

Table of Contents



Municipality of Dysart et al Policies and Procedures Manual PROCUREMENT POLICY

Policy No. 16

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Table of Contents

1.00	Policy Statement	7
2.00	Purpose	7
3.00	Scope	7
4.00	Responsibility	8
5.00	Supply Chain Code of Ethics	9
5.01	General	9
5.02	Goal of Supply Chain Code of Ethics	9
5.03	Personal Integrity and Professionalism	9
5.04	Accountability and Transparency	9
5.05	Compliance and Continuous Improvement	9
6.00	Procurement Policy Goals	10
6.01	Accountability	10
6.02	Fairness	10
6.03	Objectivity	10
6.04	Openness and Transparency	10
6.05	Effectiveness	11
6.06	Efficiency	11
6.07	Value for Money	11
6.08	Quality Service Delivery	11
6.09	Process Standardization	11
6.10	Performance Measurement	11
6.11	Open and Fair Bidding	11
6.12	Ethical Practices	11
6.13	Consideration of Full Costs	12
6.14	Consideration of Annual Aggregates	12
6.15	Environmentally Friendly Purchasing	12

Table of Contents

6.16	Innovation	12
6.17	Accessibility	12
6.18	Annual Review of Policy	12
7.00	General Conditions	13
7.01	Applicability & Exceptions	13
7.02	Local Preference.....	14
7.03	Co-operative or Collaborative Purchasing	14
7.04	Privilege Clause	14
7.05	Legitimacy.....	14
7.06	Vendor Promotion	14
7.07	Personal Purchases.....	14
7.08	Revenue Generating Contract	15
7.09	Trade Agreements	15
7.10	Conflict of Interest.....	15
7.11	Gifts and Hospitality	16
7.12	Bribes.....	16
8.00	Procurement Procedures	17
8.01	Segregation of Duties	17
8.02	Exempt Goods and Services	17
8.03	Procurement Approval Authority Level Schedule.....	17
8.04	Contracts Requiring Prescribed Council Approval	18
8.05	Requirement for Approved Funds.....	19
8.06	Contract Without Budgetary Appropriation.....	19
8.07	Multi Departmental Projects.....	20
8.08	Requirement for Specific Terms of Reference	20
8.09	Specifications.....	20
8.10	Procurement Records Retention.....	21
9.00	Competitive Methods of Procurement.....	22
9.01	Information Gathering – Request for Information (RFI).....	22
9.02	Request for Expressions of Interest (REI).....	22
9.03	Request for Supplier Pre-Qualification (RFSPQ)	22
9.04	Informal Request for Quotations (IRFQ)	22
9.05	Purchases \$10,000.01 to \$25,000 – Request for Quotation (RFQ)	23
9.06	Purchases Over \$25,000 – Request For Tender (RFT)	23
9.07	Purchases Over \$25,000 – Request For Proposal (RFP)	24
9.08	Standing Order Purchases.....	26

Table of Contents

9.09	Vendors of record	27
10.00	Non-Competitive Procurement	28
10.02	Purchases of \$100 or Less – Petty Cash.....	29
10.03	Purchases \$10,000 or Less – Direct Acquisition.....	30
10.04	Sole Source Procurement.....	30
10.05	Single Source	31
10.06	Emergency Procurement	31
10.07	Standardization	32
11.00	Exceptions & Exemptions to Methods of Procurement	33
11.01	Volatile Market Conditions	33
11.02	Cooperative purchasing and/or joint ventures.....	33
11.03	Unsolicited Quotations or Proposals	33
12.00	Contract Considerations.....	34
12.01	Follow-On Contracts	34
12.02	Contract Amendments and Revisions (scope change)	34
12.03	Contract Renewals.....	34
13.00	Official Point of Contact and Lobbying Prohibition	36
14.00	Notification Requirements	37
14.01	Posting Competitive Procurement Documents	37
14.02	Timelines for Posting Competitive Procurements	37
14.03	Local Services.....	37
15.00	Receipt, Opening and Review of Bid Documents Procedure	38
15.01	Bid Receipt	38
15.02	Refusal of Bid	38
15.03	Withdrawal of Bid	38
15.04	Time and Date Stamped	38
15.05	Number of Bids and Bidder Name not to be Divulged.....	38
15.06	Bid Envelopes	38
15.07	Bids Received After Closing Time and Date	39
15.08	Alternative Bids	39
15.09	Two Bids for Same Contract in Same Envelope	39
15.10	Two Bids Same Contract - Different Envelopes	39
15.11	Bids Received By	39
15.12	Bid Opening	39
15.13	Public Openings.....	40
15.14	Bid or Proposal Irregularities.....	40

Table of Contents

15.15	No Acceptable Bid or Equal Bids Received	41
15.16	Tied Bids.....	41
15.17	Mathematical Errors - Rectified by Staff.....	42
15.18	All Bids Received are Over Budget.....	42
15.19	Return of Bid Deposit Cheques.....	43
15.20	Deposit Cheque Not to be Cashed Unless	43
15.21	Cancellation of a Bid Solicitation.....	43
16.00	Evaluation and Selection Procedure	44
16.01	Evaluation Process Disclosure.....	44
16.02	Evaluation Criteria.....	44
16.03	Winning Bid.....	44
16.04	Contract Award Notification	45
16.05	Non-Discrimination.....	45
17.00	Dispute Resolution	46
17.01	Bid Dispute Resolution.....	46
17.02	Vendor Complaints	46
17.03	Vendor Debriefing	46
17.04	Vendor Performance.....	47
18.00	Contract Management.....	48
18.01	Executing the Contract.....	48
18.02	Establishing the Contract	48
18.03	Termination Clauses	48
18.04	Term of Agreement Modifications	48
18.05	Contract Management	48
18.06	Action When Successful Bidder Does Not Finalize Contract	49
18.07	Guarantees of Contract Execution and Performance.....	49
18.08	Contractual Agreement.....	50
18.09	Execution and Custody of Documents	51
18.10	Term of Council.....	51
18.11	Cooperative Purchasing.....	51
18.12	Supplier Performance	51
18.13	Receipt of Goods	51
18.14	Access to Information	52
19.00	Reporting to Council.....	53
	<i>Schedule A – Procurement Approval Authority Level Schedule.....</i>	<i>54</i>
	<i>Schedule B – Exempt Goods and Services.....</i>	<i>56</i>

Table of Contents

1.00	Exemptions	56
1.01	Petty Cash Items.....	56
1.02	Training and Education	56
1.03	Employee and Council Expenses	56
1.04	Employer's General Expenses.....	56
1.05	Professional and Special Services.....	57
1.06	Utilities	57
Schedule C – Request for Tender Process		58
1.01	Limit for Tenders	58
1.02	Information Required	58
1.03	Advertising	58
1.04	Submissions	59
1.05	Privilege Clause	59
1.06	Bond Agreement.....	59
1.07	Bid Surety Requirements	59
1.08	Performance and Maintenance Bonds.....	59
1.09	Labour and Material Payment Bonds.....	60
1.10	Insurance	60
1.11	Occupational Health and Safety	60
1.12	Workplace Safety and Insurance Board Certificate (WSIB)	60
1.13	Council Approval.....	61
Schedule D - Request For Proposal Process.....		62
1.01	Limits	62
1.02	Information Required	62
1.03	Advertising	62
1.04	Submission Receipt	62
1.05	Withdrawal of Proposal	63
1.06	Evaluation Committee	63
1.07	Evaluation	63
1.08	Council Approval.....	Error! Bookmark not defined.
Schedule E– Minimum Standards for Engaging Consultants		65
1.01	For Consulting Services Up To \$10,000.00	65
1.02	Consulting Services \$10,000.01 or More	65
1.03	Requests for Proposal to Include	65
1.04	Requests for Proposal for Services of a Confidential Nature	66
Schedule F – Bid Irregularities		67

Table of Contents

Schedule G - Goals of Procurement Processes	70
Schedule H – Descriptive Features of Procurement Methods	71
Schedule I - Circumstances of Use of Procurement Methods	72
Schedule J – Interprovincial Trade Agreement Requirements	73
1.01 Dollar thresholds	73
1.02 Advertising requirements	73
1.03 Exceptions	73
1.04 Dispute resolution between suppliers and MASH entities	74
Schedule K - Definitions & Interpretation Rules	75
1.01 Defined Terms	75

1.00 Policy Statement

1.01.1 The Municipality of Dysart et al will purchase goods and services for its operations as outlined in this Policy.

2.00 Purpose

2.01.1 The purpose of this Policy is to:

- a) Ensure that publicly funded goods and services, including construction, consulting services and information technology, are acquired by the Municipality through a process that is open, fair and transparent;
- b) Ensure that Municipal procurement processes are managed consistently;
- c) Outline Municipal responsibilities throughout each stage of the procurement process and provide greater control over procurement activities;
- d) Provide guidance on ethical public sector purchasing;
- e) Demonstrate the application of best practices in purchasing; and
- f) Increase the probability of obtaining the right outcome when purchasing goods and services.

3.00 Scope

3.01.1 This Policy applies to all individuals making purchases on behalf of the Municipality.

3.01.2 Section 270 (1) and 270 (2) of the Municipal Act 2001, S.O. 2001, Chapter 25 requires a municipality and local boards to adopt and maintain policies with respect to its procurement of goods and services.

3.01.3 The Municipality must conduct procurement activities according to the law in Ontario, including contract law, the law of competitive processes, privacy legislation, accessibility legislation and any other legislation as may be applicable.

3.01.4 The Municipality's procurement activities shall be carried out to the professional standards required and in compliance with:

- a) The Municipal Act;
- b) The Municipal Freedom of Information and Privacy Act
- c) Municipal policies;
- d) Municipal Code of Conduct;
- e) Local Government Procurement Best Practice Guidelines;

Policy Statement, Purpose, Scope and Responsibility

- f) Other relevant legislation such as but not limited to the Environmental Protection Act.

4.00 Responsibility

- 4.01.1 Department Heads are responsible for procurement activities within their departments and are accountable for achieving the specific objectives of the procurement project.
- 4.01.2 Department Heads and the CAO have authority to award contracts in the circumstances specified in this Policy, provided the delegated power is exercised within the limits prescribed in this Policy and the requirements of this Policy are met.
- 4.01.3 The CAO has the authority to instruct Department Heads not to award contracts but to submit recommendations to Council for approval. The CAO may provide additional restrictions concerning procurement, where such action is considered necessary and in the best interest of the Municipality.
- 4.01.4 In accordance with the Tangible Capital Asset Policies adopted by Council, Department Heads are responsible for ensuring that notice of acquisition, betterment, etc. of any tangible capital asset purchased in accordance with this Policy be reported to the Finance Department.

5.00 Supply Chain Code of Ethics

5.01 General

- 5.01.1 Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.
- 5.01.2 The Supply Chain Code of Ethics does not supersede any Municipal Code of Ethics, but supplements same with supply chain specific standards of practice.
- 5.01.3 Any Code must be made available and visible to all Members of the Municipality, as well as suppliers and other stakeholders involved with Supply Chain Activities.

5.02 Goal of Supply Chain Code of Ethics

- 5.02.1 To ensure an ethical, professional and accountable Municipal supply chain.

5.03 Personal Integrity and Professionalism

- 5.03.1 Individuals involved with Supply Chain Activities must act, and be seen to act, with integrity and professionalism.
- 5.03.2 Honesty, care and due diligence must be integral to all Supply Chain activities within and between the Municipality, suppliers and other stakeholders.
- 5.03.3 Respect must be demonstrated for each other and for the environment.
- 5.03.4 Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

5.04 Accountability and Transparency

- 5.04.1 Supply Chain Activities must be open and accountable.
- 5.04.2 In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money.
- 5.04.3 All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

5.05 Compliance and Continuous Improvement

- 5.05.1 Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario.

6.00 Procurement Policy Goals

6.01 Accountability

6.01.1 To ensure the results of the Municipality's procurement processes and decisions are appropriate.

6.01.2 To ensure obligation of the Municipality to answer for procurement results and for the way that procurement responsibilities are delegated. Accountability, unlike responsibility, cannot be delegated.

6.02 Fairness

6.02.1 To ensure that all Vendors have an equal opportunity to provide goods and services to the Municipality.

6.02.2 To ensure that all policies are applied equally to all bidders.

6.02.3 Councillors and employees must not:

- a) purchase or offer to purchase, on behalf of the Municipality, any goods and services, except in accordance with this Policy;
- b) knowingly cause, permit or omit anything to be done or communicated to anyone which is likely to cause any potential Vendor to have an unfair advantage or disadvantage in obtaining a Contract for the supply of a Commodity to the Municipality, or any other municipality, Public Agency or public body involved in the purchase of Commodities either jointly or in cooperation with the Municipality;
- c) knowingly cause, permit or omit anything to be done which will jeopardize the legal validity or fairness of any Purchase of a Commodity under this Policy, or which might subject the Municipality to any claim, demand, action or proceeding as a result.

6.03 Objectivity

6.03.1 To ensure that the procurement of goods and services is approached in an unbiased way, not influenced by personal preferences, prejudices or interpretations.

6.04 Openness and Transparency

6.04.1 To ensure the Municipality is transparent to all stakeholders.

6.04.2 To ensure clarity and disclosure about the process for arriving at procurement decisions. Procurement for the Municipality is undertaken within the context of legal considerations about confidentiality and the protection of privacy. Our policies are governed by these considerations.

Procurement Policy Goals

6.04.3 To ensure wherever possible that all stakeholders must have equal access to information on procurement opportunities, processes and results.

6.05 Effectiveness

6.05.1 To ensure that the procurement process is achieving its intended results.

6.06 Efficiency

6.06.1 To ensure the quality, cost and amount of goods and services procured exceeds the time, money and effort to procure them.

6.07 Value for Money

6.07.1 To ensure the Municipality maximizes the value they receive from public funds by delivering goods and services at the optimal total lifecycle cost.

6.08 Quality Service Delivery

6.08.1 To ensure the Municipality has the right product, at the right time and in the right place.

6.09 Process Standardization

6.09.1 To ensure the Municipality standardizes processes to remove inefficiencies and create a level playing field.

6.10 Performance Measurement

6.10.1 To ensure that procurement processes are evaluated to ensure they are effective and efficient.

6.11 Open and Fair Bidding

6.11.1 To encourage open and fair competitive bidding for the acquisition and disposal of goods and services where practicable.

6.12 Ethical Practices

6.12.1 To ensure ethical practices by all participants in the procurement process – including Municipal Staff, Council and Vendors.

6.13 Consideration of Full Costs

- 6.13.1 To consider all costs, including acquisition, operating and disposal costs, in evaluating bid submissions from qualified, responsive and responsible Vendors, rather than basing a decision solely on the lowest bid.

6.14 Consideration of Annual Aggregates

- 6.14.1 To give full consideration to the annual aggregate value or to consider the total project cost of specific goods and services that will be required by each Department and by the Municipality as a whole prior to determining the appropriate acquisition method.

6.15 Environmentally Friendly Purchasing

- 6.15.1 To encourage the procurement of goods and services with due regard to the preservation of the natural environment and the promotion of waste reduction and recycling of waste materials.
- 6.15.2 All departments shall encourage wherever possible, specifications which provide for expanded use of durable, reusable commodities, and commodities which contain the maximum post-consumer waste and/or recyclable content, without affecting the intended use of the Commodity.

6.16 Innovation

- 6.16.1 To encourage innovation and the use of technology which meet Municipal specifications and industry standards in order to ensure the utilization of the most efficient and effective processes and practices.

6.17 Accessibility

- 6.17.1 To have regard to the accessibility for persons with disabilities to the Goods, Services and Construction purchased by the Municipality of Dysart et al.

6.18 Review of Policy

- 6.18.1 This Policy will be regularly reviewed by the Management group, to evaluate its effectiveness, to ensure the dollar values are current and to recommend changes.

7.00 General Conditions

7.01 Applicability & Exceptions

7.01.1 All Commodities required by the Municipality shall be purchased in accordance with this Policy, unless:

- a) The Council directs that any particular Purchase or Disposal of a Commodity shall be carried out in some other manner;
- b) An Exemption to this Policy applies; or
- c) Any applicable law requires that the Purchase of a Commodity be carried out in some other manner.

7.01.2 Where exceptions apply, the Purchase of those Commodities shall be carried out in accordance with the 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.

7.01.3 All Municipal employees, volunteers and Councillors shall follow the guidelines of this Policy.

7.01.4 Due to a higher level of due diligence required, no employee, elected official or volunteer acting on behalf of the Municipality shall be considered for an award of contract without prior approval of:

- a) up to \$10,000, the Department Head or Designate;
- b) over \$10,000 and up to \$25,000, the Department Head and CAO; and
- c) over \$25,000, Council.

7.01.5 No contract or purchase shall be divided to avoid the requirements of this Policy.

7.01.6 Wording used in this Policy that denotes the singular is assumed to include the plural of the same.

7.01.7 Where a Department Head is authorized to do any act pursuant to this Policy, such act may be done by such Department Head's authorized designate.

7.01.8 Purchase requisitions for services, where the services could result in the establishment of an employee - employer relationship, are not permitted.

7.01.9 Where this Policy identifies delegated authority limits for contract awards, the value of a contract shall be the sum of:

- a) all costs to be paid to the supplier under the contract including freight and other charges; but
- b) excluding all taxes and tax rebates.

7.02 Local Preference

7.02.1 In accordance with the *Discriminatory Business Practices Act*, there will be no local preference for Purchases. All things being equal, preference will be given first to purchases of a commodity of local manufacture, second to a commodity offered by a local Vendor, and thirdly to a commodity of a Canadian owned company.

7.03 Co-operative or Collaborative Purchasing

7.03.1 Collaborative procurement is a coordinated event that facilitates purchasing on behalf of multiple organizations. It may be facilitated through buying groups or co-operative ventures with other municipalities.

7.03.2 The Department Head may participate and shall encourage participation with other governments or Public Agencies in co-operative ventures or contracts where the best interest of the Municipality would be served.

7.04 Privilege Clause

7.04.1 When using the privilege clause which reads in part "the lowest or any tender may not necessarily be accepted", the specific reasons why the bid is not accepted must be stated.

7.05 Legitimacy

7.05.1 No employee shall Purchase or Requisition a Commodity:

- a) unless the Commodity is legitimately required for the purposes of the Municipality; or
- b) acquire any goods and services for personal use

7.06 Vendor Promotion

7.06.1 The Municipality shall not promote or advertise any Vendor, service or commodity in any manner that may be construed as the Municipal endorsing the Vendor, commodity or service.

7.07 Personal Purchases

7.07.1 The Municipality will not make Purchases for the personal use of Councillors or employees, or members of staff of Public Agencies, except through programs which may, from time to time, be expressly and specifically approved by Municipal Council.

7.08 Revenue Generating Contract

- 7.08.1 The same conditions and limits outlined above for goods and services will be applied to revenue generating contracts.

7.09 Trade Agreements

- 7.09.1 Procurement by the Municipality may be subject to the provisions of various trade agreements, including but not limited to the Agreement on Internal Trade (AIT) and the Ontario–Quebec Trade Cooperation Agreement (Ontario–Quebec Agreement), North American Free Trade Agreement (NAFTA) or Comprehensive Economic and Trade Agreement (CETA).
- 7.09.2 Where an applicable trade agreement is in conflict with this Policy, the trade agreement shall take precedence.
- 7.09.3 Where an exemption, exception or non-application clause exists in the Agreement on Internal Trade (AIT) or other trade agreement, the Municipality may apply that clause when procuring goods or services. The applicability of such a clause must be formally established.

7.10 Conflict of Interest

- 7.10.1 All paid employees or elected officials shall disclose annually (and as circumstances change) any business or personal relationship they might have outside of Municipal business which might create a potential conflict of interest relative to the procurement of goods or services.
- 7.10.2 All employees authorized to purchase on behalf of the Municipality shall be required to declare any known, potential or perceived Conflict of Interest to the Municipality.
- 7.10.3 All consultants (e.g. architects, engineers, etc.) retained by the Municipality of Dysart et al shall disclose to the Municipality prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Municipality as directed by the Department Head, may at its discretion, withhold the assignment from the consultant until the matter is resolved. Furthermore, if during the conduct of a Municipal assignment, a consultant is retained by another client giving rise to a potential conflict of interest, the consultant then shall so inform the Municipality. If a significant conflict of interest is deemed by the Department Head to exist, then the consultant shall refuse the new assignment or shall take such steps that are deemed necessary to remove the conflict of interest or risk forfeiting the Municipal contract without penalty to the Municipality.
- 7.10.4 The Municipality must monitor any conflict of interest that may arise as a result of the Members' of the Municipality, advisors', external consultants', or suppliers' involvement with the Supply Chain Activities.
- 7.10.5 Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken.

7.11 Gifts and Hospitality

7.11.1 No Municipal representative (employee, Councillor, volunteer) shall directly or indirectly solicit or accept gifts or presents from any member of the public involved with any matter that is connected to Municipal purchasing.

7.11.2 Municipal representatives shall not accept gifts or hospitality from contractors or their representatives, or from individuals with whom they have official dealings.

7.12 Bribes

7.12.1 Offers of bribes, commissions or other irregular approaches from The Municipality or individuals must be promptly brought to the CAO's attention.

8.00 Procurement Procedures

8.01 Segregation of Duties

8.01.1 The Municipality provides for segregation of at least three of the five functional procurement roles per the following chart:

Procurement Function	Responsibility
Requisition	Requisitions are placed by administration assistants, Department Managers or Department Heads.
Budgeting	Budgets are approved by Council.
Commitment	Commitment is made by Department Head, CAO or Council depending on dollar value.
Receipt	Goods and services are received by the department making the requisition.
Payment	Payments are processed by the Finance Department.

8.01.2 Responsibilities for these roles must lie with different departments or, at a minimum, with different individuals.

8.02 Exempt Goods and Services

8.02.1 Notwithstanding any other provisions of this Policy, the acquisition of the items listed in *Schedule B – Exempt Goods and Services* do not fall under the guidelines of the Procurement Policy and shall be subject to applicable Policies and Procedures established from time to time.

8.03 Procurement Approval Authority Level Schedule

8.03.1 Goods and services including professional and consulting services:

- a) The Municipality adheres to an established Procurement Approval Authority Level Schedule (PAALS) for procurement of goods and services including professional and consulting services (*Schedule A – Procurement Approval Authority Level Schedule*).
- b) The PAALS identifies, for each procurement method, authorities that are allowed to approve procurements for different dollar thresholds.
- c) The PAALS has been approved by Municipal Council.

Procurement Procedures

- d) Prior to commencement, any procurement of goods and services including professional and consulting services must be approved by an appropriate authority in accordance with the PAALS of the Municipality.
- e) Prior to commencement, any non-competitive procurement of goods and services greater than \$10,000 including professional and consulting services must be approved by an authority one level higher than the PAALS requirements for competitive procurement.

8.03.2 The Municipality must conduct an open competitive procurement process where the estimated value of procurement of goods or services is \$10,000 or more. Any exemptions must be in accordance with the applicable trade agreements.

8.03.3 The following are authorized procedures and project cost limits for the procurement of goods, services or construction:

Procurement Method	Project Cost
Petty Cash	\$100 or less
Credit Card/Purchasing Card	\$5,000 or less
Purchase Order	>\$5,000
Direct Acquisition (e.g. on account; by invoice)	\$10,000 or less
Request for Quotation	\$10,000.01 to \$25,000
Request for Tender	>\$25,000
Request for Proposal	>\$25,000
Request for Standing Order	\$100,000 or less
Aggregated Purchasing Arrangements	If available

8.04 Contracts Requiring Prescribed Council Approval

8.04.1 Despite any other provision of this Policy, the following contracts are subject to Council approval:

- a) any contract requiring approval from the Ontario Municipal Board or successor;
- b) any contract prescribed by Statute to be made by Council;
- c) where the cost amount proposed for acceptance is higher than the Council approved departmental budget and the necessary adjustments cannot be made within the departmental budget;
- d) where the revenue amount proposed for acceptance is lower than the Council approved departmental budget;
- e) where a Substantive Objection emanating from the bid solicitation has been filed with the Department Head or with the CAO;

- f) where a major irregularity precludes the award of a tender to the supplier submitting the Lowest Responsive Bid; and
- g) where authority to approve has not been expressly delegated.

8.05 Requirement for Approved Funds

8.05.1 Net Departmental expenditures are authorized by Council each year as part of the Annual Budget process. Upon Council's approval of proposed budgetary estimates, this Policy shall govern the levels of authority for approvals required for the expenditures. Capital purchases approved for specific projects and values shall be considered as approved by Council and further Council approval will be required only in the event of an irregular result (e.g. insufficient bids) or bids received over the allocated budgeted figure.

8.05.2 The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Council approved budget. Budgets may from time to time be altered by Council resolution. It shall be the responsibility of the Department Head to ensure sufficient funds remain prior to commencement of the procurement process. This shall include verifying of budgeted funds to those already committed to ensure available funds.

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

- a) the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates; and
- b) The requirement for the goods or services will continue to exist in subsequent years and in the opinion of the Treasurer, the required funding can reasonably be expected to be made available.

8.05.4 The Treasurer will co-ordinate all leasing requirements including term capitalization rate, lease vs. buy (or other) analysis, etc. The Treasurer will ensure that all lease commitments comply with Municipal Act 2001 as amended and regulations made there under and with the Municipality's Municipal Financial Leasing Policy.

8.06 Contract Without Budgetary Appropriation

8.06.1 Where a requirement exists to initiate a project for which goods, services or construction are required and funds are not contained in appropriate accounts within the Council approved departmental budget to meet the proposed expenditure, the Department Head shall, prior to the commencement of the purchasing process, submit a report through the appropriate Standing Committee and/or Council containing:

- a) information surrounding the requirement to contract;
- b) the terms of reference to be provided in the contract, and

Procurement Procedures

- c) information on the availability of the funds within existing estimates, which were originally approved by Council for other purposes or on the requirement for additional funds.

8.07 Multi Departmental Projects

- 8.07.1 Where a requirement has corporate-wide application or applies to two or more departments, one Department Head shall manage the procurement and be accountable for the authorization of the procurement while keeping the other affected Department Heads informed.
- 8.07.2 The department whose budget provides for the acquisition of goods and services shall be responsible for the preparation and approval of all specifications to be used for the acquisition of such goods or services and for consultation with other Municipal Departments as appropriate.

8.08 Requirement for Specific Terms of Reference

- 8.08.1 The Department Head shall provide specific Terms of Reference for services for contracts of an estimated value greater than \$25,000.
- 8.08.2 A general scope established by the Department Head that describes requirements in less detail than for a Terms of Reference, is sufficient for contracts of an estimated value of \$25,000 or less.

8.09 Specifications

- 8.09.1 Wherever practical, specifications should be considered that are not detailed and leave room for potential suppliers to provide alternatives in the event of equal or better proven product or method is available.
- 8.09.2 Suppliers or potential suppliers shall not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from suppliers.
- 8.09.3 When such services are required of a consultant for defining specifications as noted above, the following actions should take place:
 - a) the Treasurer shall be advised;
 - b) the contracted Vendor will be considered a consultant and unable to make an offer for the supply of the goods and services;
 - c) a fee shall be paid; and
 - d) the detailed specification shall become property of the Municipality of Dysart et al for use in obtaining competitive bids.
- 8.09.4 Procurement documentation shall avoid use of specific products or brand names whenever possible.
- 8.09.5 The use of standards in procurement documentation that have been certified, evaluated, qualified, registered or verified by independent nationally

Procurement Procedures

recognized and industry sponsored organizations(e.g. Standards Council of Canada) shall be preferred.

8.09.6 A Department Head may with the approval of the CAO, specify a specific product or brand name for essential functionality purposes, to avoid unacceptable risk or for some other valid purpose. In such instances, the Department Head shall manage the procurement to achieve a competitive situation if possible.

8.09.7 Department Heads shall:

- a) give consideration to the need for value analysis comparisons of options or choices, and;
- b) ensure that adequate value analysis comparisons are conducted to provide assurance that the specification will provide best value.

8.10 Procurement Records Retention

8.10.1 For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information must be retained in a recoverable form for a period of seven years.

8.10.2 The Municipality's Retention Policy states how documents are handled and stored in order to maintain the suppliers' confidential and commercially sensitive information.

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9.00 Competitive Methods of Procurement

The following processes are used to give effect to the purpose of this Policy:

9.01 Information Gathering – Request for Information (RFI)

9.01.1 Where results of informal supplier or product research are insufficient, formal processes such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) may be used if warranted, taking into consideration the time and effort required to conduct them.

9.01.2 A response to RFI or RFEI must not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.

9.02 Request for Expressions of Interest (REI)

9.02.1 A Request for Expressions of Interest shall be used to determine the interest of the market place to provide scope of work or services contemplated to be procured by the Municipality.

9.03 Request for Supplier Pre-Qualification (RFSPQ)

9.03.1 A Request for Supplier Pre-Qualification may be used and precede a request for Tenders, Quotations, or Proposals in order to identify and pre-select bidders, where it is deemed that the nature and complexity of the work involved warrants the time and effort to pre-select the most experienced and qualified bidders.

9.03.2 The Request for Supplier Pre-Qualification (RFSPQ) enables the Municipality to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions.

9.03.3 Terms and conditions of the RFSPQ document must contain language that disclaims any obligation of the Municipality to call on any supplier to provide goods or services as a result of pre-qualification.

9.04 Informal Request for Quotations (IRFQ)

9.04.1 An Informal Request for Quotations, conducted by means of e-mail, telephone, fax or other similar methods, Vendor catalogues or Vendor advertisement, to a minimum of three bidders, where possible, may be used when the goal is to obtain low dollar value (e.g. \$10,000 or less), prompt service procurement of goods and services, in an expeditious and cost effective manner.

9.05 Purchases \$10,000.01 to \$25,000 – Request for Quotation (RFQ)

- 9.05.1 The procedure used to make purchases exceeding \$10,000 shall include evidence that the Department Head obtained a minimum of three written quotes. In the event that three quotes are not received, approval from the CAO is required to accept a quote, otherwise, the call shall be re-issued.
- 9.05.2 Requirements estimated at \$25,000 or less, should be handled by the Request for Quotation procedure; however, there may be requirements estimated at \$25,000 or less where it will be more appropriate to solicit bids using a Request for Tender, Request for Proposal or Request for Standing Order.
- 9.05.3 In advance of a solicitation, the Department Head shall be responsible for the development of specifications, terms and conditions for the purchase of goods, services or construction.
- 9.05.4 A Request for Quotations shall be used to obtain goods and services whenever the requirements can be precisely defined and the goal is that the lowest bid meeting the requirements specified would be accepted, subject to any other provisions in this Policy.
- 9.05.5 Request for Quotation shall be used where a requirement can be fully defined and best value for the Municipal can be achieved, by an award selection made on the basis of the Lowest Responsive Bid.
- 9.05.6 Bid solicitation is done primarily on an invitational basis from a predetermined bidders list but may be supplemented with public advertising of the procurement opportunity.
- 9.05.7 Department Heads may award contracts emanating from a Request for Quotation \$25,000 or less provided that:
 - a) Sufficient funds are available and identified in appropriate accounts within Council approved departmental budgets, including authorized revisions;
 - b) the contract is approved by the CAO; and
 - c) the award is to the Lowest Responsive Bidder, provided the provisions of this Policy are followed.
- 9.05.8 Written documentation respecting the award of the contract is to be kept in a procurement file.
- 9.05.9 The purchase of goods, services or construction shall be made through the issue of a supplier invoice.

9.06 Purchases Over \$25,000 – Request For Tender (RFT)

- 9.06.1 Request for Tenders procedures, shall be used where a requirement can be fully defined.
- 9.06.2 A Request for Tender shall be used for purchases over \$25,000, where all of the following criteria apply:

Competitive Methods of Procurement

- a) two or more sources are considered capable of supplying the requirement;
- b) the requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria;
- c) the market conditions are such that tenders can be submitted on a common pricing basis; and
- d) it is intended to accept the Lowest Responsive Bid.

9.06.3 A Request for Tenders shall be used to obtain bids for construction, whenever the requirements can be precisely defined and best value for the Municipality can be achieved, by an award selection made on the basis of the Lowest Responsive Bid meeting the requirements specified in the Request would be accepted, subject to any other provisions in this Policy

9.06.4 In advance of a solicitation, the Department Head or designate, shall develop the relevant specifications, terms and conditions for the acquisition of goods, services and construction.

9.06.5 The Department Head shall recommend the award of contract to the Lowest Responsive Bidder.

9.06.6 The CAO may award contracts up to \$100,000 emanating from a Request for Tender provided that:

- a) the award is to the Lowest Responsive Bidder, and
- b) sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions.

9.06.7 Written notification respecting the award of the contract is to be kept in a procurement file.

9.06.8 An agreement, contract or Purchase Order shall be used by the Department Head to award the contract.

9.06.9 Awards emanating from a Request for Tender that are greater than \$100,000 require Council approval.

9.07 Purchases Over \$25,000 – Request For Proposal (RFP)

9.07.1 A Request for Proposal shall be used to obtain goods and services of a unique or complex nature where:

- a) all or part of the requirements cannot be precisely defined;
- b) it is not practical to prepare precise specifications which permit bids or readily comparable products;
- c) the requirements of the Municipality are best described in a general performance specification,
- d) innovative solutions are sought; or
- e) alternatives to detailed specifications will be considered.

Competitive Methods of Procurement

- 9.07.2 The process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices prior to selection.
- 9.07.3 The expectation is that the proposal offered by the highest ranking proponent meeting the requirements of the specified request would be accepted.
- 9.07.4 Proposals will be evaluated on the basis of quantitative and qualitative criteria by the Evaluation Committee.
- 9.07.5 Request for Proposals will normally be evaluated and scored according to the following criteria:
- a) understanding of the assignment;
 - b) capabilities of firm or project team;
 - c) previous experience on assignments of a similar nature;
 - d) past performance in the provision of services to the Municipality of Dysart et al;
 - e) quality of submission;
 - f) cost savings and/or process improvements for the Municipality;
 - g) project schedule;
 - h) cost; and
 - i) other criteria, as may be appropriate, for the services being sought.
- 9.07.6 The Request for Proposal document issued by the Municipality will identify the weighting given to each criterion.
- 9.07.7 Request for Proposals are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission. If only one proposal is received, the Department Head has the option of not opening the proposal and closing the call for proposals.
- 9.07.8 A Request for Proposal should be used where one or more of the criteria for issuing a Request for Tender cannot be met, such as:
- a) owing to the nature of the requirement, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution rather than on price alone; or
 - b) it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement prior to selection.
- 9.07.9 In advance of a solicitation, the Department Head or designate, shall develop terms of reference and evaluation criteria to be applied in assessing the Proposals submitted.
- 9.07.10 Where the requirement is not straightforward or an excessive workload would be required to evaluate Proposals, either due to their complexity, length, number or any combination thereof, a multi-step procedure may be used that

Competitive Methods of Procurement

would include a pre-qualification stage, to ensure the workload is at a manageable level.

9.07.11 An Evaluation Committee shall be established to review all Proposals against pre-established criteria and reach consensus on the final rating results. The final rating results with supporting documents are to be kept in a procurement file.

9.07.12 The CAO may award a contract of up to \$100,000, emanating from a Request for Proposal provided that:

- a) sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions;
- b) the award is made to the supplier meeting all mandatory requirements and providing best value, as stipulated in the Request for Proposal; and
- c) the provisions of this Policy are followed.

9.07.13 Written notification respecting the award of the contract is to be kept in a procurement file.

9.07.14 Awards emanating from a Request for Proposal that are greater than \$100,000 require Council approval.

9.08 Standing Order Purchases

9.08.1 A Request for Standing Order may be used where:

- a) one or more departments repetitively order the same goods or services and the actual demand is not known in advance for the next twelve month period; or
- b) a need is anticipated for a range of goods, services and construction for a specific purpose, but the actual demand is not known at the outset for the next twelve month period and delivery is to be made when a requirement arises.

9.08.2 Each department shall establish and maintain Standing Orders that define source and price with selected suppliers for all frequently used goods or services.

9.08.3 To establish prices and select sources, the department shall employ the provisions contained in this Policy for the acquisition of goods, services and construction.

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

9.08.5 Where a purchasing action is initiated by a department for frequently used goods or services, for which a Standing Order is in place and the value of the purchasing action exceeds \$1,000, it is to be made with the supplier or suppliers listed in the Standing Order.

Competitive Methods of Procurement

- 9.08.6 In a Request for Standing Order, the expected quantity of the specified goods or services to be purchased over the time period of the agreement, will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.
- 9.08.7 A call-up against a Standing Order is considered to be an individual contract and the normal contract award prescribed limits apply, unless otherwise stated in the original approval document.
- 9.08.8 Purchases invited under a Standing Order process shall not exceed \$10,000 per occurrence.
- 9.08.9 Request for Standing Orders require that an advertisement be placed in at least one local newspaper with circulation in all or a major portion of the Municipality. Notice must also be placed on the Municipality's website.

9.09 Vendors of record

- 9.09.1 The Municipality utilizes the Ministry of Government and Consumer Services' Vendor of Record (VOR) arrangements when they meet our needs.
- 9.09.2 When this type of procurement process is used directly for procuring goods or services, a standing agreement/offer is in place. The goals are to have a qualified, reliable, cost effective provider available when the need arises without facing the administrative costs of obtaining several quotes.
- 9.09.3 VOR procurement may be used when:
 - a) there is a repetitive need for the good or service;
 - b) the actual quantity required cannot be precisely anticipated, but delivery is to be made when a requirement arises; or
 - c) the criteria for evaluating the bids can be fully defined in advance and price is the primary factor.

10.00 Non-Competitive Procurement

10.01.1 The goal of non-competitive procurement is to:

- a) allow for pricing in an efficient and effective manner without seeking competitive pricing (e.g. for procurement \$10,000 or less);
- b) provide for exceptions to the procurement requirements of interprovincial trade agreements; and
- c) provide for any additional exceptions stipulated in the Municipality's purchasing bylaw, resolution or policies providing they are not in contravention of interprovincial trade agreements.

10.01.2 The Municipality should employ a competitive procurement process to achieve optimum value for money. It is recognized, however, that special circumstances may require The Municipality to use non-competitive procurement.

10.01.3 The Municipality may utilize non-competitive procurement only in situations outlined in the exemption, exception, or non-application clauses of the AIT or other trade agreements.

10.01.4 Prior to commencement of non-competitive procurement, supporting documentation must be completed and approved by an appropriate authority within the Municipality.

10.01.5 A Non-Competitive procurement process shall only be used if one or more of the following conditions apply and a process of negotiation is under taken to obtain the best value in the circumstances for the Municipality:

- a) The goods and services are only available from one source or one supplier because there is:
 - i) a statutory or market based monopoly;
 - ii) scarcity of supply in the market;
 - iii) existence of exclusive rights (patent, copyright or licence);
 - iv) a need for compatibility with goods and services previously acquired and there are no reasonable alternatives, substitutes or accommodations; or
 - v) a need to avoid violating warranties and guarantees where service is required.
- b) An attempt to purchase the required goods and services has been made in good faith using a competitive method and has failed to identify a successful supplier or resulted in no bids.
- c) The goods and services are required as a result of an emergency, which would not reasonably permit the use of the other methods permitted.

Non-Competitive Procurement

- d) The required goods and services are to be supplied by a particular Vendor or supplier having special knowledge, skills, expertise or experience which cannot be provided by any other supplier.
- e) The nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidential matters.
- f) Where only one source of supply would be acceptable and/or cost effective due to compatibility, or safety and liability concerns,
- g) Where the possibility of a Follow-On Contract was identified in the original bid solicitation.
- h) Where the requirement is for a utility for which there exists a monopoly.
- i) Where purchases are being made from a Vendor of record that is available to the Municipality.

10.01.6 When a Department Head intends to select a supplier to provide goods, services or construction, the CAO is to be advised in writing of the compelling rationale that warrants a non-competitive selection for approval.

10.01.7 The Department Head shall follow the provisions regarding the use of a Formal Agreement or Purchase Order.

10.01.8 Any non-competitive contract that does not satisfy these provisions is subject to the CAO's approval.

10.01.9 Routine Departmental requirements for paper products, office supplies may be purchased without formal competition provided it can be demonstrated that fair market value is attained.

10.01.10 The Department Head or CAO may directly select a supplier to provide professional services without obtaining quotes where the total cost of the professional services does not exceed \$10,000.

10.02 Purchases of \$100 or Less – Petty Cash

10.02.1 The Treasurer shall have authority to establish Departmental Petty Cash fund to meet the requirements of the department for the acquisition of goods, services or construction having a value of \$200 or less.

10.02.2 Expenditures \$100 or less including purchases of goods, services and construction may be made from Petty Cash in any one instance. Petty Cash should only be used when it is not feasible to use a Procurement Card.

10.02.3 Purchases made shall be made from the competitive marketplace wherever possible.

10.02.4 All petty cash disbursements shall be evidenced by vouchers and shall be processed through the Finance Department.

10.03 Purchases \$10,000 or Less – Direct Acquisition

- 10.03.1 Purchase \$10,000 or less may be purchased by direct acquisition (e.g. on account, by invoice).
- 10.03.2 Payment for direct purchases of goods, services or construction \$5,000 or less in value, incurred in the general administration of a department, may be made using a properly authorized Procurement Card (maximum \$5,000).
- 10.03.3 The procedure used to purchase the goods, services or construction shall demonstrate that fair market value was achieved.
- 10.03.4 For purchases \$10,000 or less in value, the Department Head may delegate their authority to a designate, provided the designate follow the requirements of this Policy.

10.04 Sole Source Procurement

- 10.04.1 Sole sourcing is the procurement of a good or service that is unique to a particular Vendor and cannot be obtained from another source.
- 10.04.2 Purchase by negotiation may be adopted, if in the judgment of the Treasurer and in consultation with the requisitioning Department Head any of the following conditions apply:
 - a) goods and services are in short supply due to market conditions;
 - b) the sources of supply are restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to any of the following:
 - i) components or replacement parts for which there is no substitute;
 - ii) there is only one Vendor who can provide the Commodity by the specified date required; or
 - iii) specific standards are adopted by Council.
 - c) work is required at a location where a contractor has already been secured through a tender process, with established unit prices by another party and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed for the Municipal;
 - i) after the RFP process has closed, it may be necessary for discussion to clarify and/or make significant revision(s) to the initially defined requirements of the call for quotations/proposals;
 - ii) when only one bid/proposal is received through the procurement process and it is impractical to recall the requirements of the call for quotations/proposals; and

Non-Competitive Procurement

- iii) there is documented evidence that the extension or reinstatement of an existing contract would prove most cost effective or beneficial.

10.05 Single Source

10.05.1 Single sourcing is the procurement of a good or service from a particular Vendor rather than through solicitation of bids from other Vendors who can also provide the same item.

10.05.2 When there is more than one source in the open market, but for reasons of standardization, function or service, one Vendor is recommended for consideration of the particular commodity, such as:

- a) compatibility with an existing product, facility or service is required; and
- b) the Vendor for function or service has skills related to and existing knowledge of the nature of the service.

10.05.3 The Department Head requesting a Sole or Single Source must submit a Sole/Single Source Approval Form to the Treasurer outlining the justification of the request. Upon approval by the Treasurer further approval shall be required by the CAO, to the extent of the CAO approval level as set out in this Policy, above which Council approval shall be required.

10.06 Emergency Procurement

10.06.1 Notwithstanding the provisions of this Policy, the following shall only apply in case of an emergency, when an event occurs that is determined by a Department Head or the CAO to be:

- a) a threat to public health;
- b) the welfare of persons or of public property; or
- c) the security of the Municipality's interests and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive bids.

10.06.2 Wherever feasible, the Department Head shall secure by the most open market procedure at the lowest obtainable price, any goods and services required for procurement \$10,000 or less:

10.06.3 In the event of an emergency situation requiring expenditures in excess of \$10,000, the Department Head shall obtain the prior approval of the CAO.

10.06.4 An information report shall be submitted to Council explaining the actions taken and the reason(s) therefore.

10.06.5 A purchase order shall be issued.

10.07 Standardization

10.07.1 It shall be the Policy of the Municipality, wherever possible to standardize goods and services purchased to allow for:

- a) reducing the number of goods and services required;
- b) increased volume on common items or service;
- c) maximizing volume buying opportunities;
- d) providing economies of scale;
- e) reducing handling, training and storage costs;
- f) minimizing maintenance costs;
- g) cooperative purchasing activities; or
- h) more competitive bid results.

11.00 Exceptions & Exemptions to Methods of Procurement

11.01 Volatile Market Conditions

11.01.1 Notwithstanding the provisions of this Policy, where market conditions are such that long term price protection cannot be obtained for goods and services, the Department Head will obtain competitive prices for short term commitments until such time a reasonable price protection and firm market pricing is restored.

11.01.2 The Department Head, subject to Council approval, may extend a current contract until market conditions stabilize.

11.02 Cooperative purchasing and/or joint ventures

11.02.1 The Municipality may participate with other government agencies or public authorities in the cooperative acquisition ventures where it is determined to be in the best interest of the Municipality to do so.

11.03 Unsolicited Quotations or Proposals

11.03.1 Unsolicited Quotations or Proposals will not be accepted.

12.00 Contract Considerations

12.01 Follow-On Contracts

- 12.01.1 Where a reasonable likelihood exists that on completion of a contract, it will be necessary to award a non-competitive contract for Follow-On goods or services, the Department Head shall ensure that the possibility of a Follow-On contract will be identified in the original bid solicitation.
- 12.01.2 Department Heads may authorize Follow-On goods or services provided total amended value of the contract is within the approval authority of the Department Head.
- 12.01.3 The CAO may authorize Follow-On goods or services provided the total amended value of the contract is within the CAO's approval authority.
- 12.01.4 Contracts that exceed the CAO's approval limits must be approved by Council.

12.02 Contract Amendments and Revisions (scope change)

- 12.02.1 No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- 12.02.2 Amendments to contracts are subject to the identification and availability of sufficient funds in the appropriate accounts within Council approved department budget, including authorized revisions.
- 12.02.3 Department Heads may authorize amendments to contracts provided that the total amended value of the contract is within the approval authority of the Department Head.
- 12.02.4 The CAO's approval is required for amendments to contracts where the total amended value of the procurement reaches the CAO's approval threshold.
- 12.02.5 Council approval is required for amendments to contracts where the total amended value exceeds the CAO's approval threshold.

12.03 Contract Renewals

- 12.03.1 Where the original contract contains an option to renew or a renewal clause stipulating the provisions of what is acceptable for a renewal, the Department Head may authorize the renewal without Council approval by by-law provided that:
 - a) the supplier's performance in supplying the goods, services or construction, is considered to have met the requirements of the contract,
 - b) the Department Head agrees that the renewal option is in the best interest of the Municipal, and,

Contract Considerations

- c) funds are available in appropriate accounts within the Council approved budget, including authorized revisions, to meet the proposed expenditure.

12.03.2 Where a contract contains an option for renewal, the authorization from the Department Head shall include a written explanation to the CAO as to why the renewal is in the best interest of the Municipal, which shall include comment on the market situation and trend.

12.03.3 The renewal information shall be reported to Council.

13.00 Official Point of Contact and Lobbying Prohibition

- 13.01.1 An official point of contact shall be named in all Requests to respond to all communications in respect of the Request from the time of issuance, during the competitive process, and up to and including the announcement of award.
- 13.01.2 Should it be necessary or desirable to have a contact person to respond to technical issues that person shall also be named.
- 13.01.3 All communications with respect to a Request must be made to an official point of contact named in the request.
- 13.01.4 Vendors, or any representatives employed or retained by them, and any unpaid representatives acting on behalf of either, are strictly prohibited from communicating, either verbally or in writing, with any other Municipal staff, Municipal official or member of Municipal Council with respect to any Request from the time of its issuance until the time of award.
- 13.01.5 Any Vendor found to be in breach of the Policy will be subject to disqualification from the Request or a future Request(s) in the discretion of Council.

14.00 Notification Requirements

14.01 Posting Competitive Procurement Documents

- 14.01.1 Request for Quotations do not require formal advertising.
- 14.01.2 Request for Tenders must be advertised on an Electronic Tendering System that is readily accessible by all Canadian suppliers (e.g. Biddingo) and the Municipality's website. Additionally, at the discretion of the Department Head, RFT's may be advertised in a local, regional, and/or construction newspaper. The Department Head may elect to use this process for projects valued \$25,000 or under.
- 14.01.3 Request for Proposals must be advertised on an Electronic Tendering System that is readily accessible by all Canadian suppliers (e.g. Biddingo) and the Municipality's website. Additionally, at the discretion of the Department Head, RFP's may be advertised in a local, regional, and/or construction newspaper. The Department Head may elect to use this process for projects valued \$25,000 or under.
- 14.01.4 Request for Standing Orders require that an advertisement be placed in at least one local newspaper with circulation in all or a major portion of the Municipality. Notice must also be placed on the Municipality's website

14.02 Timelines for Posting Competitive Procurements

- 14.02.1 The Municipality must provide suppliers a minimum response time of 15 calendar days for procurement of goods and services valued at \$25,000 or more.
- 14.02.2 The Municipality must consider providing suppliers a minimum response time of 30 calendar days for procurements of high complexity, risk, and/or dollar value.

14.03 Local Services

- 14.03.1 Only services which are expected to be filled locally are advertised in the local paper (e.g. roadside grass mowing, garage door installations).
- 14.03.2 Diesel and propane are sourced locally by direct request (telephone or e-mail).
- 14.03.3 Direct requests maybe sent to any organizations that may be able to provide the goods or services required.
- 14.03.4 .At the discretion of the Department Head, and in consultation with the CAO, other means of notification may be used.

15.00 Receipt, Opening and Review of Bid Documents Procedure

15.01 Bid Receipt

15.01.1 Bid submission date and closing time must be clearly stated in competitive procurement documents.

15.01.2 The Municipality must set the closing date of a competitive procurement process on a normal working day (Monday to Friday, excluding provincial and national holidays).

15.02 Refusal of Bid

15.02.1 The Municipality will refuse to accept any Bid submission that is:

- a) not sealed;
- b) received after the closing deadline;
- c) submitted after a Bid has been cancelled; or
- d) from a bidder with active or pending litigation associated with prior contracts against the Municipality.

15.03 Withdrawal of Bid

15.03.1 Requests for withdrawal of a Bid shall be allowed if the request is made before the closing time for the contract to which it applies.

15.03.2 Requests must be directed to the Department Head by letter or in person, by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered.

15.03.3 The withdrawal of a Bid does not disqualify a bidder from submitting another Bid on the same contract.

15.04 Time and Date Stamped

15.04.1 Bid envelopes shall be time and date stamped and initialled by the person receiving the Bid, and placed in a secure location until the Bid opening.

15.05 Number of Bids and Bidder Name not to be Divulged

15.05.1 The number of Bids received and the names of Bidders are confidential and shall not be divulged prior to the Bid opening.

15.06 Bid Envelopes

15.06.1 Bids shall be received in an envelope clearly marked as to contents, including:

Receipt, Opening and Review of Bid Documents Procedure

- a) Bid Number and Title
- b) Name of Bidding Firm
- c) Bid Closing Day, Date & Time
- d) Bidder's Name, Business Address and Phone Number
- e) Municipality of Dysart et al
- f) Department to which the Bid is directed including the address of the location to which Bids are to be submitted

15.07 Bids Received After Closing Time and Date

15.07.1 Bids received after the closing time shall be noted and returned unopened to the Bidder, as soon as possible.

15.07.2 If a late Bid is received without a return address on the envelope it shall be opened, the address obtained, and then returned. The covering letter will advise why the envelope could not be returned unopened.

15.08 Alternative Bids

15.08.1 Unsolicited alternative Bids shall not be considered.

15.09 Two Bids for Same Contract in Same Envelope

15.09.1 If two bids for the same Contract are received in the same envelope, the bids must be contained in separate envelopes within the exterior envelope and must be marked as Bid A and/or Bid B.

15.09.2 If two bids for the same Contract are received in the same envelope (e.g. Vendor's copy included), the signed copy, or if both are properly executed and prices differ, the lower price copy, shall be considered the intended Bid, which shall be processed in the normal manner.

15.10 Two Bids Same Contract - Different Envelopes

15.10.1 If two Bids for the same contract are received in different envelopes the envelope with the latest date and time received shall be considered the intended Bid.

15.11 Bids Received By

15.11.1 Bids shall be received by the Clerk's Department.

15.12 Bid Opening

15.12.1 Bids shall be opened in the presence of the Evaluation Committee.

Receipt, Opening and Review of Bid Documents Procedure

- 15.12.2 The names of those individuals in attendance, the time and date of the opening, the names of the firms submitting a Bid, the completeness of each Bid received, and the total Bid price of each Bid shall be recorded at the opening.

15.13 Public Openings

- 15.13.1 Request for Quotes and Request for Tenders estimated to be over \$50,000 are to be opened by the official point of contact and other staff at the time and location specified in the call document.
- 15.13.2 Request for Quotes and Request for Tenders estimated to be under \$50,000 may not be opened in a public forum but results will be available for review upon written request to the official point of contact.
- 15.13.3 Requests for Proposals are not opened in public regardless of the estimated dollar value as dollar value is only one criteria on which an award is made for proposals.

15.14 Bid or Proposal Irregularities

- 15.14.1 Each sealed bid received in response to a bid request will be reviewed to determine whether a bid irregularity exists.
- 15.14.2 A bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response.
- 15.14.3 For the purposes of this Policy, bid irregularities are further classified as "major irregularities" or "minor irregularities".
- 15.14.4 A "major irregularity" is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. The Department Head must automatically reject any bid, which contains a major irregularity. The bidder will be notified of the rejection due to the major irregularity.
- 15.14.5 A "minor irregularity" is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The Department Head may permit the bidder to correct a minor irregularity.
- 15.14.6 The Department Head and CAO will be responsible for all action taken in dealing with bid irregularities, and acts in accordance with the nature of the irregularity.
- 15.14.7 In the event that a bid is withdrawn due to the identification of a major irregularity (either by the Vendor or by the Municipality), the Municipality may disqualify such Vendor from participating in Municipality quotations/tenders/requests for proposals for a period of up to one year.

Receipt, Opening and Review of Bid Documents Procedure

15.14.8 The process for administering irregularities contained in bids pertaining to all contracts, are set out in [Schedule F – Bid Irregularities](#).

15.15 No Acceptable Bid or Equal Bids Received

15.15.1 Where bids are received in response to a Bid Solicitation but exceed budget, are not responsive to the requirement or do not represent fair market value, a revised solicitation shall be issued in an effort to obtain an acceptable bid.

15.15.2 The Department Head may waive the need for a revised bid solicitation and enter negotiations with the Lowest Responsive Bidder emanating from a bid solicitation under the following circumstances:

- a) the total cost of the Lowest Responsive Bid is in excess of the funds appropriated by Council for the project, and
- b) the Department Head and the CAO agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.

15.15.3 In the case of building construction contracts, where the total cost of the Lowest Responsive Bid is in excess of the appropriation made by Council, negotiations shall be made in accordance with the guidelines established by the most current Canadian Construction Documents Committee.

15.15.4 If two equal bids are received, the following process shall be employed as a means of breaking the tie:

- a) the names of the tied bidders shall be placed in a container; and
- b) the bid to be recommended to Council for award, shall be drawn by the CAO or designate, in the presence of the Department Head or designate and the Treasurer or designate.

15.16 Tied Bids

15.16.1 In order to minimize the risk of tied bids, procurement calls should include such terms and conditions that promote best overall value and allow responses to be evaluated accordingly. This includes but is not limited to such considerations as price (including discounts and prompt payment terms), quality, delivery (including response time), service and past performance.

15.16.2 All things being equal, and two or more low Bids have been received in the same amount, the names of the tied Bidders shall be placed in a container and the bid to be recommended to Council for award, shall be drawn by the CAO or designate, in the presence of the Department Head or designate and the Treasurer or designate.

15.16.3 The results of the draw are to be recorded and witnessed by all parties present and the award shall be reported in accordance with the requirements of the Municipality's purchasing and financial control policies.

15.17 Mathematical Errors - Rectified by Staff

- 15.17.1 All call documents shall include a statement indicating that where there is a discrepancy between the total price and the unit price, the unit price shall prevail.
- 15.17.2 During the bid evaluation process, where any discrepancy exists between the total price and the unit price, the unit price shall prevail and the total bid price shall be adjusted accordingly.
- 15.17.3 The Department Head will correct errors in mathematical extensions and/or taxes, and the unit prices will govern. If, based on the corrected total the required bid deposit is insufficient, the bidder shall be notified and will be given two working days to rectify the issue or the bid will be automatically rejected.

15.18 All Bids Received are Over Budget

- 15.18.1 At such time that a Bid closes, the competition is over.
- 15.18.2 If a project is over-budget, the Bid shall be cancelled and the scope of the project reviewed prior to re-bid.
- 15.18.3 If complete re-Bid is not financially viable or the project is required immediately, as determined by the Department Head, two procedures are acceptable:
 - a) Negotiate with the low bidder; or
 - b) Re-Bid via post Bid addendum to the lowest three bidders, provided that there are tangible changes in the scope of work, and with a view to bringing the cost of the project to within the budget.
- 15.18.4 Acquisition by negotiation may be adopted if any of the following conditions apply:
 - a) goods and services are in short supply due to market conditions;
 - b) the source of supply is restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to any of the following:
 - i) components or replacement parts for which there is not a substitute;
 - ii) compatibility with an existing product; or
 - iii) specific standards have been adopted by Council;
 - c) two or more identical bids have been received;
 - d) all responsive bids meeting the specifications and the terms and conditions exceed the approved budget for the goods and services and it is impractical to re-bid;
 - e) all bids received are found to not meet the specifications or terms and conditions and it is impractical to re-bid;

Receipt, Opening and Review of Bid Documents Procedure

- f) there is documented evidence that the extension or reinstatement of an existing contract would be the most cost-effective or beneficial;
- g) work is required at a location where a contractor has already been secured through a bid process, with established unit prices and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed; or
- h) when the requirements have been bid twice and no responsive bids have been received.

15.19 Return of Bid Deposit Cheques

15.19.1 Immediately following the Bid opening, all Bid deposit cheques (other than those of the three lowest Bidders) shall be returned to the applicable Bidders by courier, registered mail, or pick-up by the Bidder. In the case of a pick-up, the person picking up the Bid deposit shall execute a receipt.

15.19.2 Upon receipt of the executed Contract (and all other required documents, such as bonds etc.) in a format acceptable to the Municipality, the deposit cheques of the Supplier and the second and third low Bidders shall be returned by courier, registered mail or picked-up and signed for by the Bidders.

15.20 Deposit Cheque Not to be Cashed Unless

15.20.1 The Bid Deposit cheques that are retained, shall not be cashed unless the deposit is forfeited as set out herein.

15.21 Cancellation of a Bid Solicitation

15.21.1 A Department Head may cancel a Bid Solicitation at any time.

The Department Head shall ensure that the confidentiality of any bid submitted is maintained in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended

16.00 Evaluation and Selection Procedure

16.01 Evaluation Process Disclosure

- 16.01.1 Competitive procurement documents must fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving tie score.
- 16.01.2 Competitive procurement documents must state that submissions that do not meet the mandatory criteria will be disqualified.

16.02 Evaluation Criteria

- 16.02.1 Evaluation criteria must be developed, reviewed and approved by an appropriate authority prior to commencement of the competitive procurement process.
- 16.02.2 All calls are to include clear specifications and evaluation criteria, terms and conditions that can be applied in a fair and consistent manner to all respondents.
- 16.02.3 Competitive procurement documents must clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including weight of each criterion if applicable.
- 16.02.4 Mandatory criteria (e.g., technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified.
- 16.02.5 Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.
- 16.02.6 All criteria must be non-discriminatory.
- 16.02.7 The evaluation criteria are to be altered only by means of addendum to the competitive procurement documents.
- 16.02.8 The Municipality may request suppliers to provide alternative strategies or solutions as a part of their submission. The Municipality must establish criteria to evaluate alternative strategies or solutions prior to commencement of the competitive procurement process. Alternative strategies or solutions must not be considered unless they are explicitly requested in the competitive procurement documents.
- 16.02.9 The Evaluation Committee will be responsible for evaluating all submissions.

16.03 Winning Bid

- 16.03.1 The submission that receives the highest evaluation score and meets all mandatory requirements set out in the competitive procurement document must be declared the winning bid.

16.04 Contract Award Notification

- 16.04.1 For procurements valued at \$100,000 or more, the Municipality must post, in the same manner as the procurement documents were posted, contract award notification. The notification must be posted after the agreement between the successful supplier and the Municipality is executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.

16.05 Non-Discrimination

- 16.05.1 The Municipality must not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.

17.00 Dispute Resolution

17.01 Bid Dispute Resolution

- 17.01.1 Competitive procurement documents must outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, fair, reasonable, and timely fashion.
- 17.01.2 Bid dispute resolution procedures must comply with bid protest or dispute resolution procedures set out in the applicable trade agreements.

17.02 Vendor Complaints

- 17.02.1 The Municipality is committed to the highest standards of integrity with respect to dealing with Vendor complaints. Complaints shall be handled with fairness and equity for all participants in a call.
- 17.02.2 All Vendor complaints with respect to a call, whether addressed to elected officials or the administrative staff, are to be referred to the official point of contact for resolution.
- 17.02.3 Objections to a recommendation for award must be in writing. The official point of contact shall review the objection and determine, whether the objection is material.
- 17.02.4 Where the objection is determined not to be material, the making of the award shall proceed in accordance with this Procurement Policy.
- 17.02.5 Where the objection is determined to be material and cannot be resolved, the award shall be made by Council in accordance with this Procurement Policy. In such case, the official point of contact and the Municipal official on whose behalf the call was made shall report to Council with respect to the recommendations for award. The official point of contact shall inform the Vendor of their right to make a deputation before Council dealing with the award and shall advise the Vendor to contact the Clerk's Office for further information on the deputation process. Upon hearing the deputation and considering the staff report, Council will make a decision with respect to the award.

17.03 Vendor Debriefing

- 17.03.1 All Vendors are entitled to a formal or informal debriefing, upon written request made to the official point of contact, to obtain feedback on why their bid was not successful.
- 17.03.2 For procurements valued at \$100,000 or more, The Municipality must inform all unsuccessful Vendors about their entitlement to a debriefing.
- 17.03.3 The Municipality must allow unsuccessful Vendors 60 calendar days following the date of the contract award notification to request a debriefing.

17.04 Vendor Performance

- 17.04.1 The Municipality shall maintain records of supplier performance on all contracts. The information shall be used to ensure contract compliance, to supplement a pre-qualification process or to justify an award to other than the low bidder where it can be demonstrated that such records are part of the evaluation process and criteria.

18.00 Contract Management

18.01 Executing the Contract

- 18.01.1 The agreement between the Municipality and the successful supplier must be formally defined in a signed written contract before the provision of supplying goods or services commences.
- 18.01.2 Where an immediate need exists for goods or services, and the Municipality and the supplier are unable to finalize the contract as described above, an interim purchase order may be used. The justification of such decision must be documented and approved by the appropriate authority.

18.02 Establishing the Contract

- 18.02.1 The contract must be finalized using the form of agreement that was released with the procurement documents.
- 18.02.2 In circumstances where an alternative procurement strategy has been used (e.g. a form of agreement was not released with the procurement document), the agreement between the Municipality and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods or services commences.

18.03 Termination Clauses

- 18.03.1 All contracts must include appropriate cancellation or termination clauses. The Municipality should seek legal advice on the development of such clauses.
- 18.03.2 When conducting complex procurements, The Municipality should consider, as appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

18.04 Term of Agreement Modifications

- 18.04.1 The term of the agreement and any options to extend the agreement must be set out in the competitive procurement documents. An approval by an appropriate authority must be obtained before executing any modifications to the term of agreement.
- 18.04.2 Extending the term of agreement beyond that set out in the competitive procurement document amounts to non-competitive procurement where the extension affects the value and/or stated deliverables of procurement.

18.05 Contract Management

- 18.05.1 Procurements and the resulting contracts must be managed responsibly and effectively.

Contract Management

18.05.2 Payments must be made in accordance with provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Any overpayments must be recovered in a timely manner.

18.05.3 Assignments must be properly documented. Supplier performance must be managed and documented, and any performance issues must be addressed.

18.05.4 To manage disputes with suppliers throughout the life of the contract, The Municipality should include a dispute resolution process in their contracts.

18.05.5 For services, The Municipality must:

- a) establish clear terms of reference for the assignment. The terms should include objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements; and
- b) ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

18.06 Action When Successful Bidder Does Not Finalize Contract

18.06.1 If a Contract has been awarded and the successful Bidder fails to sign the Contract or fails to provide any required documents (e.g. bonds) within the specified time, the Department may grant additional time to fulfil the necessary requirements or may recommend that either:

- a) the Contract be awarded to the next higher Bidder; or
- b) the Contract is cancelled.

18.06.2 In either case, the deposit of the originally awarded Bidder is forfeited to the Municipality.

18.07 Guarantees of Contract Execution and Performance

18.07.1 The Department Head may require that a bid be accompanied by a Bid Deposit or other similar security to guarantee entry into a contract.

18.07.2 In addition, the successful supplier may be required to provide a Performance Bond to guarantee the faithful performance of the contract and a Payment Bond to guarantee the payment for labour and materials to be supplied in connection with the contract.

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

18.07.4 At the discretion of the Department Head, prior to the commencement of work, evidence of liability insurance coverage may be obtained (by the Department Head), ensuring indemnification of the Municipality of Dysart et al from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the contract. When evidence of Liability

Contract Management

Insurance Coverage is obtained, it shall satisfy the requirements of the Treasurer.

18.07.5 Prior to payment to a supplier, an Independent Operators Status or Certificate of Clearance from the Workplace Safety and Insurance Board shall be required by the Department Head, ensuring all premiums or levies have been paid to the Board to date.

18.07.6 The Department Head shall ensure that the guarantee means selected will:

- a) not be excessive but sufficient to cover financial risks to the Municipal,
- b) provide flexibility in applying leverage on a supplier so that the penalty is proportional to the deficiencies, and comply with Provincial Statutes and Regulations.

18.07.7 Financial security for contract performance shall only be required where the Municipality will be exposed to costs if the contractor does not complete the requirements of the contract.

18.07.8 The Treasurer may release the holdback funds on construction contracts upon:

- a) the contractor submitting a Statutory Declaration that all accounts have been paid and that all documents have been received for all damage claims;
- b) receipt of clearance from the Workplace Safety and Insurance Board for any arrears of Workplace Safety and Insurance Board assessment;
- c) all the requirements of the Construction Liens Act being satisfied;
- d) where applicable, staff may conduct a title search without the assistance of the Municipal Solicitor to ensure that liens have not been registered, and
- e) certification from the Department Head, under whom the work has been performed, that the conditions of the contract have been satisfied.

18.08 Contractual Agreement

18.08.1 The award of contract may be made by way of a Formal Agreement or supplier invoice.

18.08.2 A Formal Agreement is to be used when the resulting contract is complex and will contain terms and conditions other than the Municipality's standard terms and conditions.

18.08.3 It shall be the responsibility of the Department Head and/or the Municipal Solicitor, to determine if it is in the best interest of the Municipality to establish a Formal Agreement with the supplier.

18.08.4 Where a Formal Agreement is required, the Formal Agreement may be reviewed and approved for execution by the Municipal Solicitor.

Contract Management

- 18.08.5 Where a Formal Agreement is required, as a result of the award of a contract by delegated authority, the Department Head shall execute the agreement in the name of the Municipality of Dysart et al per the PAAL Schedule.

18.09 Execution and Custody of Documents

- 18.09.1 Department Heads are authorized to execute Formal Agreements in the name of the Municipality for which the award was made by delegated authority.
- 18.09.2 Department Heads shall be responsible for the safeguarding of original purchasing and contract documentation, for the contracting of goods, services or construction, for which the award is made by delegated authority.

18.10 Term of Council

- 18.10.1 Where a contract term extends beyond the term of the Council, for which payment may or will be required, every effort will be made to ensure that subsequent Council approves sufficient funds to complete payments as set out in the contract, otherwise the contract must be terminated by the Municipality.

18.11 Cooperative Purchasing

- 18.11.1 The Municipality may participate with other government agencies or public authorities in Cooperative Purchasing, where it is in the best interests of the Municipality to do so.
- 18.11.2 The procurement policies of the Municipality or government agencies or public authorities calling the cooperative tender are to be the accepted policies for that particular tender.

18.12 Supplier Performance

- 18.12.1 The Department Head shall document evidence and advise the CAO and Treasurer in writing, where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety violations.
- 18.12.2 The CAO may, in consultation with the Department Head and the Municipal Solicitor, prohibit an unsatisfactory supplier from bidding on future contracts.

18.13 Receipt of Goods

- 18.13.1 The Department Head or designate, shall arrange for the prompt inspection of goods on receipt to confirm conformance with the terms of the contract and inform the Treasurer of discrepancies immediately.
- 18.13.2 The Department Head shall coordinate an appropriate course of action with the Treasurer, for any non-performance or discrepancies.

18.14 Access to Information

The disclosure of information received relevant to the issue of bid solicitations or the award of contracts emanating from bid solicitations, shall be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended

19.00 Reporting to Council

19.01.1 No report to Council is required where:

- a) the value of the goods and services is \$100,000 or less;
- b) the procedures defined by this Policy have been followed;
- c) the acquisition is within the approved departmental net budget amount; and
- d) the Lowest Responsive Bid is being recommended.

19.01.2 A report to Council requesting approval is required where:

- a) the value of the goods and services is over \$100,000;
- b) the Procurement Policy is being waived;
- c) the acquisition exceeds the approved capital budget;
- d) the Lowest Responsive Bid submission is not being recommended;
- e) there was no provision in the budget for the item;
- f) the CAO requests that a report be presented for Council consideration and approval;
- g) based on the above criteria, a contract executed by the Mayor and the Clerk in accordance to the reporting guidelines in this Policy;
- h) an extension of an existing contract exceeds twenty percent (20%) of the original contract value; or
- i) the value of the goods and services purchased in an Emergency exceeds \$10,000 and an information report is being submitted to Council explaining the actions and the reason(s) therefore.

19.01.3 Notwithstanding the requirements of this section;

- a) In case of pending litigation or other situations where it is deemed necessary, the CAO may authorize a private proposal.
- b) The CAO may request a report to Council under any circumstances.
- c) Department Head shall submit a report to Council identifying all bids issued and awarded.

19.01.4 All contracts will be held by the Clerk, in a central location, with copies being sent to the issuing department. The Department shall coordinate with the Clerk to ensure executed contracts are forwarded to the supplier.

Schedule A – Procurement Approval Authority Level Schedule

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

1. Goods and Services (excluding Consulting Services)					
Procurement Amount	Approval Authority	Type of Procurement	Type of Notification	Procurement Method and Payment Mechanism	Reporting Status
\$100 or less	Department Head or Designate	Non-competitive	No notification required	Direct purchase Petty Cash Funds	No report required
\$10,000 or less	Department Head or Designate	Non-competitive	No notification required	Direct purchase Purchase Card	No report required
\$10,000.01 - \$25,000.00	Department Head	Competitive RFQ	Advertised on web-site Direct invitation	Direct purchase	No report required
\$25,000.01 - \$100,000.00	CAO	Competitive RFT or RFP	Advertised on web-site Posted on Electronic Tendering System	Purchase Order and Executed contract/ agreement	No report required

1. Goods and Services (excluding Consulting Services) (continued)					
Procurement Amount	Approval Authority	Type of Procurement	Type of Notification	Procurement Method and Payment Mechanism	Reporting Status
\$100,000.01 or more	Council	Competitive	Advertised on web-site Posted on Electronic Tendering System	Purchase order and Executed contract/ agreement	Report to Council required

2. Sole/Single Source Purchase					
Procurement Amount	Approval Authority	Type of Procurement	Type of Notification	Procurement Method and Payment Mechanism	Reporting Status
Over \$25,000	Department Head and CAO	Non-Competitive	No notification required	Direct purchase	Report to Council over \$25,000

3. Irregular Results & Contract Renewal					
Procurement Amount	Approval Authority	Type of Procurement	Type of Notification	Procurement Method and Payment Mechanism	Reporting Status
Over \$25,000	Department Head and CAO	Non-Competitive		Direct Purchase Purchase Order and Executed Contract/ Agreement	Report to Council over \$25,000

Schedule B – Exempt Goods and Services

Goods and services exempt from the provisions of the Procurement Policy:

1.00 Exemptions**1.01 Petty Cash Items****1.02 Training and Education**

- a) Conferences/conventions
- b) Courses/seminars
- c) Memberships
- d) Periodicals/magazines/subscription/books
- e) Staff training/development/workshops

1.03 Employee and Council Expenses

- a) Advances
- b) Meal allowances
- c) Travel expenses
- d) Hotel accommodation
- e) Entertainment
- f) Miscellaneous – Non-travel

1.04 Employer's General Expenses

- a) Payroll deduction remittances
- b) Employee benefit payments and premiums
- c) Licences (vehicles, elevators, radios, etc.)
- d) Debenture payments
- e) Grants to agencies
- f) Insurance claim payments
- g) Real estate costs
- h) Courier and freight
- i) Licenses

- j) Payments of damages
- k) Tax remittances
- l) Charges to/from other government or crown Corporations
- m) Employee income
- n) Petty cash replenishments
- o) Sinking fund payments
- p) Building lease payments
- q) General IT manufacturer's warranty agreements
- r) Charges to and from area municipalities in association with legal agreements

1.05 Professional and Special Services

- a) Committee fees
- b) Temporary help
- c) Banking and underwriting services where covered by agreements
- d) Honoraria
- e) Arbitrators
- f) Legal settlements

1.06 Utilities

- a) Postage
- b) Water and sewer charges
- c) Hydro
- d) Telephone and internet

Schedule C – Request for Tender Process**1.01 Limit for Tenders**

1.01.1 Tenders will be called for all work, equipment, and materials with a value exceeding \$25,000 by way of public advertising or invitational bid, as outlined in this Procurement Policy.

1.02 Information Required

1.02.1 The following information must be included in the proposal:

- a) description of work
- b) requested closing date

1.02.2 The closing date is a minimum of 15 calendar days after date of issue as per inter-provincial trade agreements. However, an RFT may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s).

1.03 Advertising

1.03.1 The Department Head will advertise and distribute tenders.

1.03.2 All RFT's must be advertised on an Electronic Tendering System (e.g. Biddingo) and the Municipality's website. Additionally, at the discretion of the Department Head, RFT's may be advertised in a local, regional, and/or construction newspaper.

1.03.3 In some instances, the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes the screening of potential suppliers in which such factors as financial capability, reputation; qualified staff and equipment management and product quality are considered. After evaluation of responses, only those contractors who are "pre-qualified" are allowed to submit tenders.

1.03.4 Where possible, at least fifteen days' notice shall be given between the date of the advertisement/notice and the closing time of the Tender, in accordance with the Ontario/Quebec Trade Agreement if applicable. However, a tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s) being tendered.

1.03.5 Advertisements must include the following information (if applicable): site meeting time/date/location, contact names for purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.

1.04 Submissions

- 1.04.1 All tender submissions must be addressed to the Department Head, Municipality of Dysart et al, and returned in the envelope provided with the tender package.

1.05 Privilege Clause

- 1.05.1 All Tender documents shall contain the following statement “The lowest or any Tender will not necessarily be accepted and the Municipality reserves the right to award any portion of this Tender”, or words to that effect.

1.06 Bond Agreement

- 1.06.1 Where a performance and/or maintenance bond and/or labour and material payment bond is required, the Tender document must contain an “Agreement to Bond”, to be executed by the Bidder and returned with the Bid.

1.07 Bid Surety Requirements

- 1.07.1 Bid deposits and Bid bonds are guarantees that a Bidder will enter into a Contract with the Municipality.
- 1.07.2 Where deemed necessary by the Department Head, or where labour (or services) and material are involved, a Bid deposit or Bid bond is required in an amount equal to ten (10 %) per cent of the Tender price.
- 1.07.3 Bid deposits must be cash, certified cheque, bank draft, money order, irrevocable letter of credit or Bid bond.
- 1.07.4 Any Bid received without the required Bid deposit or Bid bond shall be disqualified.

1.08 Performance and Maintenance Bonds

- 1.08.1 Performance bonds guarantee performance of the terms of a Contract. This bond protects the Municipality from financial loss should the Vendor fail to perform the Contract in accordance with its terms and conditions. Maintenance bonds provide upkeep of a project for a specified period of time after the project is completed. This bond guarantees against defective workmanship or materials.
- 1.08.2 Where deemed necessary by the Department Head, or where the Municipality could experience significant financial loss should a Vendor's failure to perform the Contract within the terms and conditions of the Contract, a performance bond is required.

- 1.08.3 Where deemed necessary by the Department Head, or where the Municipality could experience significant financial loss or other harm as a result of defective workmanship or materials, a maintenance bond is required.
- 1.08.4 Performance and/or maintenance bonds must be in the amount of fifty (50%) per cent of the Contract price for Contracts up to One Hundred Thousand (\$100,000.00) Dollars. Where the Contract price exceeds One Hundred Thousand (\$100,000.00) Dollars, the Performance and/or maintenance bonds must be in the amount of one hundred (100%) per cent of the Contract price.

1.09 Labour and Material Payment Bonds

- 1.09.1 Labour and material payment bonds are guarantees that the Vendor will make payment for obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the project.
- 1.09.2 Where deemed necessary by the Department Head, or where the Municipality could experience significant financial loss should a Vendor fail to pay its obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the Contract, a labour and material payment bond shall be required.
- 1.09.3 Labour and Material Payment Bonds shall be in the amount of fifty (50%) per cent of the Total Award Price, up to One Hundred Thousand (\$100,000.00) Dollars, and one hundred (100%) per cent of the Total Award Price over One Hundred Thousand (\$100,000.00) Dollars.

1.10 Insurance

- 1.10.1 Where deemed necessary by the Department Head, or where the Municipality could experience significant financial loss, the Tender shall require that an insurance certificate be provided. The insurance coverage must be a minimum of Five Million (\$5,000,000.00) Dollars for liability, bodily injury and property, unless alternatively stated in the tender document. The Policy will require that the Municipality be added as an additional named insured (for the project in question) and that the Municipality be notified in advance in the event the insurance Policy is cancelled or changed in any manner.

1.11 Occupational Health and Safety

- 1.11.1 All Tender document forms and Contracts shall require that the *Occupational Health and Safety Act* must be complied with.

1.12 Workplace Safety and Insurance Board Certificate (WSIB)

- 1.12.1 All Tender document forms and Contracts involving a labour component shall require a WSIB Certificate of Clearance from the Vendor.

1.13 Council Approval

- 1.13.1 RFT's with an anticipated value over \$100,000 require a report from the Department Head to Council for consideration and approval prior to the award. Following Council's approval, a contract must be executed by the Mayor and the Clerk.
- 1.13.2 Once an award is made by Council, the report recommending an award shall be a matter of public record.
- 1.13.3 RFT results, if requested, shall be made public by the Department Head.

Schedule D - Request For Proposal Process**1.01 Limits**

1.01.1 In the event that there is an applicable Standing Order for the goods or service that Standing Order shall be used to a limit of \$10,000.00 as set out herein:

- a) when requirements or services cannot be definitively specified, or
- b) when the requirements or services are non-standard or specialized in nature, or
- c) the cost is only a minor component making up the award.

1.02 Information Required

1.02.1 The following information must be included in the proposal:

- a) description of work
- b) requested closing date
- c) site visit date(s) or information session date(s)

1.02.2 The closing date is a minimum of 15 calendar days after date of issue as per inter-provincial trade agreements. However, an RFP may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s).

1.03 Advertising

1.03.1 The Department Head or designate will advertise and distribute RFP packages.

1.03.2 All RFP's must be advertised on the Municipality's website. Additionally, at the discretion of the Department Head, RFP's may be advertised in a local, regional, and/or construction newspaper or on an Electronic Tendering System.

1.03.3 Advertisements must include the following information (if applicable):

- a) site meeting time/date/location,
- b) contact's names for purchasing inquiries,
- c) document fee (if applicable), and
- d) location for pick up and drop off of bid documents.

1.04 Submission Receipt

1.04.1 Proposal envelopes shall be time and date stamped and initialled by the person receiving the Proposal, and placed in a secure location until the Proposal opening.

1.04.2 The Municipality will refuse to accept any submission that is

- a) not sealed
- b) received after the closing deadline
- c) submitted after an RFP has been cancelled.

1.05 Withdrawal of Proposal

- 1.05.1 Requests for withdrawal of an RFP shall be allowed if the request is made before the closing time for the contract to which it applies.
- 1.05.2 Requests must be directed to the Department Head by letter or in person by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered.
- 1.05.3 The withdrawal of an RFP does not disqualify a bidder from submitting another RFP on the same contract.

1.06 Evaluation Committee

- 1.06.1 An Evaluation Committee shall be established for all proposal calls.
- 1.06.2 It shall be comprised of departmental staff member(s) with the relevant experience to evaluate proponents' submissions.
- 1.06.3 The size of the Evaluation Committee shall be reflective of the complexity and dollar value of the assignment and shall not be comprised of less than two members.
- 1.06.4 Staff representatives from operational and support units shall be included on the Evaluation Committee where appropriate, especially for complex or high profile projects and those having corporate-wide implications.
- 1.06.5 Evaluation Committee members must be made aware of the restrictions related to utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process and refrain from engaging in activities that may create or appear to create a conflict of interest.

1.07 Evaluation

- 1.07.1 Proposals received shall be evaluated on the basis of quantitative and qualitative criteria established by an Evaluation Committee.

1.08 Council Approval

- 1.08.1 RFP's with an anticipated value over \$100,000 require a report from the Department Head to Council for consideration and approval prior to the award. Following Council's approval, a contract must be executed by the Mayor and the Clerk.

- 1.08.2 Once an award is made by Council, the report recommending an award shall be a matter of public record.
- 1.08.3 RFP results, if requested, shall be made public by the Department Head.

Schedule E– Minimum Standards for Engaging Consultants

The following are minimum procedures that apply to the engaging of Consultants through Requests for Proposals.

1.01 For Consulting Services Up To \$10,000.00

- 1.01.1 Consulting services with an estimated value up to \$10,000.00 may be secured through a competitive Request for Proposals (RFP) process or the requirements of Tender Process. In the event that there is an applicable Municipal Standing Order in place it shall be utilized on a rotating Vendor basis and shall be audited by the Treasurer.

1.02 Consulting Services \$10,000.01 or More

Consulting services with an estimated value of greater than \$10,000 shall be secured through a competitive Request for Proposals (RFP) process as follows:

- 1.02.1 The Department Head of the Requisitioning Department will prepare a written Request for Proposals (“RFP”) in consultation with the CAO.
- 1.02.2 All RFP's for Consulting Services must be advertised on an Electronic Tendering System (e.g. Biddingo) and the Municipality's website. Additionally, at the discretion of the Department Head, RFP's may be advertised in a local, regional, and/or construction newspaper or sent to qualified firms.
- 1.02.3 Proposals must be submitted in a sealed envelope clearly marked as to contents.
- 1.02.4 Each sealed envelope containing a proposal shall be dated, timed and initialled by the person receiving proposals.
- 1.02.5 Where possible, at least fifteen days' notice shall be given between the date of the advertisement/notice and the closing time of the RFP.
- 1.02.6 Following receipt of the proposals, the Department Head of the requisitioning department, in consultation with other staff as necessary, will prepare a formal analysis of the proposals received in a report accompanied by a recommendation. The report will be forwarded to the CAO for approval.

1.03 Requests for Proposal to Include

- 1.03.1 All RFPs shall include:
- a) a description of the service required;
 - b) the date and time by which proposals are to be submitted.
 - c) the manner (location, etc.) for submission of proposals;

- d) the name, address, phone number and e-mail address of a contact person in the initiating Department; and
- e) a description of how the Municipality will evaluate the proposals, to include as a minimum:
 - i) the experience of the firm doing similar projects;
 - ii) the experience of the firm in the Municipality;
 - iii) the qualifications of personnel assigned to the work;
 - iv) the approach to the work and methodology;
 - v) the commitment of firm's resources to the work; and
 - vi) the total fees, upset limits, Per Diems or hourly fees and disbursements.

1.04 Requests for Proposal for Services of a Confidential Nature

- 1.04.1 Council may issue a private Request for Proposals through the CAO and receive any resulting reports in Closed Session for services of a confidential nature.

Schedule F – Bid Irregularities
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	Bid Irregularities	Action
1.	Late bids (any amount of time)	Automatic Rejection
2.	Unsealed tender envelopes	Automatic Rejection
3.	Execution of Agreement to Bind – bond company corporate seal or equivalent proof of authority to bind company or signature missing	Automatic Rejection
4.	Execution to Agreement to Bind – surety company not operating in the province of Ontario	Automatic Rejection
5.	Execution of Bid Bonds –corporate seal or equivalent proof of authority to bind company or signature of the bidder or both missing	Automatic Rejection
6.	Execution of Bid Bonds –corporate seal or equivalent proof of authority to bind company or signature of the binding company missing	Automatic Rejection
7.	Other Bid Security – uncertified cheque	Automatic Rejection
8.	Other Bid Security – cheques drawn on other than approved Bank	Automatic Rejection
9.	Response not labelled properly	Acceptable if received in time
10.	Qualified Response – response qualified or restricted by an attached statement	Acceptable unless otherwise specified in request
11.	Response received on documents other than those provided in request	Automatic rejection, unless the matter is deemed to be trivial or insignificant by the official point of contact
12.	Corporate seal missing or inappropriate on bid documents	Other proof of authority to bind offering entity is acceptable
13.	Insufficient financial security (e.g. no deposit or bid bond or insufficient deposit)	Where security is required and amount is not specified in request, automatic

		rejection unless insufficiency is trivial or insignificant; Where security is required and amount is specified in request, automatic rejection.
14.	Part bids (all items not bid), response not complete	Automatic rejection, unless deemed to be trivial or insignificant or specifically permitted within the bid document
15.	Bids containing minor clerical errors	2 working days to correct initial errors. Municipality reserves right to waive initialing and accept bid
16.	Uninitialed changes to the request documents which are minor (e.g. the bidder's address is amended by overwriting but not initialed)	2 working days to correct initial errors. Municipality reserves right to waive initialing and accept bid
17.	Unit prices in the schedule of prices have been changed but not initialed	2 working days to correct initial errors. Municipality reserves right to waive initialing and accept bid
18.	Other mathematical errors which are not consistent with the unit prices	2 working days to initial corrections as made by the Municipality
19.	Alternate items bid in whole or in part	Available for further consideration unless specified otherwise in request
20.	Pages are missing	2 working days to supply unless specified otherwise in request. Municipality reserves the right to waive the extra pages and accept bid or reject outright.
21.	Bid documents which suggest that the bidder has made a major mistake in calculations or bid	Consultation with a solicitor on a case by case basis and report to Council.

22.	Other Irregularities	The CAO and the Department Head shall have authority to waive irregularities, which are considered to be trivial or insignificant.
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Schedule G - Goals of Procurement Processes
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Item	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation	Informal, Low Value Procurement	
Key goals	<p>To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.</p> <p>To select the proposal that earns the highest score and meets the requirements specified in the competition, based on qualitative, technical and pricing considerations.</p>	<p>To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.</p> <p>To accept the lowest bid meeting the requirements specified in the competition.</p>	<p>Same as for Request for Tender, except that bid solicitation is done primarily on an invitational basis from a pre-determined bidders list but may be supplemented with public advertising of the procurement opportunity.</p>	<p>To obtain competitive pricing for a one-time procurement in an expeditious and cost effective manner through phone, fax, e-mail, other similar communication method, Vendor advertisements or Vendor catalogues.</p>	<p>To allow for procurement in an efficient and timely manner without seeking competitive pricing.</p> <p>To provide for exceptions to the procurement requirements of interprovincial trade agreements.</p> <p>To also provide for any additional exceptions stipulated in the Municipal's or local board's purchasing bylaw/resolution or policies, providing that they are not in contravention of the interprovincial trade agreements.</p>

Schedule H – Descriptive Features of Procurement Methods

Item	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation	Informal, Low Value Procurement	
Sealed bids or sealed proposals required	Always		Sometimes	Not Required	
Issue a Request for Information or a Request for Expressions of Interest/Pre-qualification prior to or in conjunction with a call for bids or proposals	Moderate to High Likelihood	Low to Moderate Likelihood		Not Required	
Call for bids or proposals advertised	Always on the Municipal website	Always on the Municipal website	Sometimes	Not Required	
Formal process used to pre-qualify bidders/ proponents (e.g. Request for Pre-qualification)	Moderate to High Likelihood		Low Likelihood	Not Required	
Seek bids or proposals from known bidders/ proponents	Moderate to High Likelihood	Low to Moderate Likelihood	Always	Moderate to High Likelihood	
Two-envelope or similar multi-stage approach used	Moderate to High Likelihood	Not Required			

Schedule I - Circumstances of Use of Procurement Methods

Item	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation	Informal, Low Value Procurement	
Dollar value of procurement	Low to High Value	Medium to High Value	Low to Medium Value	Low Value	Any value, subject to proper authorization and to requirements of the interprovincial trade agreements
Purchaser has a clear or single solution in mind and precisely defines technical requirements for evaluating bids or proposals	Rarely	Always			
In evaluating bids/proposals from qualified bidders, price is the primary factor and is not negotiated	Low to Moderate Likelihood	Always			Not Applicable
Bids or proposals opened and announced at a public meeting (excluding proprietary information)	Low to Moderate Likelihood	Always	Moderate to High Likelihood	Not Applicable	
Type of agreement with supplier	Purchase order, legally executed agreement, or blanket contract (standing agreement/offer).			Purchase by cash, purchase order, or Procurement Card.	Cash, purchase order, Procurement Card, legally executed agreement, or blanket contract (standing agreement/offer).

Schedule J – Interprovincial Trade Agreement Requirements**1.01 Dollar thresholds**

1.01.1 The Agreement on the Opening of Public Procurement for Ontario and Quebec and the Agreement on Internal Trade are interprovincial trade agreements, which under their terms, apply when “MASH entities” (municipalities, municipal organizations, school boards and publicly-funded academic, health and social services entities) engage in:

- a) goods and services procurement with an estimated value of \$100,000 or more;
- b) construction procurement with an estimated value of \$100,000 or more (under the Agreement on the Opening of Public Procurement for Ontario and Quebec); or
- c) construction procurement with an estimated value of \$250,000 or more (under the MASH Annex to the Agreement on Internal Trade).

1.01.2 “MASH entities” is a defined term in the agreements and include municipalities and municipal organizations. Under the agreements, for procurements at or above the above threshold levels, MASH entities are not to discriminate in their procurement practices against suppliers based on suppliers’ geographic location. For procurement below these thresholds, the agreements require MASH entities to respect the spirit and intent of the agreements.

1.02 Advertising requirements

1.02.1 The agreements require MASH entities to advertise procurement opportunities valued at or above the set threshold levels.

1.02.2 Under the agreements, procurement opportunities must be advertised for a minimum of 15 calendar days, irrespective of the advertising method used.

1.02.3 The agreements require that tender notices state that the procurement is subject to the MASH Annex.

1.03 Exceptions

1.03.1 A procurement may be excluded from all or part of the agreements in the following cases:

- a) emergency, protection and security concerns;
- b) special financing arrangements;
- c) interprovincial and geographic limitations;
- d) warranties, guarantees, exclusive rights and lease arrangements;
- e) sole suppliers and licensed professionals; and

- f) public agencies, special interest groups and aboriginal peoples.

1.03.2 The agreements provide for a number of exceptions to their application under special circumstances. For example:

- a) if guarantees on previous work require the use of a particular contractor, if there is a need to ensure compatibility with existing products or to protect exclusive rights;
- b) if compliance with the open tendering provisions would interfere with the ability to maintain security or protect human, animal or plant life or health; or
- c) if goods and services are being purchased on behalf of a party not covered by the agreement.

1.04 Dispute resolution between suppliers and MASH entities

1.04.1 The agreements require MASH entities to have a clearly established and documented complaint resolution process in place, and require a supplier to follow this protocol should a complaint arise with a MASH entity.

1.04.2 Under the agreements, if a complaint cannot be resolved between a supplier and a MASH entity, the supplier may ask its home province for help. If the home province determines that a complaint has merit or if there are recurring complaints against a particular MASH entity, the supplier's home province may try to resolve the issue with the MASH entity's home province. If no resolution is reached, a formal dispute resolution panel may be established to review the case. It is important to note that the dispute resolution procedures under the agreements are designed to deal only with interprovincial complaints (e.g., situations in which a supplier and a MASH entity are located in different provinces).

Schedule K - Definitions & Interpretation Rules**1.01 Defined Terms**

Wherever a word is used in this Policy with its first letter capitalized, the term is being used as it is defined in this Section. Where any word appears in ordinary case, its regularly applied meaning in the English language is intended. Defined terms may be used throughout this Policy in different grammatical contexts. For example, the noun “Disposal” is defined. If it appears in its verb form, “Dispose”, with its initial letter capitalized, the definition applies, with the appropriate amendment understood.

- 1.01.1 “Accountability” means the obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.
- 1.01.2 “Agreement” means a legal document that binds the Corporation of the Municipality of Dysart et al and all other parties, subject to the provisions of the contract.
- 1.01.3 “Agreement to Bond” means a letter of form issued by a licensed bonding agency advising that, if the bidder is successful, the bonding agency will issue required bonds.
- 1.01.4 “Acquisition” means the process used for obtaining goods and services.
- 1.01.5 “Annual Aggregate Value” means the total amount anticipated to be spent annually by all departments on a particular type of good or service.
- 1.01.6 “Approval” means authorization to proceed with the purchase of goods and services.
- 1.01.7 “Approval Authority” means the authority delegated by the Municipality to a person designated to occupy a position to approve on its behalf one or more procurement functions within the plan- to-pay cycle up to specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.
- 1.01.8 “Award” means the acceptance of a Bid or Proposal in accordance with this Policy.
- 1.01.9 “Best Value” means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan.
- 1.01.10 “Bid” means a document (in the form of a Quotation, Tender or Proposal) received by the Municipality in response to a Request.
- 1.01.11 “Bidder” means a Person who submits a Bid.
- 1.01.12 “Bid Protest” means a dispute raised against the methods employed or decisions made by a contracting authority in the administration of a proposal, tender, or quotation process.

- 1.01.13 “Bid Request” means a written request for bids or solicitation, which may be in the form of a Quote, Request for Tender, or Request for Proposal.
- 1.01.14 “Bonds” means Sureties to protect the Municipality against any financial loss as a result of non-compliance by a Vendor. This shall, but may not be limited to include Performance and Maintenance Bonds and Labour and Material Bonds.
- 1.01.15 “Call” means a solicitation from the Municipality to potential Vendors to submit a Bid or a Formal or Informal Quotation.
- 1.01.16 “Change Order” means written order issued from the Municipality; that changes the scope or specifications of any project.
- 1.01.17 “Chief Administrative Officer” means the Municipality’s employee with that title or designate appointed to act in that capacity. Herein referred to as the CAO.
- 1.01.18 “Municipality” means The Corporation of the Municipality of Dysart et al.
- 1.01.19 “Clerk” means the Municipal Clerk for the Corporation of the Municipality of Dysart et al.
- 1.01.20 “Commodity” means goods and/or services.
- 1.01.21 “Competitive” is an adjective describing a procurement process. The process is Competitive where two or more persons act independently to try to secure the Municipality’s business by offering the most favourable terms and conditions.
- 1.01.22 “Competitive Procurement” means a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.
- 1.01.23 “Conflict of Interest” means a situation in which private interests or financial or other personal considerations have the potential to compromise or bias an employee’s professional judgment and objectivity in acting in the best interest of the Municipality. It includes using an employee’s position, confidential information or corporate time, material, or facilities for private gain or advancement or the expectation of private gain or advancement. An apparent conflict of interest is one in which a reasonable person would think that the professional’s judgment is likely to be compromised.
- 1.01.24 “Construction” means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.
- 1.01.25 “Consultant” means the provider of a Commodity who, by virtue of professional expertise or service is contracted by the Municipality to undertake a specific task or assignment. Examples include: a planner completing a specific study; an architect or engineer drawing plans for a particular building or project; a

- lawyer representing the Municipality for a particular legal matter; an appraiser providing an opinion of value on an asset; etc.
- 1.01.26 “Consulting Services” means the provision of expertise or strategic advice that is presented for consideration and decision-making.
- 1.01.27 “Contract” means a formal legal agreement, usually in writing, between two or more Persons. It is an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; and sufficient certainty of terms.
- 1.01.28 “Corporate Signing Authority” means the Mayor and Municipal Clerk or other individuals designated by Council or this Policy.
- 1.01.29 “Cost Effective Bid” means a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selection process.
- 1.01.30 “Council” means the elected Council of the Municipality of Dysart et al.
- 1.01.31 “Councillor” means any member of the Council.
- 1.01.32 “Municipal” means the Municipality of Dysart et al.
- 1.01.33 “Department” means an administrative unit of the Municipality.
- 1.01.34 “Department Head” means a Municipal employee with administrative responsibilities for a Municipal Department.
- 1.01.35 “Designate” means any Municipal employee authorized in writing by the Department Head or CAO to act in his stead.
- 1.01.36 “Developer” means a Person developing a particular project with the Municipality.
- 1.01.37 “Direct Acquisition” means the direct purchase of goods or services by the user or user department to the approval levels within this Policy.
- 1.01.38 “Direct Appointment” means to hire a consultant based on qualifications and experience through a selection process.
- 1.01.39 “Disposal” means the sale, exchange, transfer, destruction or gift of goods owned by the Municipality which are no longer required for municipal purposes. (In the case of real property, “disposal” includes a lease with a term of twenty-one years or more.)
- 1.01.40 “Electronic Tendering System” means a computer-based system that provides suppliers with access to information related to open competitive procurements.
- 1.01.41 “Emergency”, in the context of this Policy, means a situation where the strict application of this Policy will result in danger or damage to Persons or property, or serious delays or non-delivery of services. It may involve, for example, an

imminent threat to public health or safety, maintenance of essential services, or a risk of serious financial liability (on the Municipality's part) arising from environmental conditions.

- 1.01.42 "Evaluation Criteria" means a benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.
- 1.01.43 "Evaluation Matrix" means a tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.
- 1.01.44 "Evaluation Committee" means a group of individuals designated/responsible to make award recommendation. The evaluation team would typically include representatives from the Municipality and subject matter expert(s). Each member participates to provide business, legal, technical and financial input.
- 1.01.45 "Execute" means to legally bind the Corporation of the Municipality of Dysart et al to the terms and conditions defined within the Agreement.
- 1.01.46 "Follow-On" means an order or contract that calls for repeat supply of goods or services, required due to an original order or contract.
- 1.01.47 "Goods and/or Services" means supplies, equipment, property insurance, maintenance, professional and consulting services and service contracts not otherwise provided for.
- 1.01.48 "Informal Quotation" means "quotations" obtained by telephone, fax, in writing, or by any other method of communication.
- 1.01.49 "Insurance Certificate" means a certified document issued by an insurance company licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with the Municipality's requirements.
- 1.01.50 "Irrevocable Letter of Credit" means an irrevocable document on a financial institution's standard form requesting that the party to whom it is addressed pay the bearer or a person named therein money as a result of a failure to perform or to fulfil all the covenants, undertakings, terms, conditions and agreements contained in the contract.
- 1.01.51 "Irregular Result" describes any one of the following occurrences after a Competitive Procurement Process:
- a) all responsive Bids, Quotations or Proposals exceed the Budget allocation;
 - b) fewer than three (3) Bids, Quotations or Proposals are received;
 - c) an Award of the Contract to, or the purchase from, the Lowest Responsive Bidder is considered inappropriate for any reason;
 - d) the Commodity sought is available from only a single or sole source;
or
 - e) either or both of this Policy or any Procedure was not followed.

- 1.01.52 “Invitational Competitive Procurement” means any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/Municipality.
- 1.01.53 “Lowest Responsive Bid” means the lowest price submitted which meets the requirements and specifications of as set out in the bid request, minor deviations excepted.
- 1.01.54 “Negotiation” means the action or process of conferring with one or more Vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this Policy.
- 1.01.55 “Non-discrimination” means fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment.
- 1.01.56 “Offer” means a promise or a proposal made by one party to another, intending the same to create a legal relationship upon the acceptance of the offer by the other party.
- 1.01.57 “Open Market Procedure” means obtaining price quotations from suppliers verbally or in writing.
- 1.01.58 “Person” refers to a person recognized as a legal entity at law. This is an individual or a corporate entity. Partnerships or unincorporated associations are recognized only as groups of Persons.
- 1.01.59 “Policy” means a matter that Council has adopted by bylaw or that the local board has adopted by resolution.
- 1.01.60 “Pre-Qualification” means a process by which the Municipality ensures Vendors can meet all technical and financial responsibilities of contracts with the Municipality. External Vendors of Commodities are pre-approved and earn the right to submit Bids to the Municipality for specific Commodities. Examples of types of Pre-Qualification criteria include: expertise and experience, previous performance, financial stability, personnel and a proven ability to complete projects within the Municipality’s Budget and on time.
- 1.01.61 “Procedures” means a sequence of steps or actions detailing expectations on how a Policy is to be implemented.
- 1.01.62 “Procurement” means acquisition by any means, including by purchase, rental, lease or conditional sale, of goods or services.
- 1.01.63 “Procurement Card (P-Card)” means an organizational credit card program primarily used for low-cost, non-inventory, non-capital items, such as office supplies. The card allows field employees to obtain goods and services without going through the requisition and authorization procedure. P-cards may be set up to restrict use to specific purchases with pre-defined suppliers or stores, and offer central billings.
- 1.01.64 “Proposal” means an offer to provide goods and services, where it is not practical to prepare precise specifications, or where alternatives to detailed specifications will be considered, which may be subject to further negotiation.
- 1.01.65 “Purchase” means the act of acquiring a Commodity or Service.

- 1.01.66 “Purchase Order” means a written offer to purchase goods or services from a Vendor at an agreed upon price (and other terms and conditions) where such offer has been made on forms prescribed by the Municipality.
- 1.01.67 “Purchasing Card” means a charge card approved by the Municipality that can be used by authorized employees of the Municipal to Purchase in accordance with this Policy.
- 1.01.68 “Quotation” means an offer, both formal and informal, from a supplier to buy or sell goods and services to the Municipality.
- 1.01.69 “Request” means a formal Request for Expressions of Interest, Information, Pre-Qualification, Proposal or Tender.
- 1.01.70 “Request for Expressions of Interest” means a general market research tool to determine Vendor interest in a proposed procurement. It is used prior to issuing a call for bids or proposals and is not intended to result in the award of a contract.
- 1.01.71 “Request for Information” is a process by which information (such as specifications or availability) is sought from potential Vendors about a Commodity.
- 1.01.72 “Request for Pre-Qualification” means a procurement process used to pre-qualify Vendors for subsequent participation in an invitational Request for Proposal. Responses from proponents are evaluated against selection criteria set out in the solicitation, and a short-list of pre-qualified proponents is created.
- 1.01.73 “Request for Proposals” means a written offer received from a supplier in response to invitation to provide goods or services based on an approved format of the Municipality containing terms and conditions; the acceptance of which may be subject to further negotiation.
- 1.01.74 “Request for Tender” means a competitive procurement process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.
- 1.01.75 “Responsive and Responsible Vendor” means one who complies with the provisions of the bid solicitation, including specifications, contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed contract based on reputation, references, performance on previous contracts, and adequate financial and other resources.
- 1.01.76 “Segregation of Duties” means a method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of power held by any one individual. It puts a barrier in place to prevent errors or fraud that may be perpetrated by one individual.
- 1.01.77 “Services” means intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they:
- a) cannot be stored or transported;
 - b) are instantly perishable; and

c) come into existence at the time they are bought and consumed.

1.01.78 “Single Source” means there is more than one source in the open market but for reasons of function or service, one Vendor is recommended for consideration of the particular Commodity. This denotes a Purchase which is not Competitive.

1.01.79 “Sole Source” means there is only one known source of supply of a particular Commodity. This Commodity could be copyrighted or trademarked, or simply not available for general Purchase.

1.01.80 “Standing Orders” are contracts for goods and/or services used on a regular basis in the day-to-day operations of the Municipality.

1.01.81 “Standardize” means to compare products or services with an established standard that conforms to the requirements of quality products or services that are regularly widely used, and available.

1.01.82 “Supply Chain Activities” means all activities whether directly or indirectly related to organizational plan, source, procure, move, and pay processes.

1.01.83 “Surety” means a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit or any other form as deemed necessary and stated in any quotation, tender or proposal documents issued by the Municipality.

1.01.84 “Tender” means a written offer, in a specified form, received from a supplier in response to a public invitation to provide goods and services based on an approved format of the Municipality containing Terms and Conditions.

1.01.85 “Vendor” means a Person from whom the Municipality makes Purchases of Commodities.

1.01.86 The “Mayor” means the elected Mayor of the Municipality or, in his absence, the Person appointed by the Council to act in the Mayor’s instead.