




Policy Title: Purchasing Policy		Policy Number: PUR 010
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Policy Objective

Through the City of Pickering's Corporate Priorities process, two key priorities recognized are Financial Management and Corporate Best Practices. In light of these stated Corporate Priorities, the City is committed to provide leadership, quality service delivery, and the best value to our taxpayers through the provision of fair, transparent, competitive procurement policies, procedures and processes.

The City will achieve this through efficient and professional service delivery, appropriate commitment authority, consultation, cooperation, innovative solutions, standardization, education and collective knowledge of products and market conditions, and partnerships while developing and maintaining quality vendor and client relations.

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Appendix 1 Exceptions

Appendix 2 Summary of Procurement Method and Approval Authority

01 Definitions

- 01.01 Acquisition - the process of obtaining goods and services.
- 01.02 Authority or Authorized - the right to conduct the tasks outlined in this Policy.
- 01.03 Bid – an offer or submission received from a vendor in response to a request, which may be accepted, not considered or rejected.
- 01.04 Bidder - the person, firm or corporation submitting an offer to the City.
- 01.05 Blanket Order – a type of purchase order which is an agreement between the City and supplier to facilitate the reordering of repetitive use materials or services for a specified term (e.g. for repairs or maintenance purposes) and not to be used for a Capital expenditure.
- 01.06 Centralized Purchasing - the activities conducted by the Supply & Services Section of the Corporate Services Department which is responsible for the acquisition of all goods and services
- 01.07 Chief Administrative Officer (CAO) - the Chief Administrative Officer of the City or a designate
- 01.08 City - The Corporation of the City of Pickering
- 01.09 Clerk - the City Clerk or a designate
- 01.10 Committee - a Standing Committee of Council

- 01.11 Consulting and Professional Services – services requiring technical skills provided on the basis of a defined project or undertaking to recommend and/or assist in implementing solutions including but not limited to supervision related to the project or undertaking
- 01.12 Contract - a binding agreement between two or more parties. In the absence of any other document, a Purchase Order constitutes a contract
- 01.13 Contract Administrator - a person with authority to administer the terms of a contract to oversee the work of a vendor or contractor
- 01.14 Cooperative Purchasing - the participation of the City with one or more public agencies in a bid solicitation
- 01.15 Council - the Council of the City of Pickering
- 01.16 Delegate – a person given authority by the Manager to acquire pricing on goods and services
- 01.17 Designate - a person authorized to act on behalf of another which may include signing authority to purchase within prescribed limits and/or approval authority
- 01.18 Director - a Director, or the Chief Administrative Officer in the capacity as Head of the Administration Department, or designate, as head of a department
- 01.19 Disposal - the selling, trading, assignment, and/or scrapping of surplus assets
- 01.20 Emergency - a situation that is, in the opinion of the CAO or a Director, a threat to public health, safety, property, life or the environment and exists where the immediate acquisition of goods or services is essential to prevent serious delay, injury, damage, restore basic service provided by the City and warrants operating outside this policy or limit potential liability
- 01.21 Evaluation Committee – procedures may be established to provide for an evaluation committee comprised of a minimum of two representatives from the Client Department and one from Supply & Services to evaluate proposals in an RFP process for the purpose of making a recommendation
- 01.22 Goods and/or Services – labour, materials, products, equipment, services, supplies, act to be done, furnished or performed by a vendor that are the subject of the contract

- 01.23 Informal Quotation - an offer received from a vendor through an informal process in response to a request for pricing which can be on a vendor's quotation form
- 01.24 Limited Purchase Order – form used to acquire items carried in inventory, to repair and/or service a vehicle or equipment or items considered shop sundries
- 01.25 Manager - the Manager, Supply & Services or a designate, under the general direction of the Treasurer
- 01.26 Proposal – a written offer from a vendor in response to a written request for proposal (RFP) which may be subject to discussion or negotiation. An RFP process may be used when the good or services cannot be definitively specified, where such proposals would result in specific offers by the vendors.
- 01.27 Purchase Order - contract, in an approved form, issued to a vendor to acquire goods or services, including Blanket Order and Limited Purchase Order
- 01.28 Purchase Requisition - a request, in a form approved by the Manager to acquire goods or services
- 01.29 Purchasing Card (PCard) - a credit card issued by the City that is used to purchase and pay for goods and/or services subject to spending and/or transaction limits
- 01.30 Quotation - a written offer received from a vendor in a form prescribed by the Manager in response to a request for quotation (RFQ)
- 01.31 Responsive and Responsible Bidder - one who complies with the instructions of the bidding document, contractual terms, conditions, specifications and who can reasonably be expected to provide satisfactory performance of the proposed contract based on adequate financial and other resources, satisfactory reputation, references, and performance on similar contracts
- 01.32 Real Property - lands, buildings, tenements and/or any interest, estate or right or easement affecting same
- 01.33 Surety – a formal pledge lodged, or sum of money deposited, as a guarantee against a damage or loss, non-fulfilment of an obligation, such as a specified amount in the form of cash, certified cheque, bid bond, agreement to bond, performance bond, labour and materials payment

bond, letter of credit or any other approved form of collateral acceptable and deemed necessary by the Treasurer

- 01.34 Single Source – where 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
- 01.35 Sole Source – only one source of supply available for particular goods and/or services
- 01.36 Standardization – the adoption of a single product or group of products to be used by one or more departments
- 01.37 Systems Contract – an agreement with a supplier carrying an inventory of specific items for the City such as office supplies, janitorial supplies, work wear, etc.
- 01.38 Tender - a written offer in a form specified by Supply & Services received from a bidder in response to a request for tender
- 01.39 Treasurer – Director, Corporate Services & Treasurer or a designate
- 01.40 Vendor – individual, firm, supplier, contractor, architect, consultant or bidder

02 Responsibilities

- 02.01 Council to:
 - (a) Approve this policy.
 - (b) Actively support this Purchasing Policy.
- 02.02 Chief Administrative Officer to:
 - (a) Approve amendments to this policy for consideration by Council.
 - (b) Actively support the Purchasing Policy.
- 02.03 Treasurer to:
 - (a) Review amendments to this Policy made by the Manager for consideration by the CAO and Council.
 - (b) Approve administrative changes to procedures required to implement the provisions of this Policy.

- (c) When required or requested, provide final decisions in regards to matters of interpretation and implementation of this Policy.
- (d) Review and approve all award reports to ensure sufficient budgeted funds exist to support the recommendation for award.
- (e) Approve changes to the PCard transaction limit to reflect changes for efficiencies.
- (f) Assess the potential risks by vendors providing goods or services to determine appropriate insurance coverage and obtain requisite proof of coverage.

02.04 Directors/Division Heads/Managers to:

- (a) Actively support the Purchasing Policy.

02.05 Manager to:

- (a) Recommend necessary amendments to this Policy for consideration by the Director, Corporate Services & Treasurer and CAO.
- (b) Interpret and apply the provisions of this Policy on a day-to-day basis.
- (c) Prepare and maintain administrative procedures required to implement the provisions throughout this Policy.
- (d) Administer PCard program and procedures.

03 Administrative Procedures

03.01 This Policy shall be read in conjunction with written administrative procedures.

04 Purchasing Principles

04.01 The Manager shall:

- (a) Be responsible for the provision of services for the acquisition and disposal of goods or services required by the City.

- (b) Arrange for the procurement by purchase, rental or lease of the required quality and quantity of goods or services in an efficient and cost-effective manner.
- (c) Ensure the greatest value for the City by exercising professional purchasing practices, free from influence and interference, and encourage open, fair, transparent and competitive bidding and where practical, sustainable practices.
- (d) Promote acceptance of bids based on total acquisition and life cycle cost, or in the case of a service, the preferred or best level of service, rather than the lowest bid received.
- (e) Provide for the appropriate level of delegated commitment authority to enable clients to meet service level expectations.
- (f) Assist in the facilitation, comparison and assessment of alternate service delivery options.

05 Sustainability Considerations

05.01 Staff shall:

- (a) Consider, and where appropriate include, one or more of the following matters when preparing specifications for the acquisition of goods and services :
 - i. reducing greenhouse gas emissions
 - ii. protecting indoor and outdoor air quality
 - iii. improving energy, fuel and water efficiencies
 - iv. improving biodiversity
 - v. protecting the quality and/or quantity of ground and surface water systems
 - vi. minimizing packaging and waste
 - vii. making efficient use of natural resources, and using sustainable harvesting or extraction practices, including Forest Stewardship Council (FSC) certified papers
 - viii. giving preference to high quality durable materials that can be repaired and/or upgraded
 - ix. requiring materials that contain reusable parts, and/or that are made from renewable, compostable or recyclable materials or can be taken back for recycling
 - x. reducing or eliminating hazardous or toxic substances
 - xi. minimizing human health impacts

- 05.02 The Manager shall:
- (a) Encourage sustainable purchasing practices and promote the use of and utilize the G.I.P.P.E.R's Guide - Governments Incorporating Purchasing Practises which are Environmentally Responsible – as part of the awareness of environmentally responsible procurement to address sustainability objectives.

06 Authorities, Procurement Methods and Dollar Limits

- 06.01 The Manager and Treasurer shall have the authority and responsibility to operate a centralized purchasing program on behalf of the City.
- 06.02 The Manager shall have the authority to negotiate terms or conditions of a contract or agreement as deemed necessary.
- 06.03 The Manager, Treasurer or delegates shall have the authority to sign contracts, agreements and any other documents on behalf of the City with third parties for the acquisition, delivery and maintenance of goods or services acquired in accordance with this Policy.
- 06.04 Dollar limits (Canadian funds) include all costs of acquisition including delivery, custom fees and duties, disposal surcharges, and any other fees, charges or costs, but exclude HST.
- 06.05 The Manager, with the approval of the appropriate Director for the employee concerned, may delegate to an employee all or part of the authority to purchase up to an amount of \$1,000 on the understanding the employee promotes the objectives of this Policy.
- 06.06 The Manager may recommend a bidder for the acquisition of goods or services upon such terms and conditions as he or she deems appropriate consistent with the requirements of this policy (summarized in Appendix 2).
- 06.07 The Manager shall have the discretion to review pricing and processes undertaken to ensure compliance with this policy.
- 06.08 Pricing for goods or services over \$1,000 and up to \$3,000 not covered by a contract, service or blanket order may be obtained by the Manager or other staff. A minimum of one informal quote is required, and must accompany a purchase requisition.
- 06.09 Pricing for goods or services over \$3,000 and up to \$5,000 not covered by a contract, service or blanket order may be obtained by the Manager or other staff. Three informal quotes, where possible,

are required. A recommendation is subject to the approval of the appropriate level of authority and quotes must accompany a purchase requisition.

- 06.10 Pricing for goods or services over \$5,000 and up to \$30,000 not covered by a contract, service or blanket order, shall be obtained by the Manager. Three informal quotes, where possible, are required.
- 06.11 Pricing for goods or services with an estimated total price over \$30,000 shall be obtained by the Manager. The Manager shall determine when a Request for Proposal, Request for Quotation or Tender is the most appropriate method to acquire goods or services and shall solicit a minimum of three proposals, quotations or tenders if possible. Advertising is at the discretion of the Manager but an estimated value over \$100,000 shall be advertised.
- 06.12 Where the compliant quotation or tender meeting specifications and offering best value to the City is acceptable or where the highest scoring proposal is recommended and the estimated total purchase price is:
- (a) Over \$30,000 and up to \$75,000, the Manager may approve the award, subject to consultation with the appropriate Director and confirmation of financing by the Treasurer.
 - (b) Over \$75,000 and up to \$125,000, the Manager may approve the award, subject to the approval of the Director, Treasurer and the CAO.
 - (c) Over \$125,000, the Manager may approve the award, subject to the approval of the Director, Treasurer, CAO and Council.
- 06.13 Revenue generating proposals for services are subject to the approval of Council prior to the Manager awarding the contract.
- 06.14 Goods or services obtained by sealed public tender shall be advertised or by invitation from a list of qualified bidders, or a combination thereof. Tendering documents shall be issued and opened in public at a specified date and time. Tenders that are late, illegible, unsigned, contain insufficient deposit, contain uncertified cheques, are incomplete or do not include a deposit, bond or surety, shall be rejected. The terms and conditions of the deposit, bond or

surety are subject to the approval of the Treasurer. The Manager and appropriate Director shall jointly recommend a tendering award.

- 06.15 The Manager shall ensure that all recommendations dealing with the award of a quotation, proposal or tender contains the appropriate funding statement from the Treasurer.
- 06.16 Authorities and responsibilities shall be applied and administered having regard to the provisions of the Corporate Financial Control Policy and approved Signing Authorities.
- 06.17 If a bid has been approved by Council and awarded to the selected Bidder and the selected Bidder fails to enter into a contract, the Manager shall be granted the authority to proceed to the next lowest responsive and responsible Bidder or the next highest evaluated responsive and responsible proponent for a proposal call, for the award of this contract, without going back to Council for approval, providing there are no bid irregularities, requirements remain unchanged and the new contract is within budget. The approval shall be obtained from the appropriate Director, Treasurer and CAO. The Director shall prepare a report to Council for information purposes for the next scheduled Committee and Council meeting.

07 Approvals During Council Recess

- 07.01 The Chief Administrative Officer is authorized to act on behalf of Council in approving an award of a project, and the Treasurer is authorized to approve financing for same, during any recess, break or absence of Council on the condition that:
- (a) The project is in a budget approved by Council;
 - (b) Such actions are in compliance with the Purchasing Policy and the Financial Control Policy;
 - (c) The project is not debt financed; and
 - (d) A report respecting those approvals is subsequently submitted to Council.

08 Third Party Contracts Related to Development

- 08.01 City works and services being completed through a Third Party contract identified in a subdivision, development, or site plan agreement are exempt from the requirements of the Purchasing Policy and may proceed without a purchase order, without a report to Council and without other requirements typical of work contracted by the City where:

- (a) Funding has been approved in the budget;
- (b) Funding is not debt financed;
- (c) Works are identified in approved plans and/or defined in the Developer's Agreement; and
- (d) Works are being completed by the developer's contractor.

09 Single Source or Sole Source

09.01 The Manager is authorized to make single or sole source purchases, without competitive bids and enter into a contract if any of the following conditions apply.

09.02 Excludes Section 10, Consulting and Professional Services.

09.03 Single Source - examples

- (a) In an emergency.
- (b) A fluctuating market prevents the Manager from obtaining price protection or owing to market conditions, the required goods or services are in short supply.
- (c) Bids have been solicited and no responsive bid has been received or bids fail to comply with the specifications or conditions, or the lowest bid received exceeds the estimated cost and it is impractical to recall.
- (d) The extension or reinstatement of an existing contract would prove most cost effective or beneficial. The extension shall not exceed one year.
- (e) Goods are required for resale and the determining criteria are marketability and profitability, eg. Museum, promotional items.
- (f) The nature of the requirement would not be in the public interest to solicit competitive bids as in the case of security or confidentiality.
- (g) Due to market conditions or unexpected circumstances, required goods or services are in short supply.

09.04 Sole Source - examples

- (a) Competition is precluded because of the existence of a sole source, patent rights, copyrights, secret processes, control of basic raw material or similar circumstances.

- (b) A component or replacement part is involved for which there is no substitute.
- (c) Compatibility with an existing product is the overriding consideration.
- (d) The purchase involves goods or services for which there is no reasonable substitute or competitive product.
- (e) Supply of which is controlled by a vendor with a monopoly.
- (f) Purchase of goods in a commodity market.
- (g) Work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- (h) Work to be performed on property by a contractor according to provision of a warranty or guarantee held in respect of the property or the original work.
- (i) For a contract to be awarded to the winner of a design contest.
- (j) Original works of art.
- (k) Purchase of real property.

- 09.05 The appropriate Director shall summarize the rationale for a single or sole source request in a memo to the Manager.
- 09.06 A single source or sole source purchase up to \$10,000 is subject to the approval of the Manager.
- 09.07 A single source or sole source purchase over \$10,000 and up to \$30,000 is subject to the approval of the Manager and the Director.
- 09.08 A single source or sole source purchase over \$30,000 and up to \$125,000 is subject to the approval of the Manager, Director, Treasurer and the CAO.
- 09.09 A single source or sole source purchase exceeding \$125,000 is subject to Council approval.
- 09.10 The Manager and appropriate Director or designate is authorized to enter into negotiations without competitive bids and enter into a contract if deemed advantageous.

10 Consulting and Professional Services

- 10.01 Notwithstanding the provisions of this Policy, which covers the acquisition of goods or services, the acquisition of Consulting and Professional Services shall be conducted in accordance with the provisions of this section.
- 10.02 Consulting and Professional Services will be acquired on a "quality based selection" methodology rather than only the lowest price.
- 10.03 Where the project or annual cost of a consulting or professional service assignment is expected to be less than \$30,000 and the funds are available in the approved budget, the Manager may obtain the services of a particular consultant selected by the initiating Director without going through a competitive process.
- 10.04 Where the project or annual cost of a consulting or professional service assignment is expected to be more than \$30,000 the Manager shall obtain written proposals in accordance with procedures set out in Section 06 and:
- (a) An award up to \$50,000 is subject to the approval of the Treasurer and the CAO.
 - (b) An award over \$50,000 is subject to the additional approval of Council.
- 10.05 Where the project or annual cost of a consulting or professional service assignment is expected to be more than \$30,000 and the initiating Director intends to acquire the services without obtaining written proposals, the Director shall submit a report to Council to obtain approval to engage the services of a particular consultant.
- 10.06 A purchase order is required to confirm the consulting agreement.

11 Design and Development Service

- 11.01 Where design or specification development is required, the vendor providing it shall be considered a consultant and contracted as such. The design or specifications shall become the property of the City for use in obtaining competitive bids.
- 11.02 A vendor providing design, services, consulting or specifications shall be advised up front they will not be permitted to submit pricing or bid in the competitive process for the requirement if a competitive advantage or

conflict or interest is deemed to exist. The CAO and Director, Corporate Services & Treasurer will provide a final determination on this matter.

- 11.03 Where the design and end product is part of the same requirement or project, the scope of work will be combined and procured as one project in a competitive method.

12 **Emergency Purchase**

- 12.01 In an emergency situation the Manager shall, on the approval of the appropriate Director, obtain such goods and services as are necessary to respond to the emergency. If the purchase amount exceeds \$5,000, the Director must notify the Treasurer at the earliest possible time. If the purchase amount exceeds \$50,000, the Treasurer and the CAO shall be notified and the Director shall submit a report of the incident to the appropriate Committee and Council at the earliest possible time.

13 **Cooperative Purchasing**

- 13.01 The Manager may enter into arrangements with municipalities, local boards and other public bodies on a cooperative or joint venture basis where there are economic advantages and where the best interests of the City would be served. The policy of the government agency or public authority hosting the cooperative call for bids is to be the accepted policy of the City for the cooperative call and no other approval by the City is required beyond that of the Manager, appropriate Director and Treasurer unless debt financing is required then Council approval must first be obtained.
- 13.02 Section 13.01 above does not preclude the issuance of a purchase order

14 **Purchasing Cards**

- 14.01 Purchasing Cards shall be used in accordance with the Purchasing Card Procedure.
- 14.02 The Treasurer has the authority to temporarily adjust the transaction limit for one time purchases.

15 **Disposal of Surplus Assets**

- 15.01 The Manager is authorized to dispose of surplus assets in a cost effective and efficient manner with approval of the appropriate Director and the Treasurer.

16 Code of Purchasing Ethics

16.01 The Code of Purchasing Ethics established by the National Institute of Governmental Purchasing Inc. and the Purchasing Management Association of Canada shall apply to Supply & Services staff.

16.02 The participation of members of City Council and employees of the corporation in the procurement process shall be governed by, in the case of members of Council, the City's Council Code of Practice and, in the case of employees, by the City's Employee Code of Conduct.

17 Conflict of Interest

17.01 Subject to the *Municipal Conflict of Interest Act*, no member of City Council, Committee or Board, employee of the City is or will become interested directly or indirectly as a contracting party or otherwise in the performance of the contract or in the provision of goods or services or in any portion of the profits thereof, or in any of the monies to be derived therefrom. This applies to relatives and former employees as well.

17.02 A vendor will be required to declare any potential conflict of interest in writing to the Manager.

17.03 The City reserves the right to disqualify from further consideration any proposals which demonstrate a conflict of interest.

17.04 A conflict of interest arising during the term of a contract must be reported immediately to the City and failure to advise may result in termination of the contract.

18 Prohibitions

18.01 No employee or member of City Council, Committee or Board shall bid on the sale of goods except those disposed of by public auction.

18.02 The City shall make no personal purchase for any employee, member of City Council, Committee or Board.

18.03 No employee, or member of City Council, Committee or Board shall purchase or offer to purchase on behalf of the City, except as may be provided for in this policy or with the express authority of Council.

18.04 Contracts entered into in contravention of section 18.03 will not be binding upon the City. The employee, or member of City Council, Committee or Board who entered into the contract will be responsible for the contract.

18.05 No requirement for goods or services shall be divided to avoid the requirements of this policy and the total project or annual requirement shall be considered.

19 Exceptions

19.01 Items listed in Appendix 1 are excluded from the requirements of this Policy. The items may be procured by obtaining one price, subject to the funds being available in the current or capital budgets. For accountability and transparency purposes, a Purchase Order may be required when there is a set pre-determined fee or an upset limit.

19.02 Notwithstanding, Directors are required to provide details to the Treasurer and the CAO of any contractual arrangements under Appendix 1 with third parties that exceed \$25,000 annually or are for more than one year. Such details will be provided prior to the commencement of the contract arrangement.

20 Confidentiality and Access to Information

20.01 Contents of quotation, tendering, request for proposal documents, with the exception of the information read publicly at a tender opening or reported to Council, shall be treated as confidential and protected as set out under *The Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*, RSO, 1990, Section 11(c), as amended.

20.02 Subject to *The Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*, RSO 1990, no employee, or any appointed or elected official, shall divulge the unit prices paid by or quoted to the City for goods or services. The total price in the case of public tenders or the total price in the case of quotations the name of the successful bidder, as well as any prices included in public reports to Committee and Council may be revealed.

21 Disqualification of Bidders

21.01 A tender, proposal or quotation submitted by a bidder shall be rejected,

(a) if the bidder, or any officer or director of the bidder is or has been engaged either directly or indirectly through another corporation including by common ownership or control or otherwise related to a party in litigation with the City, its elected or appointed officers, or its employees;

AND

- (b) in the opinion of the Manager, the litigation is likely to affect the bidder's ability to work with the City, its consultants or representatives, and the City's experience with the bidder in the matter giving rise to the litigation indicates that the City is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

22 Bidder Terminated, Unsatisfactory Performance

- 22.01 The City reserves the right to not consider a bidder for a period of time or exclude a bidder from eligibility to submit a bid, **when:**
 - 1. a bidder has provided unsatisfactory performance by documented evidence of substandard performance or unfulfilled commitment; or
 - 2. a bidder has been deemed an unsafe contracting party, where there is documented evidence of disregard for or violation of the City's health and safety regulations, practices, instructions or non-compliance of the *Occupational Health & Safety Act* and Codes; or
 - 3. there is evidence that a bidder has attempted to exert illegal, undue or inappropriate influence over any employee, consultant, official, Member of Council, other bidder or any other person in connection with the City's decision to accept or decline a bid.
- 22.02 In reaching a decision, the Manager, and appropriate Director shall be entitled to rely upon results of performance evaluations relating to other contracts for the City and outside parties performed by the subject bidder.
- 22.03 No tender, proposal or quotation will be considered or accepted from the subject bidder during the term of the suspension.
- 22.04 Previous experience or the results of any performance evaluation may be disclosed by City staff to other municipalities or government bodies upon request, where the subject bidder has listed the City as a reference.
- 22.05 The bidder may apply to the City for reconsideration or reinstatement if the bidder is able to demonstrate that the practices or issues leading to the suspension have been rectified.
- 22.06 The City reserves the right to not consider a tender/quotation/RFP from a bidder or any company affiliated with or controlled by the bidder who:

- (a) has been prohibited from bidding on City contracts by City Council;
- (b) has had a contract with the City terminated within three years of the bid close date due to default of the contract;
- (c) has failed to rectify the performance of any previous contract default to the City's satisfaction, and cannot provide assurances and demonstrate appropriate action to ensure the same or similar problems will not reoccur; or
- (d) has failed to provide health and safety documentation to the City's satisfaction.

23 Tendering Irregularities

23.01 Guideline for Handling Irregularities:

- (a) To maintain the integrity of the public tendering process.
- (b) To maintain a flexible process in which low bids are not rejected because of minor irregularities. This approach allows the City to maximize the advantages of a competitive public tender process.
- (c) To ensure that the City's Policy for dealing with irregular tenders promotes fair competition.
- (d) To ensure that any bid accepted by the City is legally capable of being accepted.
- (e) To ensure that no bidder can avoid its bid by its own default or mistake.
- (f) Irregularities that go beyond the scope of these guidelines shall be reviewed with the Treasurer and the Manager shall have the authority to waive irregularities deemed to be minor. In exercising judgement, the advice of the City Solicitor may be requested. Where deemed to be a major irregularity, the Treasurer shall consult with the CAO who jointly shall have the final decision on acceptance or rejection of the bid.

	<u>Irregularity</u>	<u>Response</u>
1.	Late bid.	<ul style="list-style-type: none"> • Automatic rejection and will be returned unopened to the bidder. Bids will be deemed to have been received when the City has stamped the envelope with the time and date of receipt. • If the bidder's address is not clearly available on the envelope or package, it will be opened solely to access this information in order to return it to the bidder.
2.	Bid envelope or package is not sealed.	<ul style="list-style-type: none"> • Automatic rejection.
3.	Bid not completed by non-erasable ink.	<ul style="list-style-type: none"> • Automatic rejection.
4.	Bid not legible.	<ul style="list-style-type: none"> • Automatic rejection.
5.	Bidder's original ink signature missing from signature page.	<ul style="list-style-type: none"> • Automatic rejection.
6.	Bid qualified or restricted by a statement or alteration added to any part of the document.	<ul style="list-style-type: none"> • Automatic rejection.
7.	Bid received on documents other than those provided by the City.	<ul style="list-style-type: none"> • Automatic rejection unless allowed for in the bid instructions or received on a true copy (not retyped) of the original document issued by the City
8.	Bid does not meet specifications.	<ul style="list-style-type: none"> • Automatic rejection.
9.	Alternate bid.	<ul style="list-style-type: none"> • Automatic rejection unless allowed for in the bid instructions or bidder has completed original bid and provided an alternate bid in addition to the original.

10.	<p>Bid Security</p> <p>a) Surety's Corporate seal or Surety signature missing from Bid Bond or Agreement to Bond.</p> <p>b) Bid Bond or Agreement to Bond <i>does have</i> Surety's Corporate seal and Surety signature but does not have bidder's corporate seal or bidder's statement to bind the corporation.</p> <p>c) Bid Deposit, Bid Bond or Agreement to Bond not provided, or not in the form specified or does not name the correct municipality as obligee, or the Surety is not licensed to do business in Ontario.</p> <p>d) Bid Deposit, Bid Bond of insufficient amount.</p> <p>e) Agreement to Bond not sufficient.</p> <p>f) Bid security is not in compliance with the number of days open for acceptance as stated in the bid documents.</p>	<ul style="list-style-type: none"> • Automatic rejection. • Two working days to correct. • Automatic rejection. • Automatic rejection. • Automatic rejection. • Two working days to correct and if bidder fails to do so, bid will be rejected.
11.	Bid does not acknowledge addenda.	<ul style="list-style-type: none"> • Automatic rejection unless every change set out in the addenda is clearly visible on the face of the bid OR the relevant addendum issued is solely for the purpose of revising the closing date and time.
12.	Bid received from a bidder who has not been approved as a pre qualified bidder under a prequalification process.	<ul style="list-style-type: none"> • Automatic rejection.
13.	Bid received from a bidder whom did not sign-in at mandatory site visit when instructed to do so in the tendering instructions.	<ul style="list-style-type: none"> • Automatic rejection.

14.	Failure to return the documents as specified.	<ul style="list-style-type: none"> • Automatic rejection unless otherwise specified in the tendering instructions.
15.	Partial bid (all items not bid).	<ul style="list-style-type: none"> • Automatic rejection unless allowed for in the tendering instructions.
16.	Tender envelope unclear as to contents.	<ul style="list-style-type: none"> • Automatic rejection.
17.	Uninitialed changes to the bid documents that are minor (e.g. bidder's address is amended by over-writing but not initialed).	<ul style="list-style-type: none"> • Two working days to correct. The City reserves the right to waive initialling and accept the tender.
18.	Unit prices in the Schedule of Prices have been changed but not initialed.	<ul style="list-style-type: none"> • Two working days to correct. The City reserves the right to waive initialling and accept the tender.
19.	Other mathematical errors that are not consistent with unit prices.	<ul style="list-style-type: none"> • Two working days to initial corrections as made by the City. Unit prices shall govern and the tender will be corrected accordingly. The City reserves the right to waive initialling and accept tender as corrected.
20.	Pages are missing from bid.	<ul style="list-style-type: none"> • Two working days to supply the missing pages where in the opinion of the Manager, the missing page(s) would not directly affect the bid submitted. The City reserves the right to waive the need to receive the missing pages and accept the tender or to reject the tender outright at the discretion of the Manager.
21.	Withdrawal of bid.	<ul style="list-style-type: none"> • Withdrawal of bids received after the closing date and time will not be allowed.

22.	Tie bids.	<ul style="list-style-type: none"> • The Manager may use one of the following methods of dealing with two low tied bids, based on the specific situation. • Request the two low bidders to resubmit pricing only. No other change to the bid is allowed. Bidders shall be allowed 24 hours from time of request. • Use a coin toss to select a recommended bid. • The outcome of the tie breaking method shall be final.
23.	Completion date is other than specified in the tendering specifications.	<ul style="list-style-type: none"> • Two working days to clarify the completion date. The City reserves the right to waive the clarification of the completion date and accept the tender, or to reject the tender outright.

Exceptions

The following items may be procured by obtaining one price, subject to the funds being available in the current or capital budgets. For accountability and transparency purposes, a Purchase Order may be required when there is a set pre-determined fee or an upset limit. Those categories where this may be applicable are marked with an asterisk.

Notwithstanding, it is expected that the objectives of this Policy will be promoted in any expenditures for goods or services.

1. Petty Cash expenditures (Policy No. FIN 030.001)
2. Purchases under \$1,000
3. Training and Education
 - a) Conference, Course, Convention and Seminar, including accommodation, travel
 - b) Magazine, Book, Periodical, Subscriptions
 - c) Membership Fee
 - d) Facilitator, Trainer Fee
4. Catering, Food or Entertainment Services *
5. Advertising
 - a) Newspaper (national and local), periodical, trade journal, magazine (A contract arrangement for advertising such as the Community Page is not considered an exception).
6. Professional Fees *
 - a) Consultant fee related to litigation
 - b) External Auditor
 - c) Legal Services
 - d) Ontario Land Surveyor
 - e) Property Appraisal
 - f) Medical Service
 - g) Mediation Service
 - h) Laboratory Service
 - i) Actuarial Studies and Reports
 - j) Assessment Appeal, Assessment Services and Related Expenses
 - k) Banking, Brokerage or Underwriting Service, Investment and Related Services Including Funds Transfer and Security
 - l) Liability, Property and Other Forms of Insurance and Adjusting Services
 - m) Temporary Help
 - n) Collection Services
 - o) Tax and Cost Recovery Reviews

Note: * Categories where a Purchase Order may be required.

7. Utility Services (acquisition, repairs, maintenance and minor replacements)
 - a) Natural Gas and Heating Oil
 - b) Sewer and Water
 - c) Postage
 - d) Electricity
 - e) Telecommunication Service Providers
 - f) Cable Television
 - g) Internet Service Providers
8. Work or services to or from other government agencies, utilities, Provincial or Federal agencies, Crown Corporations, municipalities, public agencies, or Boards. *
9. Third party contracts related to development. Refer to Policy Section 08.
10. Provision of services required by Councillors as provided for in the Council Compensation Policy unless requested (Policy ADM 190 – May 3, 2011 Council Meeting).
11. Maintenance Contract (Proprietary, Non-Value Added Resellers)
 - a) Annual maintenance fees where the approved vendor is the sole source provider of the service;
 - b) Upgrades already approved including support and training where the vendor is the sole source provider of the upgrade.
12. Acquisitions and Disposal of Real Property including rental, lease.
13. Acquisition of goods or services under a government pricing program.

Note: * Categories where a Purchase Order may be required.

Appendix 2

Summary of Procurement Method and Approval Authority

Purchase order required unless stated otherwise herein. Amounts exclusive of HST.

(Director = appropriate Director)

Procurement Method	Dollar Range	Approval
Purchasing Card or Invoice Purchase Order not issued Staff Purchase	Up to \$1,000	Delegated by Director
1 Informal Price obtained by Staff	\$1,000 to \$3,000	Delegated by Director
3 Informal Prices obtained by Staff	\$3,000 to \$5,000	Director
3 Informal Prices obtained by S&S	\$5,000 to \$30,000	Manager and Director
Quotation, RFP or Public Tender (Manager, S&S to determine)	<div style="display: inline-block; vertical-align: middle; font-size: 3em;">{</div> <div style="display: inline-block; vertical-align: middle; margin-left: 10px;"> \$30,000-\$75,000 \$75,000-\$125,000 \$125,000 + Revenue Based </div>	Manager and Director
		plus CAO
		plus Council
		plus Council

Consulting & Professional Services

Director may obtain services directly from a particular consultant for specific assignment / project	Up to \$30,000	Manager, Director and Treasurer
Quotation or RFP (Manager, S&S to determine)	\$30,000 to \$50,000	Manager, Director, Treasurer, and CAO plus Council
	\$50,000 +	
OR Director wants to hire a particular consultant to prepare Report to Council with reasoning	\$30,000 +	Council

Single Source, Sole Source

Single Source or Sole Source	Up to \$10,000	Manager plus Director plus Treasurer and CAO plus Council
	\$10,000 to \$30,000	
	\$30,000 to \$125,000	
	\$125,000 +	

