract Price shall only result from a change in the scope of work, or to address circumstances that were not foreseeable at the time of the Contract Award.
- b) Provided that the Director of Corporate Services / Treasurer and the requisitioning Department Head are jointly able to confirm an existing Budget for the specified expenditure they may provide their approval on any Procurement where the amended Total Contract Price is not greater than the lesser of \$100,000 or 10% of the Total Contract Price.
- c) Where Total Contract Price is greater than the lesser of \$100,000 or 10% of the Total Contract Price then it shall be authorized by the CAO with Council approval. All others shall be approved by Council as per Part 6.1 of this policy.
- d) Any amendment that cannot be funded from an existing approved Budget for the specific expenditure, shall be brought forward to Council for approval of the amendment and additional required funding, prior to completion of the work outlined in the amendment.

13. Part 13 - Supplier and Material Management

13.1. Supplier Performance

- a) The Requisitioning Department shall:
 - i. monitor and document the performance of Suppliers compared to the Contract; and
 - ii. advise the Procurement Division in writing on a timely basis when the performance of a Supplier has been unsatisfactory.
- b) Failure to meet specifications or timelines, or failure to comply with appropriate safety practices, or any applicable law or policy are grounds for unsatisfactory performance.
- c) A Supplier shall be given the opportunity to respond to an allegation of unsatisfactory performance, in accordance with the terms of the Contract if applicable.
- d) The Town may, in its sole discretion, disqualify a Supplier from bidding on any Bid Solicitation, or reject a Bid, or suspend a Supplier from future bid solicitations, if:

- i. a Supplier has, at any time, threatened, commenced or engaged in legal claims or Litigation against the Town;
- ii. a Supplier has been convicted of corruption, collusion, bid-rigging, any other anticompetitive activity or any other offence under the Criminal Code, for which a full pardon has not been granted;
- iii. a Supplier previously provided Goods and/or Services or Construction to the Town in an unsatisfactory manner;
- iv. a Supplier has failed to satisfy an outstanding debt to the Town or one of its local boards or corporations;
- v. a Supplier has a history of illegitimate, frivolous, unreasonable or invalid claims;
- vi. a Supplier is currently serving a suspension period;
- vii. a Supplier provides incomplete, unrepresentative references, or receives unsatisfactory external and/or internal references in a reference check undertaken by Town Staff;
- viii. a Supplier has engaged in conduct that leads the Town to determine that it would not be in the Town's best interests to accept the Bid;
- ix. the Town is likely to incur increased legal costs in the administration of the Contract if it is Awarded to the Supplier; and
- x. There are reasonable grounds to believe it would not be in the best interests of the Town to enter into a Contract with the Bidder.

13.2. Debriefing

All requests for a formal or informal Vendor debriefing to obtain feedback on why a Bid was not successful must be received by the Town in writing and directed to the Manager of Procurement. A request for a Vendor debriefing will not alter an Award decision.

13.3. Bid Dispute Resolution

- a) The Corporation encourages competitive bidding and an open, accountable and transparent process for the Procurement of Goods and/or Services or Construction.

- b) To maintain the integrity of the Bid Solicitation process, a Supplier that believes that it has been treated unfairly in a Bid Solicitation (including pursuant to the requirements of applicable Trade Agreements) may challenge the process by filing with the Manager of Procurement a substantive objection that details its complaints within:
 - i. two (2) business days from the date of posting the Bid results on the Bidding System website for a Request for Quotation or Request for Tenders; or
 - ii. two (2) business days of the Supplier being notified of the results of a Request for Pre-Qualification, Request for Expression of Interest, Request for Proposal or Negotiated Request for Proposal.
- c) Upon receipt of the substantive objection, the Manager of Procurement shall request a meeting with all persons named in the substantive objection to discuss the particulars of the claim within seven (7) business days. If agreed by those attending the meeting that the matter can be handled by written response only, the Manager of Procurement shall with the assistance of those named prepare a written response and send it to the Supplier that issued the substantive objection.
- d) If the matter cannot be conveyed by a written response, a meeting will be convened between those who have been named in the substantive objection and the originator of the substantive objection. The Manager of Procurement shall chair such meeting and appoint a meeting recorder to record all pertinent conversation. If the substantive objection can be resolved at this meeting a written report of such resolution shall be sent by the Manager of Procurement to all who were in attendance.
- e) In the event a resolution cannot be achieved at said meeting described in Part 13.3 d) above and the originator of the substantive objection requests to further prosecute the substantive objection, the Manager of Procurement shall contact the Town Solicitor. The substantive objection shall then be held by the Town Solicitor in accordance with established procedures for processing such claims.
- f) To ensure that the dispute resolution process for the particular Bid Solicitation process is seen to be fair and impartial, elected officials shall not advocate on behalf of Suppliers who have submitted a Substantive Objection.

14. Part 14 – Disposal of Surplus or Obsolete Assets

- 14.1. Disposal of surplus assets is the responsibility of the Procurement Division. The Procurement Division may delegate responsibility for Disposal of certain assets, if it is beneficial to the Town to do so.
- 14.2. Department Heads are responsible for submitting to the Procurement Division a list of surplus assets which may include:
 - a) surplus equipment and/or inventory; and,
 - b) obsolete or unrepairable items.
- 14.3. The Procurement Division shall have the authority to:
 - a) transfer surplus assets to other Departments who have a need for the Goods; and/or
 - b) sell or dispose of all surplus assets not required by the Town, using public sale, auction, or trade-in or donation.
- 14.4. The sale of surplus assets shall be made to the highest Bidder and in accordance with provisions of this policy.
- 14.5. Surplus assets shall not be sold directly to a Department Representative or Councilor, although this does not prohibit them from purchasing surplus assets through a public process, except in specified cases related to Information Technology equipment valued at under \$2,000, such as cell phones, laptop computers and tablets.
- 14.6. Surplus assets may be donated to nonprofit organizations for educational or teaching purposes, or as directed by Town Council. Recipients of donated items shall not receive Goods with the intention of resale. All donated assets must be approved by the CAO.
- 14.7. If it is determined that the Goods have no residual value, the Procurement Division may dispose of them as waste.
- 14.8. Disposal of unsafe or hazardous surplus items is the responsibility of the Requisitioning Department and shall be conducted in accordance with applicable laws and this policy.

15. Part 15 - General Administration of this Policy

15.1. In the interpretation and application of this policy, to the extent that is not clearly provided for herein, the Procurement Division shall have regard to the Purpose, Goals and Objectives set out in Part 1 herein, the Ontario Public Buyers Association Code of Ethics and any applicable law including the *Municipal Act, 2001* and *Municipal Conflict of Interest Act* in carrying out its responsibilities.

15.2. Schedules “1”, “2”, and “3” attached hereto shall form part of this policy.

15.3. Severability

If any Section or Sections of this policy or parts thereof are found by a Court of competent jurisdiction to be invalid or beyond the power of Council to enact, such Section or Sections or parts of the policy shall be deemed to be separate and independent therefrom and shall continue in full force and effect unless and until similarly found invalid or beyond the power of Council to enact.

15.4. Review of Policy

The Director of Corporate Services / Treasurer shall review the effectiveness of this policy at least every five years and report to Council as necessary.

15.5. Effective Date

This policy shall come into force and take effect on the 19 day of September, 2022.

15.6. Title

This policy shall be referred to as the Procurement policy.

Schedule 1 – Exemptions from Procurement Policies

The following Goods and Services are exempt from the application of this policy:

1. Petty Cash Items

2. Training and Education

- a) Conferences, conventions, courses and seminars;
- b) Magazines, subscriptions, books, periodicals;
- c) Memberships;
- d) Staff Development

3. Refundable Councillor and Department Representative Expenses

- a) Advances;
- b) Meal Allowances;
- c) Travel and Entertainment;
- d) Miscellaneous – Non-Travel

4. Employer's General Expenses

- a) Payroll Deduction Remittances;
- b) Medical and Dental Fees;
- c) Licenses (vehicles, etc.)
- d) Debenture Payments;
- e) Insurance Premiums, Claims Settlement and Adjuster Services;
- f) Grants to Agencies;
- g) Damage Claims;
- h) Customs Brokerage Fees;
- i) Tax Remittances;
- j) Lease Payments
- k) Charges to and from other government bodies;
- l) Payment for employment (i.e. Contract employees);
- m) Postage;
- n) Employee benefits

5. Professional and Special Services

- a) Medical and laboratory Services;
- b) Fees for professional legal or other expert Services engaged by the Town Solicitor in connection with the delivery of legal services including Integrity Commissioner;
- c) Payments to Social Service and Health Agencies that are subject to Purchase of Service Agreements, such as childcare providers;
- d) Legal settlements, disbursements and reimbursement of claimant expenses;
- e) Funeral and Burial expenses;
- f) Appraisal Fees;
- g) Expert Witness Fees related to legal proceedings;
- h) Honorariums;

i) Advertising.

6. Banking Services and Charges

- a) Financial Services regarding the Management of Town financial assets and liabilities, treasury operations, including ancillary, and advisory Services. Includes expenses related to the borrowing and investing of money;
- b) Bailiff or collection agencies

7. Licensing Agreements

Ongoing maintenance and software licensing agreements for equipment such as computer hardware and software, telecommunications equipment, elevators, and HVAC Equipment.

8. Utilities (monthly charges)

- a) Water and Sewer;
- b) Hydro;
- c) Gas;
- d) Communication Infrastructure Services such as Bell, Cogeco, Rogers etc.;
- e) Utility relocations;
- f) Construction work completed by Railways;

9. Real Property

Acquisition or Disposal of Real Property including easements and right-of-ways through a rental, lease, purchase, or sale.

10. Resale Items

Schedule 2 – Purchasing and Execution Authority

Procurement Method	Dollar Value	Purchase Authority	Document Execution Authority	Type of Agreement with Supplier
Direct Purchase (Low Dollar Value Procurement) (Section 8.2)	≤\$10,000	Department Representative	Department Manager	Petty Cash, Purchase Order, PCard. For Transactions ≤\$1,000 payment by voucher may be permitted
Informal Quotation (3 Quotations) (Section 8.3)	>\$10,000 to ≤\$50,000	Department Manager	Department Head	Purchase Order, Authorized PCard
Formal Quotation (3 Quotations) (Section 8.4)	>\$50,000 to ≤\$100,000	Department Head	CAO	Purchase Order and Executed Agreement
Request for Tender / Proposal (Open) (Sections 8.5 & 8.6)	>\$100,000	Department Head	CAO	Purchase Order and Executed Agreement
When Part VI (Section 6.1) applies	Refer to Section 6.1	Council	Mayor & Clerk	Purchase Order and Executed Agreement
Emergency (Section 9.4)	≤\$100,000 >\$100,000	Department Head CAO	CAO Mayor & Clerk	Purchase Order and Executed Agreement
Single / Sole Source (Section 9.2)	≤\$100,000 >\$100,000	Department Head CAO	CAO Mayor & Clerk	Purchase Order and Executed Agreement
Negotiation (Section 10.7)	≤\$100,000 >\$100,000	Department Head CAO	CAO Mayor & Clerk	Purchase Order and Executed Agreement

Schedule 3 – Bid Irregularities

	IRREGULARITY	RESPONSE
1.	Late bids	Automatic rejection
2.	Unsealed envelopes	Automatic rejection
3.	Submission completed in an erasable medium	Automatic rejection
4.	Incomplete bids, part bids, or all items not bid	Automatic rejection except where the tender form clearly states that an award may be made for individual items or where in the opinion of the Purchasing Division and the Director of the Requesting Department the incomplete nature is trivial or insignificant
5.	Qualified bids, or bids restricted by an attached statement	Automatic rejection except where the change is requested by the Town or where, in the opinion of the Purchasing Division and the Director of the Requesting Department, the change is trivial or insignificant
6.	Financial security not submitted or insufficient	Automatic rejection
7.	Bid not properly signed	Automatic rejection
8.	Mathematical errors	May be accepted if corrected in the checking procedure. Unit prices shall ordinarily be used to correct extensions.
9.	Agreement to bond insufficient or not submitted	Automatic rejection
10.	Bids received on documents other than those provided by the Town	Automatic rejection unless, in the opinion of the Purchasing Division, the matter is trivial or insignificant
11.	Erasures, Overwriting or Strikeout Not Initialed	
	a) Changes which are minor e.g. address, clerical error	May be accepted, time limit given to initial
	b) Unit prices have been changed but not initialed and the contract totals are consistent with the price as amended	May be accepted, time limit given to initial

	c) Unit prices have been changed but not initialed and the contract totals are not consistent with the prices as amended	Automatic rejection
12.	Minor clerical errors	May be accepted, time limit given to correct and initial
13.	Documents, in which all necessary Addenda, which have financial implication, have not been acknowledged	Automatic rejection unless in the opinion of the Procurement Manager, and the applicable Department Head in consultation with the Town Solicitor, the Addendum (Addenda) does not significantly impact the bid, in which case the bidder will be provided two (2) business days to formally acknowledge the Addendum (Addenda) with no change or amendment permitted to the financial bid.
14.	Other Minor irregularities	May be accepted, Procurement Manager and the Department Head of the Requesting Department shall have authority to waive irregularities which they jointly consider to be minor.