



# Township of East Zorra-Tavistock

## General Policy Manual

<b>Title: Purchasing Policy</b>	
Section: Corporate Policies	Number: GP 2.04
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Application: Provides policy framework and direction to staff with respect to Purchasing	
Notes:	

### **1.0 PURPOSE**

- 1.1 This policy outlines the processes to be followed in order to obtain the best value when purchasing goods, or contracting services for the Township of East Zorra-Tavistock. The guiding principle is that procurement decisions will be made using a competitive process that is open, honest, fair and impartial.
- 1.2 The Procurement Policy will promote and maintain the integrity of the purchasing process and protect Council, vendors and staff involved in the process by providing clear direction and accountabilities. The procedures described in this Policy shall be followed to make a contract award or to make a recommendation of a contract to the Council of the Township of East Zorra-Tavistock.
- 1.3 The Council of the Corporation of the Township of East Zorra-Tavistock recognizes its responsibility for reviewing and updating the existing Procurement Policy to ensure compliance with respect to The Municipal Act, 2001, Part VI, Section 270, as amended.

### **2.0 PURCHASING RESPONSIBILITIES/AUTHORITY**

- 2.1 To protect Council and the integrity of the Procurement process, the procurement process will be free from political influence or interference. Council will appoint staff to ensure the procurement process remains open, fair and transparent.
- 2.2 The Council of the Township of East Zorra-Tavistock has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. Payment for any item that has not been authorized by Council through budget appropriation or specific resolution will not be permitted. This procurement policy provides guidelines outlining how spending authority is to be used. Levels of contract approval authority are summarized in Appendix "A".
- 2.3 Budget approvals by Council, of capital works and operating expenditures, shall constitute authorization for any purchase of materials and services necessary to carry out work within the approved cost of an approved project, provided such purchases are

made in accordance with this Procurement Policy. The requisitioning Department, in conjunction with Financial Services, will ensure that the Goods and Services are properly approved and that funds are available.

- 2.4 Where expenditures estimates approved in the budget have been subject to Quotations, Tenders or Request for Proposals which subsequently quote an amount greater than the estimated expenditure for that item, notice of a staff report regarding such amendment to the budget shall be included in the Report to Council.
- 2.5 New projects that have not been included in the annual budget shall be detailed in a staff report regarding amendment to the budget shall be included in a Report to Council.
- 2.6 Normal operating costs incurred prior to the adoption of the annual budget shall not require approval of such expenditures and shall be deemed ratified upon the adoption of the annual budget.
- 2.7 It is the responsibility of the User Department to enforce any terms, conditions and specifications from the award of any Contract resulting from the purchasing process. Where terms, conditions or specifications are not being adhered to, the user Department may request Financial Services to contact the supplier and attempt to negotiate to have said deficiencies corrected.
- 2.8 Prior to Council's approval of the current Budget a Department may incur normal operating expenditures up to 40% of the previous year's Budget. Managers will have the authority to solicit bids prior to the approval of Council.
- 2.9 Resolutions approving budget amendments, capital expenditures or special appropriations shall contain purpose of expenditure, cost estimates or expenditure limitation, and the fund in which an appropriation has been provided.
- 2.10 The CAO or Treasurer may appoint a Purchasing Designate to exercise any or all of their responsibilities assigned in this policy.
- 2.11 The signatures of the Mayor and Chief Administrative Officer, when legally required, are necessary on all Agreements to purchase, lease or Contract for Goods or Services.
- 2.12 During the public procurement process, in-house bids will not be considered.
- 2.13 The Treasurer may review departmental purchases on an ongoing basis to review the effectiveness and integrity of the process and policy adherence. This Policy will be reviewed and revised on a periodic basis. It is anticipated that reviews will be conducted every five years or more frequently as required.
- 2.14 Goods and Services that are not subject to this By-Law are listed in "Appendix B".
- 2.15 Despite any other provision of this Policy, the following contracts are subject to the Council of the Corporation of the Township of East Zorra-Tavistock approval;
  - i. any contract requiring approval from the Ontario Municipal Board,
  - ii. any contract prescribed by Statute to be made by Council,

- iii. where the cost amount proposed for acceptance is 10% greater than the Council of the Corporation of the Township of East Zorra-Tavistock approved budget for that expenditure or where the expenditure would result in insufficient remaining funds in the project budget to complete the project as budgeted,
- iv. where the net revenue amount proposed for acceptance is lower than the Council of the Corporation of the Township of East Zorra-Tavistock approved budget,
- v. where a substantive objection emanating from the bid solicitation has been filed with a Manager,
- vi. where a major irregularity precludes the award of a tender to the supplier submitting the lowest bid.

### **3.0 METHODS OF PROCUREMENT**

#### **3.1 THE ACCESSIBILITY FOR ONTARIANS WITH DISABILITIES ACT (AODA)**

3.1 (1) In deciding to purchase goods or services through the procurement process for the use of itself, its employees or the public, the Council of the Corporation of the Township of East Zorra-Tavistock, to the extent possible, shall have regard to the accessibility for persons with disabilities to the goods or services. (Ontario Regulation 191/11).

#### **3.2 ENVIRONMENTAL CONSIDERATIONS**

3.2 (1) In order to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing, acquisitions of goods and services, specifications will provide for expanded use of durable products, reusable products and products (including those used in services) that contain the minimum level of post-consumer waste and/or maximum level of recyclable content without significantly affecting the intended use of the product or service.

#### **3.3 LOW DOLLAR VALUE PROCUREMENTS (Up to \$10,000)**

3.3 (1) Procurements up to \$10,000 shall be considered low dollar value procurements.

3.3 (2) All low dollar value procurements shall utilize applicable Township contracts and shall otherwise be in accordance with this policy.

3.3 (3) The Manager may delegate approval authority to their staff for low dollar value procurements. It is the responsibility of the respective Manager to ensure that the Procurement Policy is adhered to.

3.3 (4) All information on low dollar value procurements must be documented and maintained on file.

3.3 (5) Low dollar value procurements do not require a Request for Quotation (RFQ), Request for Proposal (RFP) or Request for Tender (RFT). Obtaining competitive quotes is considered a good business practice and should be exercised.

3.3 (6) The Treasurer may conduct reviews to ensure the requirements of this section and all other applicable sections of this Policy have been met.

### **3.4 REQUEST FOR QUOTATION**

3.4 (1) For goods and services for estimated expenditures **greater than \$10,000** the Manager or designate **in consultation** with the Treasurer or designate shall be authorized to make purchases of goods and services provided:

- i. the requirement can be fully defined; and,
- ii. best value for the Township can be achieved by an award selection made on the basis of the lowest compliant bid that meets all terms, conditions and specifications,
- iii. The Manager or any employee exercising delegated authority approval shall provide Finance in writing the relevant specifications, budget authorization, terms and conditions for the purchase of the good, services or construction,
- iv. At least three (3) written bids must be obtained from three (3) separate potential suppliers to ensure a more competitive process. If staff has exhausted all efforts to obtain three (3) bids and can support this with documented evidence, a minimum of two (2) written bids is acceptable,
- v. A "No Bid" response shall **not** be considered a valid bid,
- vi. The Manager or any employee exercising delegated authority approval **AND** Financial Services must **jointly** approve the award,
- vii. The department shall be responsible to review the competitive bid and verify that all terms, conditions and specifications of the bid are met,
- viii. The Township reserves the right in its absolute sole discretion to accept or reject any submission,
- ix. Finance may conduct reviews to ensure the requirements of this section and all other applicable sections of this Policy have been met.

### **3.5 INFORMAL QUOTATION (Greater than \$10,000 but not greater than \$25,000)**

- i. Bid submissions do not have to be sealed,
- ii. Specifications (as applicable) can be issued and quotes can be received by electronic transmission,
- iii. Bids must be submitted to the Corporate Services Department at a specified location on a specified weekday at a specified time,
- iv. When the compliant low bid exceeds the approved budget appropriation by more than 10%, the Manager or designate shall submit a report to Council for direction.

### **3.6 FORMAL QUOTATION (RFQ) (Greater than \$25,000 but not greater than \$50,000)**

3.6 (1) In addition to the requirements set forth in 3.4 above, the following requirements also apply:

- i. Bid forms to be provided to Bidders in written format and must close using a formal sealed bid process.

### **3.7 REQUEST FOR TENDER (RFT) (Greater than \$50,000)**

For goods and services for estimated expenditures **greater than \$50,000** the Manager or designate and the Treasurer shall be authorized to solicit tenders and the Council of the Corporation of the Township of East Zorra-Tavistock may award such Tenders provided:

- i. Tender documents are to be provided to Bidders in written format and must close using a formal sealed bid process,
- ii. Bids must be submitted to Corporate Services at a specified location on a specified weekday at a specified time,
- iii. The Corporate Services Department shall be responsible for arranging for the public opening of the Tender Bids at the time and date specified by the tender call. There shall be in attendance at that time a minimum of:

The Treasurer or designate  
The Manager of the issuing department or designate

- iv. The Financial Services Department shall forward to the issuing Department a summary of the bids subject to review by the Manager,
- v. The project is specifically included within the approved budget and the total submitted price does not exceed the approved budget allocation by more than 10% for the project,
- vi. With respect to all reports initiated for tenders, there shall be a recommendation report to the Council of the Corporation of the Township of East Zorra-Tavistock containing the sources of financing, allocation of revenues, and other financial commentary as considered appropriate.

### **3.8 REQUESTS FOR PROPOSALS (RFP)**

3.8 (1) The Request for Proposal procedure shall be used where:

- i. The requirement is best described in a general performance specification,
- ii. Innovative solutions are sought,
- iii. To achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements.

3.8 (2) Awards under the RFP process require the following approval:

- i. Managers or any employee exercising delegated authority approval **and** Financial Services must **jointly** approve and award the RFP for purchases **up to \$50,000,**
- ii. The Council of the Corporation of the Township of East Zorra-Tavistock must approve and award the RFP for purchases **greater than \$50,000.**

3.8 (3) The RFP process is a competitive method of procurement that may or may not include supplier pre-qualification.

3.8 (4) A Request for Information or a Request for Qualifications may be issued in advance of an RFP to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified suppliers.

3.8 (5) A Request for Information and a Request for Qualifications shall follow the same award approvals as an RFP, if applicable.

3.8 (6) Corporate Services shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation method for use in an RFP. This may include but is not limited

to factors such as qualifications and experience, strategy, approach, methodology, scheduling and past performance, facilities, equipment, pricing, life cycle costing, standardization of product and aspects that would support environmental procurement.

- 3.8 (7) Managers or any employee exercising delegated authority approval shall identify appropriate evaluation criteria from the list maintained by Corporate Services for use in an RFP but are not limited to criteria from the list. Cost will always be included as a significant factor, as best value includes but is not limited to quality and cost.
- 3.8 (8) The Manager or any employee exercising delegated authority approval shall provide to Corporate Services in writing the budget authorization, approval authority, terms of reference and evaluation criteria to be applied in evaluating the proposals submitted.
- 3.8 (9) Corporate Services will be the lead in the RFP process. A selection committee will be formed with a minimum of three evaluators and be comprised of at least one representative from the client department and one representative from the Department and the Treasurer or designate shall review all proposals against the established criteria, reach consensus on the final rating results, and ensure that the final rating results, with supporting documents, are kept in the procurement file. Corporate Services may or may not participate in the scoring of the proposals.
- 3.8 (10) During the proposal process all communication with bidders shall be through Corporate Services.
- 3.8 (11) The Corporate Services Department shall forward to the Manager an evaluation summary of the procurement, as well as the Evaluation Committee's recommendation for award of contract to the proponent meeting all mandatory requirements and providing best value as stipulated in the RFP. Finance is responsible for documenting the determination of best value. The criteria and analysis to determine best value will be included (if applicable) in the report to the Council of the Corporation of the Township of East Zorra-Tavistock.
- 3.8(12) With respect to all reports initiated for the RFP, a report on the sources of financing, allocation of revenues, and other financial commentary as considered appropriate shall be prepared.
- 3.8 (13) Reporting will not include summaries of prices, as this information will remain confidential. Any disclosure of information shall be made by the appropriate officer in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, (R.S.O. 1990), as amended.
- 3.8 (14) Unsuccessful proponents may, upon request, attend a debriefing session with Finance to review the competitive bid. Any discussion relating to any submissions other than that of the proponent will be as required with the Treasurer or designate as well as the Manager to review their bid submission. Discussions relating to any bid submissions other than that of the proponent present will be strictly prohibited. This debriefing session is intended to provide general feedback regarding the proponent's rating on various criteria in order to allow the proponent to understand where future improvements might be applicable.
- 3.8 (15) The Township reserves the right at its sole discretion to accept or reject any

submission.

**3.9 NON-COMPETITIVE PURCHASES**  
**(Blanket Contract Purchases, Emergency, Sole Source, Single Source)**

3.9 (1) The requirement for a competitive bid process for the selection of a supplier for goods, services and construction (except for Emergencies) may be waived under joint authority of the appropriate Manager and Treasurer and replaced with direct negotiations by the Manager (or delegate) and Finance under the following circumstances;

3.9 (2) The procurement qualifies as a Blanket Order Purchase, Sole Source or Single Source purchase.

**3.9 (3) Blanket Contract Purchases**

A Blanket Order may be used where:

- i. one or more department repetitively order the same goods or services and the actual demand is not known in advance,
- ii. a need is anticipated for a range of goods and services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises,
- iii. Corporate Services shall establish and maintain Blanket Order Contracts that define source and price where available with selected suppliers for all frequently used goods or services,
- iv. Blanket Orders may be issued as the result of a bid process such as Request for Quotation, Request for Tender, Request for Proposal and from Co-operative Purchasing consortium,
- v. To establish prices and select sources, the Manager in consultation with Corporate Services shall employ the provisions contained in this Policy for the acquisition of goods, services, labour, materials and construction,
- vi. More than one supplier may be selected where it is in the best interest of the Township and the bid solicitation allows for more than one,
- vii. Where procurement action is initiated by a department for frequently used goods or services, it is to be made with the supplier or suppliers listed in the Blanket Order Contract,
- viii. In a Request for Blanket 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 said usage,
- ix. Blanket Orders shall be issued for a specific time period with all ordering departments responsible for maintaining purchases within budget allocations.

### **3.9 (4) Procurement in Emergencies**

An “Emergency” includes immediate threat to:

- i. Public health,
- ii. the maintenance of essential Township services; and,
- iii. the welfare and protection of persons, property or the environment; and the event or occurrence necessitates the immediate need for goods or services to mitigate the emergency and time does not permit for a competitive procurement process.

In the event of an Emergency, the Chief Administrative Officer, Managers and their respective delegates are authorized to enter into a purchase agreement without the requirement of a formal competitive process.

A list of pre-qualified suppliers will be used to select the suppliers, whenever possible.

Where the procurement cost to mitigate the Emergency is anticipated to exceed \$10,000, there must be a notification sent (email contact is acceptable) to the Treasurer or delegate.

The steps taken to mitigate the Emergency must always be clearly documented regardless of amount and where the aggregate cost for a single supplier are in excess of \$10,000, the emergency procurement shall be reported to the Council of the Corporation of the Township of East Zorra-Tavistock (including the source of financing) at the next scheduled meeting following the event. The Manager responsible for the area leading the emergency procurement must forward copies of invoices associated with the Emergency to the Treasurer or designate once the Emergency event has been terminated.

### **3.9 (5) Sole Source**

The Procurement may be conducted using a Sole Source process if the goods and/or services are available from only one supplier by reason of;

Statutory or market-based monopoly.

Competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, license, technical secrets or controls of raw material; or the complete item, service or system is unique to one supplier and no alternative or substitute exists.

### **3.9 (6) Single Source**

Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications.

The procurement may be conducted using a Single Source process if the goods and/or services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular, as follows:

An attempt to acquire the goods and/or services by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing and compliant supplier.

The confidential nature of the requirement is such that it would not be in the public interest to solicit competitive bids.

There is a need for compatibility with goods and/or services previous acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e. contract extension or renewal).

It is advantageous to the Township to acquire the goods or services directly from another public body or public service body.

Another organization is funding or substantially funding the acquisition and has determined the supplier and the terms and conditions of the commitment into which the Township will enter are acceptable to the Township.

Where due to abnormal market conditions, the goods, services or construction required are in short supply.

### **3.9 (7) Sole Source and Single Source – Approval and Reporting**

Awards which qualify to be considered as a Sole Source or Single Source process require the following approval;

The Manager and the Treasurer must **jointly** approve the award not exceeding \$25,000 and if it is within the approved budget allocation;

The Council of the Corporation of the Township of East Zorra-Tavistock must approve the award greater than \$25,000. The Report to Council must contain detailed rationale supporting the decision.

### **4.0 PURCHASE OF USED FLEET EQUIPMENT**

4.0 (1) The Manager of Public Works or designate is authorized to purchase used fleet equipment that is sold by other municipalities, by private sale or public auction, sold through a vendor licensed to sell equipment, by sealed bid or by negotiation, providing that:

- i. The equipment meets or exceeds the departments equipment requirements.
- ii. If the total expenditure per piece of equipment exceeds \$50,000, a report will be forwarded to Council detailing the purchase information and expenses.

4.0 (2) The Manager of Public Works or designate is exempt from the Township's formal quotation/tender/proposal process when purchasing used fleet equipment by any of the methods detailed in 4.0.

### **5.0 LEASING**

- 5.0 (1) The Council of the Corporation of the Township of East Zorra-Tavistock may enter into a leasing agreement in accordance with the Municipal Act, 2001, O.Reg.46/94, O.Reg. 266/02.
- 5.0 (2) In certain circumstances, it may be economically advisable for the Township to enter into a Financing Lease to acquire the right to use capital property and equipment rather than an outright purchase.
- 5.0 (3) Leasing is approved as an acceptable means to acquire Township capital facilities when one or more of the following conditions (goals) are met:
- i. The Township capital facility cannot be purchased,
  - ii. The lease arrangement provide financially attractive interest rates over the entire life of the lease,
  - iii. The risk of obsolescence on the leased asset rests with the lessor,
  - iv. The leased asset has a high purchase value and is not required on an ongoing basis,
  - v. Short-term revenues versus capital needs.
- 5.0 (4) A by-law is required for all lease agreements with the exception of leases made in emergency situations. These leases will be reported to Council at the first available opportunity. A by-law is not required for leases that are short term in nature of 120 days or less.
- 5.0 (5) Once each fiscal year the Treasurer shall provide a report to Council outlining all current leasing arrangements.

## **6.0 DISPUTE RESOLUTION**

- 6.1 Disputes shall be resolved as follows:
- i. meeting between the bidder, the Manager of the Department and Finance,
  - ii. if (i) does not lead to a resolution, the decision can be appealed to the Treasurer and the Chief Administrative Officer.

## **7.0 EXCEPTIONS**

- 7.1 A Department may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to the Council of the Corporation of the Township of East Zorra-Tavistock. Such one-time exemption may be granted by resolution.

## **8.0 PERFORMANCE SECURITY, INSURANCE AND WORKPLACE SAFETY AND INSURANCE BOARD CERTIFICATES**

- 8.1 For all tenders valued at over \$100,000, the following guarantees, bonds, certificates and insurance must form part of the contract unless other securities are deemed appropriate as determined by the Manager.
- 8.2 Performance security to guarantee the completion of the Contract is required for the supply and installation of equipment and materials and all services/construction involving

Township property. Where performance security is deemed necessary, it shall take the form of one or a combination of one or more of the following;

- i. performance bond valued at 100% of the amount of the Tender bid,
- ii. labour and materials bond valued at 50% of the amount of the Tender bid,
- iii. bid bond or bid deposit (certified cheque),
- iv. irrevocable letter of credit.

8.3 The above noted security will be required with respect to the following;

- i) renovation contracts,
- ii) construction contracts,
- iii) new buildings,
- iv) demolition of buildings,
- v) service contracts where the work involves contractors working on/with Township-owned property,
- vi) supply and installation of equipment and materials and all service/construction involving Township-owned property.

8.4 Contracts valued at less than \$100,000 may include guarantees at the discretion of the Treasurer.

8.5 The Bid Bond or Bid Deposit amount shall be as specified in the following table:

Total Tender Amount	Bid Deposit Required
\$100,000 to \$250,000	\$10,000
\$250,000 to \$500,000	\$20,000
\$500,000 to \$1,000,000	\$40,000
\$1,000,000 to \$2,000,000	\$75,000
\$2,000,000 and Over	\$150,000

8.6 The Township is authorized to cash and deposit any bid deposit cheques in the Township's possession which are forfeited as a result of non-compliance with the terms, conditions and/or specifications of a sealed bid.

8.7 In order to further protect the Corporation of the Township of East Zorra-Tavistock, the following certificates will be required from all successful Bidders/Proponents;

- i) a current and valid insurance certificate for amounts specified in the Bid document,
- ii) a current and valid Workplace Safety and Insurance Board (WSIB) certificate.

**9.0 EXCLUSION OF BIDDERS**

**9.1 EXCLUSION OF BIDDERS IN LITIGATION**

9.1 (1) No Tender, Proposal or Quotation will be accepted from any company inclusive of its subcontractors, which has a claim or instituted a legal proceeding against the Township

or against whom the Township has a claim or instituted a legal proceeding with respect to any previous Contract, without prior approval by Council.

## **9.2 CONTRACTOR PERFORMANCE APPRAISAL SYSTEM**

- 9.2 (1) The Contractor Performance Appraisal System is a standard process for assessing and recording contractor performance. It is designed to serve as a permanent record for the Township and a means of evaluating and comparing contractor performance on an ongoing basis throughout the project.
- 9.2 (2) The Contractor Performance Appraisal System will be used to evaluate all contracts regardless of value. The implementation of the Performance Evaluation Appraisal System will be at the discretion of the Project Manager and/or Financial Services.
- 9.2 (3) If issues arise, under the direction of the Treasurer, the Township's Project Manager will be asked to record their concerns using the Vendor Incident Reporting Form. Results will be shared with the Vendor/Contractor/Consultant and a verbal warning may be issued by Financial Services. If performance does not improve, a second Vendor Incident Reporting Form will be issued and results will be shared with the Vendor/Contractor/Consultant. The Treasurer will issue a written warning to the Vendor/Contractor/Consultant. If performance does not improve a third Vendor Incident Reporting Form will be initiated by the Project Manager and the results will be shared with the Vendor/Contractor/Consultant. Upon completion of the project, if a third Vendor Incident Reporting Form is issued, under the direction of Financial Services, the Project Manager will complete the applicable Performance Report.
- 9.2 (4) Once the ranking on the applicable Performance Report has been completed, the results will be shared with the Vendor/Contractor/Consultant to discuss the overall ranking for the project.
- 9.2 (5) The performance evaluation shall determine whether a vendor, contractor or consultant will be allowed:
- i) to bid on future projects,
  - ii) the Vendor/Contractor/Consultant be placed on a probationary list for two years to closely monitor future work, (fees required to monitor future work may be added to the project); or,
  - iii) may not be recommended for future work for a maximum period of three years.
- 9.2 (6) The final appeal shall be conducted by a Dispute Committee which will hear from both Township staff and the Vendor/Contractor/Consultant at a time and place appointed in writing by the Committee. The Dispute Committee shall be comprised of the Treasurer, a Financial Services staff representative and two representatives of the relevant Standing Dispute Resolution Committee of Council. The decision of the Dispute Committee shall be in writing, a copy of which shall be provided to the Vendor/Contractor/Consultant, and the decision of a majority of the Dispute Committee shall be final.

## **10.0 REPORTING TO THE SENIOR MANAGEMENT TEAM AND THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF EAST ZORRA-TAVISTOCK**

10.(1) The Treasurer or designate shall submit to the Senior Management Team and the Council of the Corporation of the Township of East Zorra-Tavistock an information report (quarterly) containing the details relevant to the exercise of delegated authority for all contracts awarded that exceed \$10,000 including amendments and renewals. The Treasurer shall certify in the report that the awards are in compliance with the Purchasing Policy.

## **11.0 ACCESS TO INFORMATION**

11.(1) 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 Privacy Act., R.S.O. 1990, as amended.

11.(2) All records and information pertaining to tenders, proposals and other sealed bids, which reveal a trade secret or scientific, technical, commercial, financial or other labour relations information, supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:

- i. prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organizations,
- ii. result in similar information no longer being supplied to the Township where it is in the public interest that similar information continue to be so supplied,
- iii. result in undue loss or gain to any person, group, committee or financial institution or agency; or,
- iv. result in information whose disclosure could reasonably be expected to be injurious to the financial interests of the Township.

## **12.0 ADVERTISING**

12.1(1) To ensure access to all vendors, advertising for Quotations, Tenders, Proposals, Expression of Interest estimated to exceed \$50,000 excluding taxes and freight shall be posted on the Township's website and one or more public tendering website.

12.1(2) The Township will post a notice annually in the local papers advising the public that all Proposals/Tenders/Quotations will be advertised electronically on the Township's website and any other applicable public tendering website.

## **13.0 RETENTION OF DOCUMENTATION**

13.1(1) All background information, information submitted by vendors, and any other relevant information involved in obtaining prices for goods and services shall be retained for the entire budget year and six (6) years in records retention.

13.1(2) All background information, information submitted by successful vendor, resulting in a contract or agreement shall be retained for a minimum of twenty (20) years in record retention.

#### **14.0 DISPOSAL OF SURPLUS OR SCRAP GOODS, MATERIALS AND EQUIPMENT**

14.1(1) All departments shall notify the CAO/Clerk when items become obsolete or surplus to their requirements.

14.1(2) The CAO/Clerk shall be responsible for ascertaining if the items can be of use to another Township department rather than disposed of.

14.1(3) Surplus items that are not claimed by another department may be offered for sale by

- (i) general advertising to secure sealed bids;
- (ii) public auction;
- (iii) public sale; or
- (iv) other methods as authorized by Council.

The recommended method of sale of the surplus item will be contingent upon the value of the item and the most appropriate method for said item in the opinion of the relevant Manager.

14.1(4) Where scrap material is available for disposal, the relevant Manager shall determine the value and possible alternate use of the scrap material, and may dispose of the material by:

- (v) general advertising to secure sealed bids;
- (vi) direct contact with the appropriate dealers to view the scrap and submit offers to purchase;
- (vii) public auction; or
- (viii) other methods as deemed appropriate.

14.1(5) Revenue from the sale of obsolete, surplus or scrap shall be credited to the appropriate account or reserve/reserve fund of original purchase where applicable.

14.1(6) Bids for the sale of items considered obsolete or surplus will be accompanied by certified cheque made out to the Township of East Zorra-Tavistock for the full amount of the bid, or other amount as authorized by Council. Payment for scrap material shall be in the form of cash or certified cheque made out to the Township as above.

14.1(7) When three (3) attempts have been made to dispose of a surplus item using one of the approved disposal methods, staff shall be authorized to dispose of the item by the best means suitable.

**APPENDIX "A"**  
**LEVELS OF CONTRACT APPROVAL AUTHORITY**

In the case of multi-year supply and/or service contracts, the pre-authorized expenditure limit shall refer to the estimated annual expenditure under the contract.

<b>Dollar Value (excluding taxes)</b>	<b>Procurement Process</b>	<b>Approval Authority</b>	<b>Report to Council Required</b>	<b>Policy Section</b>
Up to \$10,000	Purchase Order or Invoice Charge to the Township	Manager or any employee exercising delegated authority approval	No	3.3
Greater than \$10,000 but less than \$25,000	Informal RFQ	Manager or any employee exercising delegated authority approval and Treasurer (jointly)	No	3.4, 3.5
Greater than \$25,000 but less than \$50,000	RFQ	Manager or any employee exercising delegated authority approval and Treasurer (jointly)	No	3.4, 3.6
Up to \$50,000	RFP	Manager or any employee exercising delegated authority approval and Treasurer (jointly)	No	3.8
Greater than \$50,000	RFT / RFP	Council	Yes	3.7/ 3.8
Up to \$25,000	Single Source or Sole Source	Manager and Treasurer (jointly)	No	3.9
Greater than \$25,000	Single Source or Sole Source	Council	Yes	3.9

**APPENDIX B**  
**GOODS AND SERVICES NOT SUBJECT TO THIS POLICY**

Exclusions

Competitive Bids shall not be required for the following Goods and Services;

- a) Petty Cash Items
- b) Advertising services (radio, television, newspaper, magazine)
- c) Government Agencies
- d) Travel Expenses including meals, conferences, seminars, conventions, trade shows, and accommodations
- e) Courses
- f) Staff development/Workshops
- g) Memberships
- h) Magazines, Books, Periodicals
- i) Licenses, Certificates (including hardware and software licenses)
- j) Ongoing maintenance for existing computer hardware and software
- k) Professional and skilled services provided to individuals as part of an approved program(s) within the Corporation including but not limited to medical services and counselling services
- l) Postage
- m) Utilities (Water, Sewage, Hydro, Gas, Telephone and Cable TV)
- n) Legal Services
- o) Realty Services for Lease, Acquisition, Demolition, Sale and Appraisal of Land and Property, including Appraisal and Consulting Services relation to matters of Expropriation.
- p) Integrity Commissioner Services
- q) Council approved Grants

**APPENDIX “C”  
IRREGULARITIES CONTAINED IN BIDS**

<b>IRREGULARITY</b>	<b>RESPONSE</b>
Late Bids	Automatic Rejection, returned unopened to the bidder.
Unsealed Envelopes.	Automatic Rejection.
Incomplete, illegible or obscure bids or bids which contain additions not called for, erasures, alterations, errors or irregularities of any kind.	May be rejected as informal.
Bids not completed in ink.	Automatic Rejection.
Documents, in which all necessary Addenda have not been acknowledged.	Automatic Rejection.
Failure to attend <b>mandatory</b> site visit.	Automatic Rejection.
Bids received on documents other than those provided by the Council of the Corporation of the Township of East Zorra-Tavistock.	Automatic Rejection.
Failure to insert the Tenderer’s business name in spaces provided in the Form of Tender.	Automatic Rejection.
Failure to include signature of the person authorized to bind the Tenderer in the space provided in the Form of Tender.	Automatic Rejection.
Conditions placed by the Tenderer on the Total Contract Price.	Automatic Rejection.
Bids Containing Minor Mathematical Errors.	<ul style="list-style-type: none"> <li>a) If the amount tendered for a unit price item does not agree with the extension of the estimated quantity and the tendered unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly. All corrections by Financial Services will be made in red ink and initialed.</li> <li>b) If both the unit price and the total price are left blank, then both shall be considered as zero.</li> <li>c) If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity.</li> <li>d) If the total price is left blank for a lump sum item, it shall be considered zero.</li> <li>e) If the Tender contains an error in addition and/or subtraction and/or transcription <u>in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied)</u>, the error shall be corrected and the corrected total contract price shall govern.</li> <li>f) Tenders containing prices which appear to be as unbalanced as to likely affect the interest of the Township adversely may be rejected.</li> </ul>

**APPENDIX "C"**  
**IRREGULARITIES CONTAINED IN BIDS**

<b>IRREGULARITY</b>	<b>RESPONSE</b>
<b><u>Bid Security</u></b>	
a) Insufficient Financial Security (no bid deposit or insufficient bid deposit).	Automatic Rejection.
b) Failure to insert name of bonding company.	Automatic Rejection.
c) Signature of bidder and/or bonding company missing when bid bond requested.	Automatic Rejection.
Agreement to provide Performance Security is not provided or is not in the form specified.	Automatic Rejection.
Part bids (all items not bid).	Automatic Rejection unless allowed for in the request.
Withdrawal of Bids	Withdrawal of bids received after the closing time will not be allowed.
Tie Bids	The designated official may use one of the following methods of dealing with tie bids, based upon the specific situation, * use a coin toss to select a recommended bid, * request the tie bidders to submit new bids, * negotiate with the tied bidders to break the tie.

## APPENDIX “D” DEFINITIONS

In this policy, unless a contrary intention appears:

“**Agreement**” means a formal written legal agreement or contract for the supply of goods, services, equipment or construction,

“**Addendum**” means additional information supplied by the Corporation after an original Tender, Quotation or Proposal call has been issued,

“**Authority**” means the legal right to conduct the tasks outlined in this policy as directed by Council and delegated through the Township’s Treasurer to staff,

“**Blanket Order**” shall mean the agreement wherein a vendor will sell certain items to the Township for an agreed period of time with established terms and conditions,

“**Bid**” shall mean a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the Township,

“**Bidder**” means supplier or contractor from whom the Corporation has received a Tender or Quotation, that is subject to acceptance or rejection,

“**Bidding System**” shall mean the Online Web-based Solution for issuing solicitations and/or receiving online submissions and posting bid results.

“**Bid Deposit**” shall mean a financial guarantee to ensure the successful bidder will enter into an agreement,

“**Bid Irregularity**” means a deviation between the requirements of the Bid and the information provided or received in a Bid response,

“**CAO**” shall mean the officer appointed by Council to exercise general control and management of the affairs of the Township,

“**Consultant**” means the person or firm, who by virtue of a particular expertise is selected by the Corporation to undertake a specific task or assignment that may include designing specifications and preparing plans or programs,

“**Contract**” means a commitment for the purchase and supply of Goods and Services evidenced in writing by an Agreement or other documentation appropriate to the transaction and duly authorized on behalf of the Township in accordance with this Policy,

“**Township or Corporation**” means the Corporation of the Township of East Zorra-Tavistock,

“**Cooperative Purchasing**” means the participation of two or more public agencies in a request for Quotation, Tender or Request for Proposal call,

“**Council**” shall mean the elected Township Council of the Corporation of the Township of East Zorra-Tavistock,

**"Certificate of Clearance"** means a declaration that a bidder has paid all assessments or compensation payable and has otherwise complied with all requirements of the Workplace Safety and Insurance Board and that the bidder has paid all taxes and/or penalties imposed on it pursuant to the Corporation Tax Act, (R.S.O. 1990),

**"Designate"** means a person authorized by the Department Head to act on their behalf for the purposes of this policy,

**"Electronic Bidding"** shall mean a method issuing solicitations and/or receiving bids through a system over the internet,

**"Emergency"** means an occurrence resulting from an unforeseen action or consequence of an unforeseen event, (trigger event) which must be remedied on a time-sensitive basis to avoid a material financial risk, serious delays, injury, further damage or to restore or maintain services,

**"Executed Agreement"** means a form of agreement, either incorporated in the bid documents or prepared by the Township, to be executed by the successful bidder and the Township,

**"Expression of Interest"** means a focused market research tool used to determine vendor interest in a proposed project, not directly leading to the acquisition of goods and services,

**"Goods and Services"** includes supplies, materials, equipment, property and contracts for construction, maintenance, service or consulting and professional services,

**"In-House Bids"** also known as "Managed Bids" shall mean that during the Public Procurement Process, an agency within the Corporation of the Township of East Zorra-Tavistock is not permitted to submit a bid,

**"Insurance Documents"** shall mean certified documents 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 Township's insurance requirements as contained in the bid documents,

**"Irregularities Contained in Bids"** is defined in Appendix "C" and include the appropriate response to those irregularities,

**"Labour and Material Bond"** means a bond issued by a surety company on the Township of East Zorra-Tavistock standard Form of Bond to ensure that the contractor will pay his or her suppliers and thereby protects the Corporation against items which might be granted to a supplier should the contractor not make proper payments,

**"Letter of Agreement to Bond"** means a letter or other form issued by a bonding agency licensed to operate by the Government of Canada or the Province of Ontario advising that, if the bidder is successful, the bonding agency will issue the required bonds,

**"Lowest Acceptable Bid"** means the lowest price submitted which meets the requirements and specifications as set out in the bid request, minor deviations excepted,

**"Manager"** refers to a head of a Township department operating within the Township of East Zorra-Tavistock,

**“Normal Operating Expenditure”** means expenditure of an operational recurring nature and does not include one-time special or Capital expenditure,

**“Performance Bond”** means a bond issued by a surety company on the Township of East Zorra-Tavistock standard Form of Bond executed in connection with a contract and which secures the performance and fulfillment of the undertakings, covenants, terms, conditions and agreements contained in the contracts,

**“Procure” “Procurement” “Purchase”** means to acquire by purchase, rental, lease or trade,

**“Purchasing Designate”** shall mean a person designated by the CAO or Treasurer to exercise any or all of the responsibilities of the CAO or Treasurer with respect to this policy.

**“Quotation Summary Form”** means a written request in an approved format and duly authorize to obtain goods and services,

**“Quotation”** means a request for prices on specific goods and/or services from selected vendors which are submitted verbally, in writing or transmitted by facsimile or email as specified in the Request for Quotation,

**“Request for Expression of Interest”** is a focused market research tool used to determine vendor interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well defined and the purchaser has clear expectations for the procurement,

**“Request for Information”** is used prior to issuing a tender call as a general market research tool to determine what products and services are available, scope-out business requirements, and/or estimate project costs,

**“Request for Proposal”** means a process where a need is identified, but the method by which it will be achieved is unknown at the outset. This process allows vendors to propose solutions or methods to arrive at the desired result,

**“Sealed Bid”** means a formal sealed response received as a part of a quotation, tender or proposal, either by hard copy or electronic bidding through a designated Bidding System in accordance with the method as specified in the bid document,

**“Single Source”** means there is more than one source in the open market but only for reasons of function or service one vendor is recommended for consideration of the particular goods and/or services,

**“Sole Source”** means there is only one source of supply of particular goods and services,

**“Supplier”** means any individual or organization providing goods or services to the Township of East Zorra-Tavistock including but not limited to contractors, consultants, vendors, service organizations, etc.,

**“Tender”** means a sealed bid which contains an offer in writing to execute some specified services, or to supply certain specified goods, at a certain price, in response to a publicly advertised request for bids,

**“Value Analysis”** typically refers to a life cycle costing approach to valuing a given alternative, which calculates the long-term expected impacts of implementing the particular option.