



**Schedule 'A' to By-law B2021-106**

**Municipality of Trent Lakes - Human Resources Policy Manual  
5.26 Purchasing Policy**

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## 1. Purpose

To promote and maintain the integrity of the purchasing process and to obtain the best value for the Municipality of Trent Lakes by ensuring quality, efficiency and effectiveness throughout the purchasing process.

This Policy outlines the guiding principles of public procurement and the approach that the Municipality of Trent Lakes and its operating departments will take when procuring Goods and/or Services. This Policy is authorized by and complies with Section 270(1)3 of the Municipal Act, 2001.

The Policy will achieve its objectives by:

- a) Applying the following purchasing principles to procurement:
  - i. Open Process – Requirements and evaluation criteria will be clearly communicated to all Bidders, and communications with everyone involved in the Procurement Process will be open and honest.
  - ii. Fairness – Policy will be applied consistently and all Bids and Bidders are treated equally and without bias or favouritism. Fair and impartial evaluations and award recommendations will be made at all times.
  - iii. Transparency – Procurement activities will be open, accountable and transparent. Information on procurements shall be available to stakeholders whenever possible, with the exception of confidential or proprietary information and subject to the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA).
- b) Encouraging competition amongst Vendors.
- c) Assisting and providing direction to Staff, Council, Bidders and Vendors relating to the Procurement Process.
- d) Where practicable, using accessibility criteria and features when procuring or acquiring Goods and/or Services.
- e) Being environmentally conscious through the purchase of Goods and/or Services.
- f) Striving to ensure ethical purchasing practices.

## 2. Scope

This Policy applies to all Staff, Council, Bidders and Vendors of the Municipality of Trent Lakes with respect to the Municipality's procurement activities.

Local Boards that have not enacted their own Purchasing Policy will be required to comply with the Municipality's Purchasing Policy.

The purchase of Goods and/or Services shall be undertaken in accordance with this Policy.

### 3. Definitions

**Bid** – means an offer or submission from a Bidder in response to a Competitive Process;

**Bid Call Document** – means the document issued by the Municipality in response to which Bids are invited, including all associated written addenda;

**Bid Irregularity** – means a deviation between the requirements (terms, conditions, specifications, special instructions, etc.) of a Bid Call Document and the information provided in a Bid;

**Bidder** – means any Vendor that participates in a Competitive Process;

**Bidding System** – means the Municipality's online web-based solution for issuing solicitations, receiving electronic Bids and posting results;

**CAO** – means the Municipality's Chief Administrative Officer;

**Competitive Process** – means a Procurement Process that provides for competition among Bidders, including a Request for Pre-Qualification, Request for Quotation, Request for Tender or Request for Proposal;

**Contract** – means a binding written agreement between two or more parties (i.e. the Municipality and a Vendor);

**Cooperative Purchasing** – means coordinating purchases with other government or broader public service entities or organizations to purchase from the same Vendor using a single bid solicitation;

**Council** – means the Council of The Corporation of the Municipality of Trent Lakes;

**Department Head** – means the head of a department operating within the Municipality of Trent Lakes. Together, the Department Heads and CAO make up the **Senior Management Team**;

**Direct Acquisition** – means a Procurement Process in which a Vendor is approached concerning the purchase of Goods and/or Services, and the Goods and/or Services are purchased without a specific Competitive Process governing that purchase;

**Elected Official** – means a member of Municipality of Trent Lakes Council;

**Electronic Bidding** – means a method of soliciting and receiving Bids where the process of

issuing or receiving Bids is done via internet through the Bidding System;

**Emergency** – means an event or threat of an impending event that the Mayor or a Department Head with the concurrence of the CAO determines is likely to cause significant loss or damage to the property of the Municipality, which may affect the environment, the life safety, health or welfare of the general public, or which may prevent serious disruption of work or essential services;

**Employee or Staff** – means an employee or contract staff member of the Municipality but does not include Elected Officials;

**Evaluation Member** – means an Employee who participates on an evaluation committee for the purpose of evaluating Proposals;

**Expression of Interest** – means a Vendor's response to a Request for Expressions of Interest;

**Goods and/or Services** – means supplies, equipment, property, construction, maintenance and service Contracts, consulting and professional services;

**Lobbying** – means communicating with any Staff or Elected Official prior to or during a Procurement Process for the purpose of influencing the Contract award;

**Municipality** – means The Corporation of the Municipality of Trent Lakes;

**Non-Competitive Process** – means a Procurement Process that does not provide for competition among Vendors including Direct Acquisition, Single Source and Sole Source;

**Policy** – means this Purchasing Policy, including its appendices;

**Procurement Process** – means a process for the selection of a Vendor and the award of a Contract for the purchase of Goods and/or Services. There are several types of Procurement Processes referenced in this Policy, including: Direct Acquisition; Request for Quotations; Request for Tenders and Request for Proposals;

**Project Manager** – means the Employee appointed by the Department Head to exercise any or all responsibilities assigned to that Department Head by this Policy;

**Proposal** – means a written offer to provide Goods and/or Services that is received from a Bidder in response to a Request for Proposal;

**Public Agency** – means another municipality or association of municipalities, the Local Authority Services (LAS) or similar body operated by the Association of Municipalities of Ontario, the Province of Ontario or an agency of the Province, a school board or association of school boards;

**Purchasing Coordinator** – means the person appointed by the CAO to oversee the

procurement of Goods and/or Services for the Municipality as provided in this Policy;

**Quotation** – means a written offer to provide Goods and/or Services that is received from a Bidder in response to a Request for Quotation;

**Real Property** – means land or buildings and any interest, estate or right of easement affecting the same;

**Request for Expression of Interest or RFEI** – means a process in which the Municipality requests Vendors to register their interest in supplying Goods and/or Services. It usually consists of a document describing requirements or specifications and seeking information from Vendors that demonstrates their ability to meet those requirements. It is not a Competitive Process, but it is intended to gather information to allow for a determination of a potential Competitive Process;

**Request for Information or RFI** – means a process used prior to a Procurement Process as a general market research tool to determine what products and services are available, scope out business requirements and/or estimate project costs;

**Request for Pre-Qualification or RFPQ** – means a competitive Procurement Process in which Vendors with the capability to perform the Contract requirements can qualify to participate in future Procurement Processes, as specified in the Request for Pre-Qualification;

**Request for Proposal or RFP** – means a competitive Procurement Process in which Vendors are invited to propose solutions or methods for particular projects (where alternative methods or innovative solutions are sought by the Municipality) and evaluated on both price and non-price factors;

**Request for Quotation or RFQ** – means a competitive Procurement Process in which several Vendors are approached to provide price quotations (fixed as to the total price or on a unit basis or both) for specific and defined Goods and/or Services;

**Request for Tender or RFT** – means a competitive Procurement Process in which Vendors submit Tenders to supply a defined quantity and quality of Goods and/or Services, with all of the material terms, conditions and specifications pre-set (with the exception of price);

**Single Source** – means that the Goods and/or Services are available from more than one Vendor, but only one Vendor is recommended due to predetermined and approved specifications;

**Sole Source** – means that the Goods and/or Services are available from only one Vendor;

**Tender** – means a written offer, in a specified form, to provide Goods and/or Services that is received from a Bidder in response to a Request for Tender;

**Two-Envelope Approach** – means a process in which the technical and qualitative information is submitted separate from the price information. The price information is only opened if the technical and qualitative information shows the Bidder to be qualified, compliant and meeting the minimum evaluation rating, if so established;

**Unsolicited Proposal** – means a proposal made by a Vendor or other private party on its own initiative and not in response to a request from the Municipality;

**Vendor** – means a supplier of Goods and/or Services, or a contractor in the case of construction;

**Vendor of Record or VOR** – means a Vendor that has been authorized to provide Goods and/or Services pursuant to a specific Vendor of Record Arrangement;

**Vendor of Record Arrangement** – means a specific arrangement arising out of a Competitive Process (usually a Request for Pre-Qualification), in which one or more qualified Vendors are authorized to provide Goods and/or Services for a defined period on certain terms and conditions;

**Vendor of Record Ceiling Price** – means the maximum value per assignment, or per multiple project-related assignments, under which the Municipality may use a specific Vendor of Record Arrangement to award a Contract.

#### **4. Interpretations, Statutes and Severability**

Where an official of the Municipality is authorized to do any act pursuant to this Policy, such act may be done by such official's authorized delegate.

The headings contained in this Policy are for reference only.

A word interpreted in the singular number has a corresponding meaning when used in the plural.

Where dollar value limits are identified for Goods and/or Services, the dollar value limits listed include applicable taxes, less any rebates.

Requirements for documents to be "in writing", "written" or similar includes documents in electronic form (provided that a paper copy of same can be readily created, such as e-mail messages, PDF documents, or electronic submissions through Electronic Bidding).

Specific references to laws in this Policy are meant to refer to the current laws applicable within the Province of Ontario including amendments thereto and any successor legislation.

If a court or tribunal of competent jurisdiction declares any portion of this Policy to be illegal or unenforceable, that portion of this Policy will be considered to be severed from the balance of the Policy, which will continue to operate in full force.

## **5. General Conditions**

### **5.1 Applicability and Exceptions**

All Goods and/or Services required by the Municipality shall be purchased in accordance with this Policy, unless:

- a) Council directs purchases to be carried out in another manner.
- b) An exemption to this Policy applies (Section 7.1).
- c) Any applicable law requires that the purchase of Goods and/or Services be carried out in some other manner.

Where such a circumstance occurs, the purchase of those Goods and/or Services shall be carried out in accordance with the Council resolution or the applicable law, as the case may be, and the provisions of this Policy shall in all other regards continue to apply to the purchase with all necessary modifications.

### **5.2 General Purchase Requirement**

No Employee shall purchase Goods and/or Services unless:

- a) The Goods and/or Services are legitimately required for the purposes of the Municipality (or Public Agency on whose behalf the purchase is being undertaken); and
- b) The funds for the purchase of the Goods and/or Services are available within the departmental operating budget or other applicable budget or the purchase is expressly made subject to funding approval of the Council (or the Public Agency on whose behalf the purchase is being undertaken).

### **5.3 Directive to Elected Officials and Employees**

No Elected Official or Employee shall:

- a) Purchase any Goods and/or Services for personal use in representation of the Municipality.
- b) Purchase or offer to purchase, on behalf of the Municipality, any Goods and/or Services except in accordance with this Policy.
- c) Knowingly cause, permit or omit anything to be done or communicated to anyone which is likely to cause any Vendor to have an unfair advantage or disadvantage in obtaining a Contract for the supply of Goods and/or Services to the Municipality (or the Public Agency on whose behalf the purchase is being undertaken) under this Policy, or which might subject the Municipality to any claim, demand, action or proceeding as a result.



d) Accept any gifts from a Vendor if they are involved in a Procurement Process.

Any Employee who intentionally and knowingly acquires any Goods and/or Services for the Municipality in contravention of any section of this Policy, or any applicable law or statute, shall be subject to disciplinary actions under applicable policies of the Municipality or the law.

#### **5.4 Conflicts of Interest**

The Municipal Conflict of Interest Act for Elected Officials and Code of Conduct for both Elected Officials and Employees shall apply to all Procurement Processes. Any potential conflicts must be declared.

The purchase, directly or indirectly, of any Goods and/or Services from any Employee or Elected Official is prohibited unless otherwise approved by Council. No Bid will be accepted from an Employee or Elected Official, or their immediate family, if the Employee was involved in the development of the need of the work, the project specifications or if the Employee will be an Evaluation Member.

#### **5.5 Contract Splitting**

Subdividing, splitting or otherwise structuring procurement requirements or Contracts in order to reduce the procurement value or in any way circumvent the requirements or intent of this Policy is not permissible.

#### **5.6 Trade Agreements**

Procurement may be subject to the provisions of trade agreements and where there is a conflict between this Policy and a trade agreement, the terms of the trade agreement shall prevail.

#### **5.7 Accessibility**

Consideration shall be given to the requirements of the Ontarians with Disabilities Act, 2001, as amended, and the Accessibility for Ontarians with Disabilities Act, 2005, as amended, when procuring or acquiring Goods and/or Services and, where practicable, accessibility criteria and features shall be used.

#### **5.8 Environmental Considerations**

The Department Head shall encourage, whenever possible, specifications for Goods and/or Services that achieve environmental benefits such as waste reduction, water conservation, energy conservation and pollution prevention and which provide for expanded use of products that are efficient and durable, reusable, and contain the maximum post-consumer recyclable and/or waste content, without affecting the intended use of the Goods and/or Services. Specifications and evaluation shall encourage the purchase of Goods and/or Services that maximize energy efficiency and minimize carbon emissions into the environment.

## **5.9 Advertising**

Publicly advertised Bid Call Documents (not by invitation) shall be posted for a minimum of 14 calendar days unless the urgency of the requirement dictates otherwise. Where trade agreements apply, posting shall be in accordance with the provisions of the trade agreement(s).

## **5.10 No Local Preference**

In accordance with the Discriminatory Business Practices Act and applicable trade agreements, there will be no local preference for the purchase of Goods and/or Services.

## **5.11 Total Cost Consideration**

The Municipality may consider the total cost of purchasing including, but not limited to, maintaining, repairing, continual support requirements, training, operation, disposal and other related costs in order to achieve the best value for the Municipality.

## **5.12 Ability to Disqualify**

The Municipality may disqualify at any time and at its sole discretion:

- a) Any Vendor engaged in Lobbying an Elected Official or an Employee of the Municipality.
- b) Any Vendor engaged in litigation with the Municipality, directly or indirectly.
- c) Any Vendor who intends to use a sub-contractor who is engaged in litigation with the Municipality, directly or indirectly.
- d) Any Vendor whose performance has been unsatisfactory under prior or current Contracts.
- e) Any Vendor that has failed to pay an amount owed to the Municipality as a debt.

## **5.13 No Employment Relationship**

The Municipality will reject all Bids where the Services could result in the establishment of an employment relationship between the Municipality and the Bidder (or the Bidder's personnel).

## **5.14 Directive to Bidders and Vendors**

Bidders and Vendors shall disclose to the Municipality prior to accepting an assignment, any actual or potential conflict of interest. If such a conflict of interest does exist, the Municipality may, at its sole discretion, withhold the assignment until the matter is resolved. If the conflict of interest cannot be resolved, the Municipality may disqualify a Bidder or rescind an invitation to negotiate.

If any actual or potential conflict arises during the performance of a Vendors contractual obligations, the Vendor shall inform the Municipality without delay. Failure to do so may result in immediate termination of the Contract by the Municipality without damages or penalty.

The Municipality requires Bidders and Vendors to comply with all applicable laws. Failure to comply with applicable laws in relation to a Procurement Process or a Contract with the Municipality may result in the immediate cessation of business with the Municipality and the appropriate authorities will be notified.

### **5.15 No Public Endorsement**

No public endorsement or opposition of any actual or potential Vendor may be made without consultation with the CAO. This shall not include the giving of a reference for a Vendor which has supplied Goods and/or Services to the Municipality.

## **6. Purchasing Responsibilities and Authorities**

### **6.1 Council**

Council has ultimate authority and accountability for all expenditures. Council delegates this authority by authorization through the approval of budgets or by specific resolution. By resolution, Council may request a purchasing matter be presented to it, before a decision on a purchase is made.

### **6.2 CAO**

The CAO has all necessary authority to administer this Policy and to carry out their duties on behalf of the Municipality. The CAO may appoint a Purchasing Coordinator to administer this Policy.

The CAO has the authority to instruct the Department Head not to award a Contract and may direct Staff to submit recommendations to Council for approval if at any time the CAO deems it appropriate to do so, and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interests of the Municipality.

### **6.3 Department Heads**

Department Heads have responsibility for procurement activities within their departments and are accountable for determining and achieving specific objectives for each procurement project. Department Heads have the authority to award Contracts provided that the delegated power is exercised within the limits prescribed in this Policy and all purchases remain within the approved budget.

Where no funds are allocated within the approved budget for a project, the Department Head, with approval from the CAO, shall submit a report to Council prior to beginning a procurement

process. The report shall set out the rationale for the purchase and information on the availability of funds from existing estimates approved by Council for other purposes, potential grants, or on the requirement for additional funds.

Where insufficient funds have been allocated to allow a procurement to be awarded, the Department Head, with approval from the CAO, shall submit a report to Council prior to awarding a Contract. The report shall set out the relevant reasons for the project being over the approved budget, and information on the availability of funds from existing estimates approved by Council for other purposes, or on the requirement for additional funds.

Department Heads are responsible for:

- a) Appointing a Project Manager, at their discretion, to exercise any or all responsibilities assigned to that Department Head by this Policy. The Department Head shall advise the CAO and the Purchasing Coordinator of this appointment.
- b) Conducting an appropriate level of due diligence, market research, and/or market engagement, in consultation with the Purchasing Coordinator, prior to commencing a Procurement Process to support the development of specifications and scope of work, evaluation criteria and budgets.
- c) Providing technical assistance in the preparation of the Bid Call Document including, but not limited to, specifications, drawings, scope of work, deliverables, etc.
- d) Determining and ensuring that the Municipality's interests are protected through and after the procurement process by ensuring appropriate insurance coverage, indemnity clauses, WSIB clearance certificates, bid bonds, performance bonds, labour and material bonds and/or maintenance bonds are requested and obtained.
- e) Participating in the review and evaluation of Bids to confirm compliance with specifications and identify Bids that best meet the needs of the Municipality.
- f) Awarding Contracts in accordance with the delegated approval authority for procurements made within the approved budget, as well as approval and execution of related Contracts, within the limits prescribed in this Policy.
- g) Forwarding to the Corporate Service Department all procurement documentation including a copy of all legally executed Contracts relating to the procurement of any Goods and/or Services, for record-keeping purposes.
- h) Ongoing Contract administration and Vendor performance management.

#### **6.4 Purchasing Coordinator**

The Purchasing Coordinator has authority to develop procedures to implement this Policy in

consultation with the Senior Management Team.

The Purchasing Coordinator is responsible for:

- a) Providing procurement advice and services to Department Heads.
- b) Developing, in consultation with the Department Head, Bid Call Documents.
- c) Arranging for advertising of the Municipality's procurement opportunities.
- d) Monitoring compliance with this Policy including review and evaluation of Bids to confirm compliance with the Bid Call Document requirements, in consultation with the Department Head.
- e) Issuing notice of award.
- f) Quarterly reporting to Council on all Contract awards by staff in accordance with delegated approval authority and in excess of \$30,000.00.
- g) Assisting the Corporate Services Department with the maintenance of records related to Procurement Processes.

## **7. Purchasing Mechanisms**

Procurement of Goods and/or Services shall be undertaken utilizing one of the following purchasing mechanisms. The method of procurement to be used shall be determined by the Department Head, in consultation with the Purchasing Coordinator.

### **7.1 Exemptions**

Department Heads shall, whenever possible, be guided by the provisions of this Policy. However, the acquisition of the items listed in Appendix A to this Policy do not fall under the guidelines of the Purchasing Policy and shall be subject to other applicable policies and procedures established from time to time.

### **7.2 Direct Acquisition/Sole Source**

A Department Head shall be authorized to make Direct Acquisition purchases of Goods and/or Services for an amount of \$10,000.00 or less from such Vendor and upon such terms and conditions as the Department Head deems appropriate.

### **7.3 Request for Quotation (RFQ)**

An RFQ shall be used where:

- a) Either the requirement can be fully defined or the requirement is best defined in a general performance specification and alternative or innovative solutions are sought.

- b) Best value for the Municipality can be achieved through an invitational Competitive Process where potential Bidders are identified by the Municipality and all invited Bidders receive the same information, terms and conditions.
- c) The process and method of communication to be used for inviting Bidders and obtaining Bids shall be determined by the Department Head in consultation with the Purchasing Coordinator.
- d) A minimum of three (3) written quotations shall be obtained (from three separate prospective Vendors) whenever possible. A 'no bid' response shall not be considered a valid quotation.

#### **7.4 Request for Tender (RFT)**

An RFT shall be used where:

- a) The requirement can be fully defined.
- b) Best value for the Municipality can be achieved through an open Competitive Process where a Bid Call Document is publicly advertised.
- c) Award selection will be based on an examination of the conformance to specifications balanced with total Bid price.

#### **7.5 Request for Proposal (RFP)**

An RFP shall be used where:

- a) The requirement is best described in a general performance specification.
- b) Alternative methods or innovative solutions are sought.
- c) Best value for the Municipality can be achieved through an open Competitive Process where a Bid Call Document is publicly advertised.
- d) Award selection will be based on a disclosed evaluation method involving a combination of mandatory and desirable requirements. Other factors in addition to pricing will be considered in the evaluation of Bids.

A Two-Envelope Approach may be used for RFPs. The evaluation of Proposals shall be completed by a committee of Evaluation Members comprised of the Department Head or Project Manager and at least two other Employees deemed appropriate.

## **7.6 Request for Expression of Interest (RFEI) and/or Request for Pre-Qualification (RFPQ)**

An RFEI or RFPQ shall be used where:

- a) Vendors offer their interest in submitting a Bid on a product or service.
- b) The request is advertised publicly.
- c) Information is requested to determine availability and interest of Vendors in providing Goods and/or Services as well as experience, qualifications and background of Vendors.
- d) There may or may not be a subsequent Competitive Process.

## **8. Purchasing Dollar Value Limits**

Where this Policy prescribes dollar value limits, the Contract amount shall be the sum of:

- a) All costs to be paid to the Vendor under the Contract including any Contract renewals and including all taxes; and
- b) Less any rebates.

## **9. Approval Authority**

Delegated approval authority for procurements made within the approved budget, including authority to approve and execute Contracts and related documents on behalf of the Municipality, is detailed in Appendix B to this Policy.

Where Goods and/or Services are routinely purchased or leased on a multi-year basis, the exercise of delegated approval authority to is subject to:

- a) The identification and availability of sufficient funds in the appropriate accounts for the current year within approved budget; and
- b) The requirement for the Goods and/or Services to continue to exist in subsequent years and, in the opinion of the CAO, the required funding can reasonably be expected to be made available including any potential price increases consistent with the prevailing market conditions for the Goods and/or Services being purchased.

## **10. Vendor of Record Arrangement**

The Municipality may establish Vendor of Record Arrangements to provide efficient access to Goods and/or Services that are frequently required by the Municipality. The Municipality may use Vendor of Record Arrangements established by the Municipality directly, or through

Cooperative Purchasing Processes with other public sector entities, as provided in this Section.

For Municipality Vendor of Record Arrangements, any Contract award to a Vendor of Record:

- a) Must be within the Vendor of Record Ceiling Price.
- b) May involve a further Competitive Process to which Vendors of Record may submit a Bid, unless the Competitive Process that created the Vendor of Record Arrangement clearly documented an alternative approach to awarding Contracts to Vendors of Record.

Any Vendor of Record Arrangement shall use the following dollar value limits regarding the number of Vendors of Record invited to Bid in any further Competitive Process:

| <b>Contract Value</b>                   | <b>Minimum Second Stage Requirement</b> |
|---|---|
| \$0 - \$10,000.00                       | At least 1 Vendor of Record             |
| Greater than \$10,000.00 to \$30,000.00 | At least 3 Vendors of Record            |
| Greater than \$30,000.00                | All Vendors of Record                   |

If there are fewer Vendors of Record in a Vendor of Record Arrangement than required under the above requirements, the Municipality must invite all Vendors of Record.

If, for any Contract award, the estimated value of the Contract exceeds the approved Vendor of Record Ceiling Price for that Vendor of Record Arrangement, the Municipality must conduct a separate Competitive Process for that Contract award.

Vendors of Record Arrangements and Vendor of Record Ceiling Prices may be valid for a maximum of five years, after which requalification will be required via a new Request for Pre-Qualification.

### **11. Limited Tendering and Exceptions for Non-Competitive Procurements**

Any requirement in this Policy to conduct a Competitive Process is subject to certain exceptions which permit a non-competitive Procurement Process. This shall include, but is not limited to:

- a) Sole Source procurements – where Goods and/or Services are available from only one Vendor.
- b) Single Source procurements - where Goods and/or Services are available from more than one Vendor, but only one Vendor is recommended due to predetermined and approved specifications, and there are valid and sufficient reasons for selecting one Vendor in particular.

The Department Head shall submit to the CAO, in writing, the rationale for the selection of a



## Non-Competitive Procurement.

The Municipality may, subject to CAO approval and Council approval where the CAO determines appropriate, proceed with limited tendering, using any Procurement Process it deems appropriate (including Direct Acquisition with no competition) in the following circumstances:

- a) An attempt to acquire the Goods and/or Services by a Competitive Process has been made in good faith, but any of the following apply:
  - i. No Bids were submitted or no Vendors requested participation.
  - ii. No Bids conforming to the essential requirements of the Bid Call Document were submitted.
  - iii. No Vendors satisfied the conditions for participation.
  - iv. The submitted Bids were collusive.

Requirements of the Bid Call Document from the Competitive Process shall not be substantially modified as part of the non-competitive Contract award.

- b) Goods and/or Services are in short supply due to abnormal market conditions.
- c) There is documented evidence that the extension or reinstatement of an existing Contract of not more than one additional term, not to exceed 2 years, would prove most cost effective or beneficial.
- d) Where an existing Contract has expired or will expire shortly and unforeseeable circumstances have caused a delay in issuing a new Bid Call Document so that a Contract extension is required.
- e) If the Goods and/or Services can be supplied only by a particular Vendor and no reasonable alternative of substitute Goods and/or Services exist for any of the following reasons:
  - i. The requirement is for a work of art.
  - ii. The protection of patents, copyrights, or other exclusive rights.
  - iii. Due to the absence of competition for technical reasons.
- f) The supply of Goods and/or Services is controlled by a Vendor that is a statutory or market based monopoly.
- g) To ensure compatibility with existing Goods and/or Services, or to maintain specialized

Goods and/or Services that must be maintained by the manufacturer of those Goods and/or Services or its representative.

- h) Work is to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- i) Work is to be performed on a leased building or related property, or portions thereof that may be performed only by the lessor.
- j) For additional deliveries by the original supplier of Goods and/or Services that were not included in the initial procurement if a change of supplier for additional Goods and/or Services:
  - i. Cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, Services or installations procured under the initial procurement.
  - ii. Would cause significant inconvenience or substantial duplication of costs for the Municipality.
- k) If strictly necessary, and for reasons of urgency brought about by events unforeseeable by the Municipality, the Goods and/or Services could not be obtained in time using an open Competitive Process.
- l) For Goods purchased on a commodity market.
- m) If the Municipality procures a prototype or a first Good and/or Service that is developed in the course of, and for, a particular Contract for research, experiment, study or original development.
- n) For purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular Vendors.
- o) If a Contract is awarded to a winner of a design contest provided that
  - i. The contest has been organized in a manner that is consistent with the principles of applicable trade treaty commitments, in particular relating to the publication of notices; and
  - ii. The participants are judged by an independent jury with a view to a design Contract being awarded to a winner.
- p) For the purchase of Goods and/or Services regarding matters of a confidential or privileged nature, and the disclosure of those matters through an open Competitive Process could reasonably be expected to compromise confidentially, result in the

waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest.

Any amendments to applicable legislation or trade agreements to which the Municipality is bound which expand or limit the permitted exceptions set out in this section shall apply and this Policy shall be deemed to have been amended accordingly.

## **12. Emergency Procurement**

Notwithstanding the provisions of this Policy, in the event of an Emergency, the Department Head may authorize a purchase without the requirement for a Competitive Process. Whenever possible, the Department Head shall obtain approval of the CAO prior to proceeding with an Emergency procurement. Where prior approval could not be obtained, the CAO shall be informed as soon as possible.

Emergency includes, but is not limited to:

- a) A threat to public health.
- b) A threat to the welfare of persons or of public property.
- c) A threat to the maintenance of essential municipal services.
- d) An unexpected interruption of a municipal service.
- e) The security of the Municipality's interests where the occurrence requires the immediate delivery of Goods and/or Services and time does not permit a Competitive Process.
- f) The Mayor has declared an emergency under the Emergency Management and Civil Protection Act.
- g) The Provincial or Federal government has declared an emergency under applicable legislation.

An information report shall be submitted to Council for Emergency purchases over \$10,000.00 explaining the actions taken and the reason(s) therefore.

## **13. Cooperative Purchasing**

The Department Head, in consultation with the Purchasing Coordinator, may recommend that the Municipality participate with other government agencies or public authorities in co-operative procurement/acquisition ventures or utilize a 'piggy back clause' within public sector contracts, if it is determined to be in the best interest of the Municipality to do so. The Department Head and Purchasing Coordinator must be satisfied that the purchasing policy of the host agency that will apply to these procurements will result in open and competitive procurement.

## **14. Request for Information (RFI)**

An RFI may be issued in advance of a Procurement Process to provide Staff with an understanding of potential solutions/needs and assist in the development of a more definitive set of terms and conditions, scope of work and identification of qualified Vendors. An RFI may or may not lead to a subsequent Procurement Process.

## **15. Unsolicited Proposals**

Unsolicited Proposals received by the Municipality may be reviewed by the Department Head and CAO. Any procurement activity resulting from the receipt of an Unsolicited Proposal shall comply with the provisions of this Policy. A Contract resulting from an unsolicited Proposal shall be awarded on a non-competitive basis only when the procurement requirements comply with the non-competitive procurement provisions of this Policy or with Council approval.

## **16. Disposal of Surplus Items and Real Property**

Any real property or surplus items belonging to the Municipality and declared surplus shall be disposed of in accordance with the Municipality's Disposal of Municipal Assets Policy.

## **17. Bid Administration**

### **17.1 Submission of Bids**

Bids shall be submitted in accordance with the provisions of the Bid Call Document. Where Electronic Bidding is used, the bidding rules are contained within the Bidding System.

### **17.2 Bid Irregularities**

Where a Bid is received that includes irregularities, the Municipality will follow the protocol as appropriate for the particular Bid Irregularity. The protocol for Bid Irregularities and their associated responses are detailed in Schedule C to this Policy.

### **17.3 Mandatory Requirements**

Bids shall be reviewed to ensure they meet all mandatory/minimum requirements in accordance with the provisions of the Bid Call Document. Failure to meet all mandatory/minimum requirements may result in disqualification.

### **17.4 Tie Bids**

Where there is a tie between two or more compliant Bids and those Bids are the lowest compliant/highest ranking Bids, the Bidders will be allowed 24 hours to re-examine their Bids and determine if there are any cost savings that may be passed on to the Municipality, and to lower their Bids, at their option, if such savings are evident. If this effort is unsuccessful, then a tie shall be broken by draw of names from a hat with a minimum of two (2) Employees present

to determine the successful Bidder. The outcome of the tie breaking method is final.

### **17.5 No Acceptable Bids**

Where all Bids received are in excess of the approved budget, are not responsive to the requirement, or do not represent fair market value, the Municipality may proceed with any of the following:

- a) Re-issue the Bid Call Document.
- b) Issue a revised Bid Call Document in an effort to obtain an acceptable Bid.
- c) Proceed with Limited Tendering using any Procurement Process deemed appropriate (including Direct Acquisition with no competition), in accordance with the provisions of this Policy.
- d) Enter into Negotiations with the lowest responsive Bidder where:
  - i. The lowest responsive Bid is in excess of the approved budget for the project.
  - ii. The changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the competitive Bid Call Document.
  - iii. The method of negotiation shall be those accepted as standard negotiating procedures that employ ethical public procurement practices.
  - iv. The Municipality reserves the right in its absolute discretion to cease negotiations and reject any offer.

### **17.6 Only One Bid Received**

Where only one Bid is received and the Department Head, in consultation with the Purchasing Coordinator, determines the Bid not to be acceptable, the Municipality may proceed as per Section 17.5 of this Policy.

### **17.7 Bidder Debriefings**

For any Competitive Process to award a Contract, subject to appropriate protection of Bidder confidential information, the Municipality shall on request provide an unsuccessful Bidder with an explanation of the reasons why the Municipality did not select its Bid.

## **18. Contract Award and Administration**

### **18.1 Legal Review**

Contracts that exceed \$100,000.00 may be submitted to legal counsel for review prior to execution as deemed appropriate by the CAO.

### **18.2 Contract Award**

Award of a Contract shall be to the Bidder whose Bid best meets the operational needs of the Municipality and represents the best value for the Municipality in accordance with the provisions of the Bid Call Document.

Contract award decisions shall be based on clear, transparent and objective criteria that is applied free from political interference.

### **18.3 Contract Award Notice**

Any statement or notice about an award is only to be made or published after the Contract has been executed.

The Municipality will inform all Bidders that participated in a Competitive Process of contract award decisions resulting from that process.

### **18.4 Contract Management**

Department Heads shall ensure due diligence in the administration of Contracts to protect the interests of the Municipality.

### **18.5 Vendor Performance**

Department Heads shall document evidence and advise the CAO in writing where the performance of a Vendor has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for health and safety violations or any other concerning issue. The CAO may, in consultation with the Department Head, prohibit an unsatisfactory Vendor from bidding on future Contracts.

### **18.6 Scope and Contract Changes**

No amendment to a Contract shall be made unless the amendment is in the best interest of the Municipality

No amendment that changes the prices of a Contract shall be agreed to without a corresponding change in requirement or scope of work.

Amendments to Contracts are subject to the identification and availability of sufficient funds in

appropriate accounts within approved budgets, including authorized amendments.

Department Heads, with approval from the CAO, may authorize Contract amendments where:

- a) The total amended value of the Contract (original Contract plus amendment) is within the approval limit in accordance with Schedule B to this Policy; and
- b) The Contract amendment will not exceed the Council approved budget for the project by an amount greater than 10% of the original Contract value and there are funds available.

All other Contract amendments shall be subject to Council approval.

### **18.7 Exercise of Contract Renewal Options**

Where a Contract contains an option for renewal, the Department Head is authorized to exercise such option provided all of the following apply:

- a) The Vendor's performance in supplying Goods and/or Services is considered to have met the requirements of the Contract.
- b) The Department Head and CAO agree that the exercise of the option is in the best interest of the Municipality.
- c) Any price increases are consistent with the prevailing market conditions for the Goods and/or Services being purchased.
- d) Sufficient funds are available in appropriate accounts within the approved budget including authorized amendments to meet the proposed expenditure.

The Department Head shall provide the CAO with a written explanation as to why the Contract renewal is in the best interest of the Municipality, including comment on the market situation and trend and outlining cost savings to be achieved by exercising the renewal option rather than going to market with a new procurement.

### **19. Access to Information**

The disclosure of information received relevant to Bid solicitations or awards shall be made by the appropriate officers in accordance with the provisions of all relevant privacy legislation including the Municipal Freedom of Information and Protection of Privacy Act, R.S.O., 1990, CM.56, as amended. All Vendors who contract with the Municipality shall adhere to or exceed the standards set in the Municipal Freedom of Information and Protection of Privacy Act or any other relevant Provincial or Federal privacy legislation or common law as may be passed or amended from time to time, as if they were agents of the Municipality as it relates to the confidential and secure treatment, including collection, use, disclosure or retention, or personal information, other confidential information of the Municipality and all records thereof which they

come into contact with in the course of providing Goods and/or Services to the Municipality.

## 20. Review Cycle

This Policy will be reviewed every 5 years or earlier.

## 21. Repeals

This Policy repeals a previous version, and all revisions.

This Policy was previously referred to as AD-52.

## 22. Related Information

Revisions to this document may impact the following policies, procedures, and/or by-laws.

| #         | Document Title                        |
|-----------|---------------------------------------|
| B2021-106 | A by-law to adopt a Purchasing Policy |

## 23. Policy Revisions

| Version | Date Approved   | Council Resolution |
|---------|-----------------|--------------------|
| 1       | October 5, 2021 | R2021-645          |



## **Appendix A – Items Exempt from the Policy**

The expenditures set out in this Appendix are exempt from the requirements set out in this Policy. The listing below is not a comprehensive listing, and the CAO will from time to time review and approve new situations or items to determine if they fall within the parameters of this schedule.

1. Petty Cash Items
2. Training and Education – within approved budget
  - a) Conferences
  - b) Courses
  - c) Conventions
  - d) Memberships
  - e) Seminars
  - f) Periodicals
  - g) Magazines/Books/DVDs etc.
  - h) Staff training
  - i) Staff development
  - j) Staff workshops
  - k) Subscriptions
3. Refundable Employee Expenses - in accordance with the Municipality's Employee Expense Claims and Council Conferences and Expense Claims Policies.
  - a) Advances
  - b) Meal allowances
  - c) Travel and hotel accommodation
  - d) Entertainment
  - e) Miscellaneous – Non-travel
4. Municipality's General Expenses
  - a) Advertising
  - b) Payroll deduction remittances
  - c) Licences (vehicles, elevators, radios, etc.)
  - d) Debenture payments
  - e) Grants/payments to other agencies
  - f) Tax remittances
  - g) Charges to/from other Government or Crown Corporations
  - h) Employee and Council income
  - i) Insurance premiums

5. Professional and Special Services up to \$500,000.00 or as defined more specifically in another policy.
  - a) Committee fees
  - b) Witness fees
  - c) Court reporters', interpreters' and transcription fees
  - d) Honoraria
  - e) Labour relations services and fees
  - f) Arbitrators' fees and arbitration awards
  - g) Legal services and fees
  - h) Legal settlements
  - i) Insurance Adjuster services
  - j) Insurance claim settlements and awards
  - k) Audit services
  - l) Integrity Commissioner services
  - m) Realty services for lease, acquisition, sale or disposal of land and property, including appraisal and consulting services relating to matters of expropriation
  - n) Appraisal and survey fees
  - o) Refunds to property owners (property tax, building permit adjustments, etc.)
  - p) Election materials – The Clerk has the authority to purchase goods, services and equipment considered necessary or advisable to carry out the requirements of the Municipal Elections Act, S.O. 1996, as amended
6. Operating Expenses
  - a) Postage
  - b) Water and sewer charges
  - c) Heat/Hydro
  - d) Cable television charges
  - e) Telephone/Communications
  - f) Vehicle and equipment repairs
  - g) Event supplies/Entertainment costs
  - h) Food and program supplies
  - i) Urgent maintenance/repairs/renovations to facilities as deemed appropriate by the CAO
  - j) Ongoing maintenance and actions to maintain the present functionality of existing computer hardware and software
7. Council Expenses
  - a) Courses and conferences
  - b) Office expenses within approved budget
8. Real Estate – Lease, acquisition, sale or disposal of Real Property

## Appendix B – Purchasing Approval and Authority Table

The following table indicates the delegated approval authority for procurements made within the approved budget, as well as the persons having the authority to approve and execute Contracts and related documents in accordance with this Policy.

| Dollar Value Limits                         | Purchasing Attributes  | Authority to Award                 | Authority to Sign Contracts             |
|---|--|------------------------------------|---|
| \$0 - \$10,000.00                           | <ul style="list-style-type: none"> <li>• Non-competitive or Competitive</li> <li>• Direct Acquisition permitted</li> </ul>   | Department Head or Project Manager | Department Head or Project Manager      |
| Greater than \$10,000.00 to \$30,000.00     | <ul style="list-style-type: none"> <li>• Either Binding or Non-binding</li> <li>• Competitive (Minimum 3 Quotes)</li> <li>• Invitational or may be an Open Bid Call (Publicly Posted)</li> </ul>                       | Department Head                    | Department Head                         |
| Greater than \$30,000.00                    | <ul style="list-style-type: none"> <li>• Either Binding or Non-binding</li> <li>• Competitive</li> <li>• Open Bid Call (Publicly Posted) or may be Invitational where a Vendor of Record Arrangement exists</li> </ul> | Department Head                    | Department Head                         |
| Greater than \$100,000.00 to \$1,000,000.00 | <ul style="list-style-type: none"> <li>• Either Binding or Non-binding</li> <li>• Competitive</li> <li>• Open Bid Call (Publicly Posted) or may be Invitational where a Vendor of Record Arrangement exists</li> </ul> | Department Head and CAO            | Department Head and CAO                 |
| Unlimited                                   | <ul style="list-style-type: none"> <li>• Either Binding or Non-binding</li> <li>• Competitive</li> <li>• Open Bid Call (Publicly Posted) or may be Invitational where a Vendor of Record Arrangement exists</li> </ul> | Council                            | Mayor and Clerk as authorized by By-law |

### Notes:

- The Procurement process must be conducted in accordance with this Policy and all applicable procedures.
- No award of a Contract may be approved unless the Contract value can be accommodated within the approved budget or in accordance with the provisions for multi-year contracts as per Section 9 of this Policy.
- Delegated approval authority for the procurement is based on the actual procurement value. The procurement value includes the value of any Contract renewal options.

## Appendix C – Bid Irregularities

The following list of Bid irregularities should not be considered all inclusive. The Purchasing Coordinator in consultation with the Department Head and/or CAO shall review irregularities not specifically listed and, acting in the best interest of the Municipality, have authority to waive such irregularities, permit correction to the irregularity or reject the Bid. Bid Irregularities shall be dealt with for paper Bids or electronic Bids, as applicable.

| No. | Bid Irregularity   | Response  |
|-----|--|---|
| 1.  | Late Bids  | <p>Automatic rejection.</p> <p>Paper Bids shall not be opened or read publicly and will be returned to the Bidder unopened.</p> <p>For electronic Bids, the Bidding system will not accept late Bids.</p> |
| 2.  | Unsealed Bids  | <p>Automatic rejection.</p> <p>For electronic Bids, the Bidding system automatically seals Bids.</p>  |
| 3.  | Bid received via a method of delivery other than that provided for in the Bid Call Document. | Automatic rejection.  |
| 4.  | Addenda not acknowledged.  | <p>48 hours to acknowledge Addenda. Bidder is not permitted to make changes to their Bid.</p> <p>For electronic Bids, the Bidding system will not accept Bids that have not acknowledged Addenda.</p>     |
| 5.  | Failure to attend mandatory site meeting   | Automatic rejection.  |

| No. | Bid Irregularity   | Response   |
|-----|--|--|
| 6.  | Bids received on documents other than those provided by the Municipality   | Automatic rejection.   |
| 7.  | Failure to meeting Bid surety (financial security) requirements as per the Bid Call Document: <ul style="list-style-type: none"> <li>• No bid bond/deposit</li> <li>• No agreement to bond</li> <li>• Insufficient bid bond/deposit)</li> <li>• Bonding company corporate seal or equivalent proof of authority to bind company or signature missing</li> <li>• Bonding company not licensed to conduct business in Ontario, Canada</li> <li>• Bid bond is not electronically verifiable/enforceable (e-Bond)</li> </ul> | Automatic rejection.<br><br>Exception: 48 hours to correct shortfall in bid deposit if less than required by no more than 10%.                                     |
| 8.  | Conditional Bids (Bids qualified or restricted by an attached statement)   | Automatic rejection unless the Department Head, in consultation with the Purchasing Coordinator, determine that the qualification or restriction is insignificant. |
| 9.  | Illegible or obscure Bids, non-initialed erasures, non-initialed alterations   | Automatic rejection<br><br>Exception: 48 hours to correct non-initialed alterations. Bidder is not permitted to make changes to their Bid.                         |

| No. | Bid Irregularity   | Response  |
|-----|--|---|
| 10. | Failure to insert the Bidder's business name in the space(s) provided in the Bid Call Document | 48 hours to correct.  |
| 11. | Pricing or signature pages missing or not properly signed/executed.                            | Automatic rejection.  |
| 12. | Bids containing minor mathematical errors  | <p>If the amount bid for a unit price item does not agree with the extension of the estimated quantity and the unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly.</p> <p>If both the unit price and the total price are left blank, then both shall be considered as zero.</p> <p>If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity.</p> <p>If the total price is left blank for a lump sum item, it shall be considered as zero.</p> <p>If the Bid documents contain an error in addition and/or subtraction and/or transcription in the approved competitive bid documentation format requested (i.e. not the additional supporting documentations supplied), the error shall be corrected and the</p> |

| No. | Bid Irregularity           | Response   |
|-----|----------------------------|--|
|     |                            | <p>corrected total Bid price shall govern.</p> <p>Bid documents containing prices which appear to be so unbalanced as to likely affect the interests of the Municipality adversely may be rejected.</p>          |
| 13. | Other minor irregularities | The Purchasing Coordinator, in consultation with the Department Head and/or CAO may waive irregularities they jointly consider to be minor.  |
| 14. | Any irregularity           | Despite, all provisions herein, the Purchasing Coordinator, in consultation with the Department Head and/or CAO may waive any irregularity where it considers it to be in the best interest of the Municipality. |