



Corporation of the  
Town of Hawkesbury

<b>Policy N° :</b>	SF-P-2015-01
<b>Subject :</b>	Procurement Policy
<b>Service :</b>	Finance

**WHEREAS** the Municipal Act provides that a municipality shall adopt a policy for the procurement of goods and services;

**AND WHEREAS** the fundamental objective of the procurement function is to provide operating departments with the goods/services they need in the right quality and quantity, on a timely basis, as efficiently as possible, and at the lowest overall cost;

**AND WHEREAS** to achieve this objective, the procurement function seeks to foster as much competition as possible and, in doing so, adopts the goal of fairness by ensuring that all whom wish to compete for the opportunity to sell to the Town can do so;

**AND WHEREAS** the goal of integrity is woven through the procurement cycle, so as to maintain the public's trust and reduce the Town's exposure to criticism and suit, achieved through the requirement of complying with all applicable legal provisions.

**NOW THEREFORE** the Council of The Corporation of the Town of Hawkesbury enacts as follows:

## 1.0 DEFINITION

In this Policy:

- 1.1 **"Authority"** means the legal right to conduct the tasks outlined in this policy as directed by the Office of the CAO /Treasurer.
- 1.2 **"Bid"** means an offer or submission received from a vendor in response to a request, which offer or submission may be accepted or rejected.

<b>Prepared by :</b>	<b>By-law\Resolution N° : 9-2015</b>
<b>Responsible :</b> Treasurer	
<b>Effective date :</b> January 26, 2015	
<b>Replaces :</b> SF-P-2008-01	

- 1.3 **"Blanket Purchase Order"** means any contract for the purchase of goods and/or services which will be required frequently or repetitively but where the exact quantity of the goods and/or services required may not be precisely known or the time period during which the goods and/or services are to be provided may not be precisely determined, but having a maximum on both the total price or value of all goods and/or services and the time period during which all goods and/or services are to be supplied under such contract.
- 1.4 **"Town"** means The Corporation of the Town of Hawkesbury.
- 1.5 **"CAO / Treasurer"** means the CAO / Treasurer of the Town of Hawkesbury or designate.
- 1.6 **"Competitive"** means vendors are given an equal opportunity to compete for Town business in accordance with the criteria provided in the Procurement Policy.
- 1.7 **"Confidential"** means delivered under circumstances where all or part of the goods and/or services relate to any matter of the kind which may be considered by Council in the absence of the public or where the goods and/or services include the creation of records, the disclosure of which would be denied upon receipt of a request under the Municipal Freedom of Information and Protection of Privacy Act.
- 1.8 **"Consultant"** means a vendor, who by virtue of a particular expertise, is hired by the Town to undertake a specific task or assignment that may include designing specifications and preparing plans or programs, architectural services or consulting services.
- 1.9 **"Contract"** means a formal legal agreement between two or more parties, usually written, or a purchase order with binding legal and moral implications; usually exchanging goods and/or services for money or other consideration.
- 1.10 **"Contract Extension"** means an amendment to a contract which can include either an increase in funds, increase in the scope of work and or an extension in time and must meet specified criteria. Contract extension approval authority shall be the cumulative amount of all increases.
- 1.11 **"Council"** means the Municipal Council of the Corporation of the Town of Hawkesbury.
- 1.12 **"Department"** means any department within the Town.
- 1.13 **"Department Head"** means the individual accountable for departmental operations and a member of the Management Team or designate.

- 1.14 **"Deputy Treasurer"** means the person responsible for the Purchasing function of the Town or designate who acts as the "Purchasing Agent" for the Town.
- 1.15 **"Designate"** means a person authorized by the Department Head to act on his/her behalf, for the purposes of this policy.
- 1.16 **"Direct Negotiation"** means a procurement method where the usual competitive process is suspended and negotiations are entered into with one or more than one vendor.
- 1.17 **"Direct (Emergency) Process"** means a procurement process where the usual competitive process is suspended due to the prevailing emergency circumstances (see definition of emergency).
- 1.18 **"Dispose"** means the sale, exchange, transfer, destruction or gift of goods owned by the Town which are deemed surplus to its needs, and "disposal" and "disposed" shall have similar meanings.
- 1.19 **"Emergency"** means a situation where the immediate purchase of goods and/or services or repair or replacement of equipment, or facilities is essential in order to maintain a required service or to prevent danger to life, limb or property within the Town of Hawkesbury.
- 1.20 **"Expression of Interest"** means a situation where vendor/s approach the Town or are solicited by the Town to advise the Town of their ability or desire to undertake Town requirements.
- 1.21 **"Goods"** means all materials, equipment, fixtures, and structures to be delivered, installed or constructed.
- 1.22 **"Irregular Result"** means that in any procurement process where competitive bids or proposals are submitted and any of the following has occurred or is likely to occur:
- (a) no bids received;
  - (b) two or more identical responsible and responsive low bids or proposals have been received;
  - (c) the lowest responsible and responsive bid or proposal exceeds the estimated cost or budget allocation;
  - (d) all bids or proposals received are not responsible and responsive;
  - (e) for any reason the award of the contract to or the purchase from the lowest responsible and responsive vendor is considered inappropriate;
  - (f) the policy and procedures has not been followed; or
  - (g) less than 3 valid bids received.
- 1.23 **"Mayor"** means the elected Mayor of the Town or the person duly appointed to act in the place of the Mayor.

- 1.24 **"Officer"** means any elected official or a member of a Board or a Commission of the Town.
- 1.25 **"Procedures"** means internal instructions or guidelines to departments as approved by the CAO / Treasurer.
- 1.26 **"Procurement Process"** means the process by which the required goods and/or services are obtained.
- 1.27 **"Purchase"** means the act of acquiring goods and/or services of any legal or equitable interest, right or title in goods and/or services or the making of any contract or offer for goods and services and includes the lease of goods and/or services; and "purchased", "purchasing", "acquisition", "procurement", "procure", "buy" shall have similar meanings.
- 1.28 **"Purchase Order"** means the legal document which is the Town's commitment to the vendor for the purchase of goods and/or services at an agreed upon price, terms, conditions and delivery date. It is also the vendor's authority to ship and charge for the goods and/or services specified on the order.
- 1.29 **"Purchasing Card"** means a charge card approved by the Town that can be used by authorized employees of the Town to purchase low dollar value items (Refer to Purchasing Card Policy and Procedures)
- 1.30 **"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 as specified in the Request for Quotation.
- 1.31 **"Relative"** means a spouse (including common law spouse), parent, child, grandparent and grandchild of an employee or officer of the Town.
- 1.32 **"Request for Information" (RFI)** means a process where information is requested from vendors regarding the feasibility and availability of specific goods and/or services in the marketplace.
- 1.33 **"Request for Proposal" (RFP)** means a process where a need is identified, but how it will be achieved is unknown at the outset. This process allows vendors to propose solutions or methods to arrive at the end product. Allows for evaluation on criteria other than price.
- 1.34 **"Responsible"** means a vendor whose reputation, past performance and business and financial capabilities are such that the vendor would be judged as capable of satisfying the Town's needs for a specific contract.
- 1.35 **"Responsive"** means a vendor whose bid does not vary from the specifications and terms and conditions set out in the invitation for bids.

- 1.36 **"Requisition"** means a request for goods and/or services initiated by the user, approved and electronically transmitted to Purchasing.
- 1.37 **"Services"** means all professional, consulting, construction, or maintenance services, including the delivery, installation, repair, restoration, demolition or removal of personal property and real property.
- 1.38 **"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.
- 1.39 **"Sole Source"** means there is only one source of supply of the particular goods and/or services.
- 1.40 **"Tender"** means 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.
- 1.41 **"Tender Opening Committee"** means a committee comprised of a representative/s from the Clerks Department or delegate, and the Requesting Department.
- 1.42 **"Total Acquisition Cost"** means the most cost efficient and effective manner, being the sum of all costs including but not limited to purchase price, warranty, life cycle cost, administrative, operating and disposal costs.
- 1.43 **"Total Aggregate Value"** means the sum of all costs that are paid for goods and services required to satisfy a need over a period of time.
- 1.44 **"Vendor"** means an individual, firm, supplier, vendor, contractor, architect, consultant, bidder or tenderer.

## 2.0 PURCHASING OBJECTIVES

It is the objective of this Policy to promote procurement processes and decisions which are consistent with the strategic objectives of the Town, including preservation of the natural environment; waste reduction and recycling; cooperative purchasing, where beneficial; and the support of local and Ontario business and industry when possible, provided that the objective of this Policy and the requirements of any applicable international or inter-provincial trade agreements are not compromised.

The principles which the Town advocates include:

- 2.1 To be responsible for the acquisition and disposal of goods and/or services required by the Town

- 2.2 To promote the most cost effective and efficient use of Town funds by attaining optimum quality, quantity, price, delivery and performance
- 2.3 To exercise professional purchasing practices which obtain the most competitive offers from the most responsible and responsive vendors
- 2.4 To promote the acceptance of bids based on the total acquisition cost rather than the lowest bid received, wherever possible
- 2.5 To delegate the appropriate level of authority to enable the Town to meet service requirements
- 2.6 To assess the total project cost and/or the total aggregate value of the goods and/or services prior to determining the appropriate procurement process
- 2.7 To ensure that employees who are responsible for the requisitioning and purchasing of goods and/or services are accountable for their actions and decisions
- 2.8 In deciding to purchase goods or services through the procurement process, the Town of Hawkesbury shall have regard to accessibility for persons with disabilities.

### **3.0 AUTHORITY OF THE DEPARTMENT HEAD**

The Department Head shall authorize the issuance of requests for information or pricing, bid documents and contractual commitments in accordance with this Policy.

### **4.0 RESPONSIBILITY OF THE ADMINISTRATION**

- 4.1 Responsibility of the CAO /Treasurer:
  - 4.1.1 Will provide leadership, quality customer service and best value to the taxpayers of the Town through the provision of open, fair, equitable, accessible and competitive procurement processes;
  - 4.1.2 Is committed to timely, efficient service delivery while developing and maintaining good client relations through consultation and cooperation, and the promotion of both internal and external partnerships;
  - 4.1.3 Will promote standardization, education and share knowledge of products and market conditions while seeking innovative solutions;
  - 4.1.4 Will provide the appropriate level of delegated authority;

- 4.1.5 May remove a vendor from consideration for contracts under this Policy on the basis of poor performance or non-performance on a Town contract;

Success will be measured by Purchasing ability to respond to the needs and issues in a courteous, expedient and professional manner while at the same time ensuring the best value to the taxpayers and the Town's interests are being served.

- 4.2 Responsibility of the Deputy Treasurer:

To apply this Policy to everyday purchases and all disbursement of the Town of Hawkesbury.

## **5.0 RESPONSIBILITY OF THE DEPARTMENT HEAD**

The Department Head is responsible for the delegation of authority to designated employees under this Policy. When the process is non-compliant with the Policy and Procedures, the Department Head is required to obtain the written approval of the CAO / Treasurer and forward such approval to Purchasing authorizing the acquisition to proceed.

## **6.0 APPLICATION OF POLICY**

- 6.1 All goods and/or services required for the purposes of the Town, save and except only those goods and/or services, listed in Schedule A to this policy, shall be purchased and disposed of in accordance with the provisions of this Policy unless:

- 6.1.1 council by resolution directs that any particular purchase or disposal of goods and/or services shall be carried out in some other manner or;

- 6.1.2 any applicable law of the Province of Ontario or the Dominion of Canada requires that the purchase or disposal of goods and/or equipment be carried out in some other manner.

- 6.2 Where the circumstances mentioned in subsection 6.1.1 or 6.1.2 occur, the purchase or disposal of those goods and/or services shall be carried out in accordance with the resolution or the applicable law, as the case may be and the provisions of this Policy shall in all other regards continue to apply to such purchase or disposal with all necessary modifications.

- 6.3 The Department Heads, is hereby authorized to prescribe procedures consistent with this Policy and the objectives set out in Item 2.0 regarding:

- 6.3.1 the form, content and use of forms, whether electronic or printed, purchase orders, bonds, letters of credit and other forms of guarantees or surety, tendering, proposals and other contract documents;

- 6.3.2 method of acquisition or disposal which will more effectively achieve the objectives of the Policy, where alternative methods are permitted and the process to be followed in the issuing, receipt and evaluation of quotes, tenders, proposals and other submissions;
- 6.3.3 any other aspects of the process or procedure not specifically provided for under this Policy.

## **7.0 GENERAL AUTHORITY**

- 7.1 The purchase of goods and/or services having pricing or value in excess of \$2,500.01 shall not be authorized unless:
  - 7.1.1 the required goods and/or services have been requisitioned in accordance with this Policy and prescribed procedure;
  - 7.1.2 a method of purchase permitted under this Policy has been used as detailed in Schedule A to this policy;
  - 7.1.3 the form and content of all documents forming any part of the purchase contract including quotation, tender or proposal documents, form of agreement, special provisions, terms and conditions, insurance, surety bonds, etc. have been reviewed by Purchasing; and
  - 7.1.4 the purchase has been approved by the appropriate level of authority as detailed in Schedule A to this policy.
- 7.2 Where any goods and/or services are to be delivered confidentially, the CAO / Treasurer may act as the agent and provide the necessary advice and services, which would otherwise be provided by the Department Head.
- 7.3 Where the purchase of goods and/or services has been authorized in accordance with this Policy, the purchase order forming part of the contract to purchase may be executed on behalf of the Town by:
  - i) The Deputy Treasurer;
  - ii) The Department Head; or
  - iii) An employee in Purchasing authorized by the Department Head; or
  - iv) Any employee authorized to do so under an approved delegation of authority by the CAO /Treasurer.
- 7.4 Where bids are received in response to a bid solicitation but exceeds project estimates, the Department Head may enter into negotiations with the lowest compliant bidder to achieve an acceptable bid within the project estimate. When the negotiations result in a contract price acceptable to both parties no rebidding of the project is necessary and the Contract is awarded at the negotiated price.



- 7.5 If a tender/proposal has been approved by Council and awarded to the successful bidder and the successful bidder fails to enter into a contract, the Department Head shall be granted the authority to proceed to the next lowest bidder for the award of this contract without going back to Council for approval, providing there are no irregularities, requirements remain unchanged, within budget. Purchase approval shall be obtained from the CAO / Treasurer. The Department Head shall prepare a report to Council for information purposes.

## **8.0 PROCUREMENT PROCESSES**

Unless otherwise provided in this Policy, all goods and/or services having a price or value within each of the dollar ranges set out in Column 1 of Appendix "A" to this Policy shall be purchased using a procurement method listed in Column 2 and shall be authorized by the officer, employee, or Town Council listed in Column 3. Where an irregular result occurs, the purchase shall only be authorized by the Approval Authority listed in Column 3, opposite to the words Irregular Result in Column 2 for that dollar range.

### **8.1 PURCHASING PROCESS (0-\$2,500.00) (including applicable taxes)**

The acquisition of goods and/or services having a value of up to \$2,500.00 per transaction or a lesser amount as determined by the Department Head which are not covered by a blanket purchase order or internal printing shall be carried out by the requesting Department Head in accordance with the Policy and the approved *Purchasing Card Policy* (SF-P-02-01).

### **8.2 INFORMAL QUOTATION PROCESS (\$2,500.01 - \$49,999.99) (including applicable taxes)**

#### **Requirements \$2,500.01 to \$4,999.99**

For any requirement having an estimated value under \$4,999.99, competition need not be solicited and can be handled by the using department, if they so desire, or Purchasing. Prices may be obtained verbally from a vendor, which has proven, in a competitive situation, to offer the most favourable price consistent with reliability, delivery and service requirement. Verbal quotes must be recorded. The market is to be surveyed periodically in order to confirm that suppliers are in fact providing competitive prices and a competitive service. Where this is not confirmed, prices are to be solicited in accordance with below. The user department shall process a requisition and along with the quote, forward to the Finance Department. At any time the Department Head may get competitive pricing, at his sole discretion.

## **Requirements \$5,000.00 to \$49,999.99**

The acquisition of goods and/or services with an estimated value greater than \$5,000.00 and less than \$49,999.99 shall be obtained using a competitive process. This process may be handled by the using department if they so desire, or by Purchasing. At least three (3) written quotes shall be obtained from those vendors registered in the Town's approved vendor file or any other vendor known to provide the required goods and/or services. Verbal quotes must be recorded. The user department shall prepare a report, accompanied by the quotations received indicating the selected vendor for purchase order issuance or other appropriate action. Purchasing will review the supporting documentation for completeness and compliance with the prescribed Policy and Procedures.

### **8.3 FORMAL QUOTATION PROCESS (\$50,000.00 - \$99,999.99) (including applicable taxes)**

The acquisition of goods and/or services with an estimated value greater than \$50,000.00 and less than \$99,999.99 shall be obtained using a competitive process. The requirement shall be advertised in a local newspaper as well as on the town's website. All bids will be evaluated and approved in consultation with the Finance Department and the requisitioning Department Head. Department Head shall prepare the purchase approval report indicating the selected vendor for purchase order issuance or other appropriate action.

### **8.4 TENDER PROCESS (\$100,000.00 AND OVER)**

The acquisition of goods and/or services with an estimated value greater than \$100,000.00 shall be obtained using a competitive process and may require vendor pre-qualification. The requirement shall be advertised in a local newspaper as well as on the internet or in a national publication at least fifteen (15) days prior to the specified closing date and time, in accordance with the requirements of the Ontario/Quebec Trade Agreement and the Agreement on Internal Trade. All bids will be sealed and received on or before the specified closing date and time, and will be opened in public by the Clerk and the requisitioning Department Head. All bids will be evaluated and approved in consultation with the CAO / Treasurer.

#### **Approvals**

- 8.4.1 A Purchase Approval Report shall be prepared by Department Head for awards that meet the following criteria:
- i) award is less than or equal to \$1 million
  - ii) award is within budget
  - iii) award is the lowest bid
  - iv) award is not an irregular result.

The authority for tenders meeting these criteria shall be delegated to the Department Head and CAO / Treasurer and presented to council for approval.

## **8.5 REQUEST FOR PROPOSAL PROCESS**

This method of acquisition can be used for any dollar value and involves the solicitation of proposals when the requirements for goods and/or services cannot be definitely specified. It may or may not include prequalification or an expression of interest. This process has the most flexibility and will generally be governed by the terms of the request for proposal as developed by the Town. Depending on its terms, the process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms and prices.

Unsolicited proposals received by the Town shall be reviewed by the Department Head to determine if it is in the best interests of the Town to follow a competitive process or sole source requirement as outlined in this Policy.

## **8.6 CONSULTANTS**

The acquisition of professional consultants shall be carried out in accordance with the approved policy and procedures entitled "Hiring of Consultants" (Schedule C to this policy)

## **8.7 DIRECT (EMERGENCY) PURCHASE ORDER PROCESS**

The direct (emergency) purchase order process may be used for any dollar value, when the acquisition of any goods and/or services is deemed an emergency, or when the requesting Department Head authorizes the procurement process outlined in this Policy be suspended. This process is undertaken at the sole discretion of the requesting Department Head, who will provide written justification to the CAO / Treasurer, indicating why the prescribed procurement process was not followed for all purchases exceeding \$2,500.01 including taxes. For all transactions the CAO / Treasurer will receive the report including justification of each emergency.

## **8.8 DIRECT NEGOTIATED PROCESS**

Unless otherwise provided in this Policy, the requisitioning Department Head in consultation with the Deputy Treasurer or CAO / Treasurer may enter into negotiations with one or more vendors for the supply of goods and/or services when any of the following conditions apply:

- 8.8.1 The goods and/or services are deemed necessary by the Department Head as a result of an emergency which would not reasonably permit the use of any

other prescribed procurement process.

- 8.8.2 No bids are received on a formal quotation, tender or request for proposal call.
- 8.8.3 The extension or reinstatement of an existing contract would prove more cost effective or beneficial.
- 8.8.4 Bids have been solicited using one of the procurement processes with all bids received being non responsive or responsible.
- 8.8.5 The lowest bid received exceeds the approved budget and it is impractical to recall.
- 8.8.6 Goods and /or services are available from a single or sole source, as defined in 1.38 and 1.39.
- 8.8.7 Goods are required for resale and the determining criteria are marketability and profitability as determined by the using Department when costs are recovered through sales.

## **8.9 CONTRACT EXTENSIONS**

120 days prior to the actual expiring date of the contract the Department shall commence to acquire the goods/services by the appropriate procurement method, otherwise arrange for a contract extension in accordance with the Policy. In order to constitute a valid contract extension, the using department shall consider the following points prior to initiating an extension:

- Would it be cost effective or beneficial?
- Were the previous bids competitive?
- What are the current market conditions?
- Have any new companies expressed an interest in bidding the requirement?
- Previous performance of the vendor?
- Are there revisions to the specifications/ quantity/ terms and conditions?
- How does proposed pricing compare to CPI, Canada or other municipalities?
- Had local companies bid previously?
- Number of previous extensions?
- Are the best interest of the Town being served?

## **8.10 REQUEST FOR INFORMATION PROCESS**

This is a process where information is requested from vendors regarding the feasibility and availability of specific goods and/or services in the market place. This process can be used for any dollar value, and can also be used as a means of pre-qualification wherein information is requested regarding specific products or services, company profile, qualifications, etc. Based on the information received, the Town may solicit quotations, tenders or proposals

consistent with the procedures prescribed in this Policy, at which time prices would be requested.

### **8.11 USE OF FORMAL AGREEMENTS**

Formal agreements shall be used along with a purchase order, for complex requirements, which may contain terms and conditions other than those of the Town's standard terms and conditions. The Clerk in consultation with the Department Head shall determine if a formal agreement is required. Formal agreements shall be reviewed and approved as to form by the Clerk, or their designate, and approved by the CAO / Treasurer and requisitioning Department Head. When a formal agreement is required, the Department Head shall issue a purchase order incorporating the formal agreement.

### **8.12 TIE BIDS RECEIVED**

In the case of tied bids, preference will be given to purchase of goods and/or services firstly to Hawkesbury based businesses, secondly to businesses located in the Region and thirdly to Ontario owned businesses. If a decision still cannot be reached, the contract should be awarded on the basis of the most advantageous time schedule. If a decision still cannot be reached, the Town should determine the successful bidder by coin toss in the presence of the tied bidders and the Clerk.

### **8.13 DESIGN AND DEVELOPMENT SERVICE**

Vendors or potential vendors shall not be requested to expend time, money and effort to design or develop specifications or otherwise assist to define a requirement beyond the normal level of service expected from vendors. Should such extraordinary services be required, the Department Head will be advised. If there is no alternative but to request such services, then the vendor providing it shall be compensated at a pre-determined fee. The resulting specification shall become the property of the Town for use in obtaining competitive bids.

Specifications shall be written to obtain the most competitive pricing as possible and shall not be a deterrent to the competitive bid process. If vendors expend effort of developing specifications, otherwise defined beyond the normal level of service expected from a vendor, the vendor shall be considered a consultant and shall be unable to make an offer for the supply of goods/services unless approved by the Department Head.

## **8.14 RESTRICTED CONTACT PERIOD THROUGHOUT THE BIDDING PERIOD**

The official point of contact is always named in the bid document and that person or designate is the only person who communicates with vendors during the tender and award process. This procedure is necessary to protect both the interest of the Town and of the businesses competing in the process.

When the tender requires the use of a technical contact person, that person is also named in the bid document. Any communications between technical staff and vendors in the bid process is to be forwarded to the Department Head.

## **9.0 COOPERATIVE PURCHASING**

The Department Head may participate with other governments, agencies or public authorities in co-operative ventures or contracts where the best interest of the Town would be served.

## **10.0 ENVIRONMENTAL PURCHASING**

The Department Head shall encourage wherever possible, specifications which provide for expanded use of durable goods, reusable goods and goods including those services, containing the maximum post-consumer waste and/or re-cyclable content, without affecting the intended use of the good or service.

## **11.0 LOCAL PREFERENCE**

In accordance with the Discriminatory Business Practices Act, there will be no local preference for purchases. All things being equal, preference will be given to purchases of goods and/or services firstly to Hawkesbury based businesses, secondly to businesses located in the Region and thirdly to Ontario owned businesses.

## **12.0 ADMINISTRATIVE PROCEDURES**

The Department Head shall prepare and maintain the appropriate purchasing administrative procedures to implement this Policy.

12.1 Every Tender, including but not limited to a Request for Proposal (“RFP”), Request for Tender (“RFT”), Request for Information (“RFI”) and Request for Quotations (“RFQ”) shall contain the following provisions:

12.1.1 No persons, other than the Bidder, have any interest in the RFP, RFT, RFI and RFQ or in the Contract proposed to be entered into.

12.1.2 The Bid is made without any connection, knowledge, comparison of figures, or arrangement with any other person or persons making a Bid for the same work, and is in all respects fair and without collusion or fraud.

12.1.3 The several matters stated in the Bid are in all respects true.

12.1.4 The Bidder also declares that in making the Bid, he/she/it did not and does not rely upon verbal information furnished by the Owner or Engineer.

12.1.5 The Bidder acknowledges that the Town shall have the right to reject any, or all, Bids for any reason, or to accept any Bid which the Town in its sole unfettered discretion deems most advantageous to itself.

12.1.6 The Bidder acknowledges that the Town may rely upon the criteria which the Town deems relevant, even though such criteria may not have been disclosed to the Bidder. By submitting a Bid, the Bidder acknowledges the Town's rights under this Section and absolutely waives any right, or cause of action against the Town and its consultants, by reason of the Town's failure to accept the Bid submitted by the Bidder, whether such right or cause of action arises in contract, negligence, or otherwise.

12.1.7 The Town reserves the right to consider, during the evaluation of Bids;

- i) Information provided in the Bid document itself;
- ii) Information provided in response to enquiries of credit and industry references set out in the Bid;
- iii) Information received in response to enquiries made by the Town of third parties apart from those disclosed in the Bid in relation to the reputation, reliability, experience and capabilities of the Bidder;
- iv) The manner in which the Bidder provides services to others;
- v) The experience and qualification of the Bidder's senior management, and project management;
- vi) The compliance of the Bidder with the Town's requirements and specifications;
- vii) Innovative approaches proposed by the Bidder in the Submission; and
- viii) Whether the Bidder has been involved in litigation with the Town during the last sixty (60) months before the date of the RFP, RFT, RFI or RFQ.

## **13.0 PROHIBITIONS AND COMPLIANCE**

- 13.1 All employees of the Town shall comply with the Financial and Policy controls meeting the audit requirements of the Town to ensure that those responsible for requisitioning and purchasing goods and/or services are held accountable for their actions and decisions
- 13.2 All employees of the Town shall act in a manner consistent with the objectives of the Policy. Any employee who knowingly contravenes this Policy commits an act of misconduct is liable to disciplinary action
- 13.3 No acquisition of goods and/or services or disposal of surplus goods, or equipment shall be made where the quantity or delivery is divided or in any other manner arranged so that the price or value of the goods and services to be acquired or disposed of is artificially reduced to circumvent the prescribed procurement process
- 13.4 No goods and/or services shall be requisitioned by any officer or employee unless:
- i) the goods and/or services are legitimately required for the purposes of the Town or any other local Board or other Agency on whose behalf the purchase is being undertaken; or
  - ii) the funds for the purchase of the goods and/or services are available with an approved budget or the request to purchase is expressly made subject to funding approval of the Town or any other local Board or other Agency on whose behalf this is being made
- 13.5 No officer or employee or any relative of that officer or employee shall be permitted to purchase any surplus goods to be disposed of except by successfully bidding on the same at a public auction or by sealed bid but in no case if the duties of that officer or employee include making decisions regarding the disposal of such goods or activities relating to the conduct of the disposal process
- 13.6 Officers and employees shall not knowingly cause or permit anything to be done or communicated to anyone which is likely to cause any potential vendor to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to the Town, or any other municipality, local board or public body involved in the purchase of goods and services either jointly or in cooperation with the Town
- 13.7 No officer or employee shall knowingly cause or permit anything to be done which will jeopardize the legal validity or fairness of any purchase and/or goods and services under this Policy which is likely to subject the Town to any claim, demand, action or proceeding as a result of such act or omission.



#### **14.0 REPEAL OF FORMER PROCUREMENT POLICY**

All procurement policies approved prior to the enactment of this policy are hereby repealed.

#### **15.0 SHORT TITLE**

This policy shall be known as "The Procurement Policy".

## SCHEDULE "A" TO THE PROCUREMENT POLICY

COLUMN 1 DOLLAR RANGES	COLUMN 2 PROCUREMENT PROCESS	COLUMN 3 AUTHORITY
Any Dollar Value (including Applicable taxes)	Direct (Emergency) Purchase	Department Head
0 – 2,500.00	Cheque Requisition	Department Head
2,500.01 – 49,999.99	Informal Quotation	Deputy Treasurer & Department Head
	Direct Negotiation	
	Contract Extension	
	Request for Proposal	
	Hiring of Consultants	CAO
	Irregular Result	Deputy Treasurer
50,000.00 – 99,999.99	Formal Quotation	Deputy Treasurer & Department Head
	Direct Negotiation	
	Request for Proposal	
	Contract Extension	
	Hiring of Consultants	Town Council
	Irregular Result	CAO & Treasurer
100,000.00 +	Public Tender – Regular Result	Town Council
	Public Tender – other than Regular Result	
	Hiring of Consultants	
	Request for Proposal	
	Irregular result	
	Direct Negotiation	CAO with approval of Council
Contract Extension		

## SCHEDULE "B" TO THE PROCUREMENT POLICY

The following items are not subject to the Town's Procurement Policy and procedures and a purchase order is not required:

- 1.0 Purchasing Card Purchases. See **Policy SF-P-02-01, Purchasing Cards.**
- 2.0 Petty Cash Items - purchases less than \$100.00 including taxes
- 3.0 Cheque Requisition - purchases less than \$2,500.00 including taxes
- 4.0 Training and Education
  - (a) Conferences
  - (b) Courses
  - (c) Seminars
  - (d) Conventions
  - (e) Memberships
  - (f) Periodicals
  - (g) Magazines
  - (h) Subscriptions
  - (i) Staff Training
  - U) Staff Development
  - (k) Staff Workshops
- 5.0 Refundable Employee Expenses
  - (a) Cash Advances
  - (b) Meal Allowances
  - (c) Travel Expenses
  - (d) Entertainment
  - (e) Miscellaneous - Non-Travel
  - (f) Hotel Accommodation
  - (g) Mileage
- 6.0 General Expenses
  - (a) Licenses (vehicles, elevators, radios, etc.)
  - (b) Charges to or from other government bodies or Crown Corporations except for construction and/or maintenance projects
  - (c) Real Estate including land, buildings, leasehold interests, easements, encroachments and licenses
  - (d) Items of a confidential nature
  - (e) Professional and special services, including appraisals, medical, etc.
  - (f) Freight charges
  - (g) Legal Fees and other professional services related to litigation or legal matters
  - (h) Witness Fees
  - (i) Charges to or from government legislated controlled agencies (i.e. Technical Standards & Safety Association, Electrical Safety Authority)
- 7.0 Utilities
  - (a) Postage
  - (b) Water and Sewage Charges
  - (c) Telephone Service i.e. Bell Canada
  - (d) Cable Television Service
  - (e) Hydro
  - (f) Gas

## **SCHEDULE "C" TO PROCUREMENT POLICY HIRING OF CONSULTANTS**

### **DEFINITION:**

A "Consultant" means a vendor, who by virtue of a particular expertise, is hired by the Town to undertake a specific task or assignment that may include designing specifications and preparing plans or programs, architectural services or consulting services.

### **PRINCIPLE:**

- Fair access to bid on Town work shall be provided to consultants. The Town must not permit one vendor to gain a monopoly for a specific type of assignment.
- Consulting services shall be acquired through a competitive purchasing process, wherever possible, to ensure that best value is obtained for funds expended.

### **PROCEDURE:**

- Consultants and/or architects must complete and submit a Vendor's Application.
- User departments must pre-qualify each consultant and/or architect.
- Pre-qualification criteria must include, but is not limited to, expertise and experience, financial stability, previous performance, ability to complete on budget and on time, personnel, etc.
- User department must advise Purchasing when the consultants are prequalified.
- Purchasing will then add the consultants and/or architects to the Town's approved vendor file.
- Pre-qualified consultants and/or architects must be used on a rotational basis, to provide all consultants and/or architects with the opportunity to bid on Town work.

### ***\$0.00 TO \$49,999.99***

- the user department shall develop the Terms of Reference
- the user department shall select the consultants to be invited to submit a bid or proposal
- a minimum of three (3) written bids or proposals will be requested, whenever feasible, exceptions must be approved by the Department Head
- the user department will issue and receive the bids or proposals. The

- user department may, at its option, request Purchasing to perform this function
- the user department will evaluate the bids or proposals and will prepare an award recommendation which will be forwarded to Finance Department.
  - Purchasing, upon receipt of the recommendation, will issue a purchase order to the successful vendor

***\$50,000.00 TO \$99,999.99***

- the user department will select the consultants and/or architects to be invited to submit a bid or proposal and submit the vendor names to the Finance Department
- the user department shall develop and provide the Terms of Reference
- a minimum of three (3) written bids or proposals will be requested, wherever feasible, exceptions must be approved by the CAO /Treasurer
- the Department Head will issue, receive and open the sealed bids or proposals
- the award recommendation will be determined by the user department and approved by CAO /Treasurer
- the user department will prepare an award recommendation
- upon receipt of the recommendation, the Finance Department will arrange for contract execution

***\$100,000.00 AND OVER***

- the user department will select the consultants and/or architects to be invited to submit a bid or proposal
- the user department shall develop and provide the Terms of Reference
- a minimum of three (3) written bids or proposals will be requested; exceptions must be approved by the CAO /Treasurer
- the Department Head will issue, and receive the sealed bids or proposals
- the sealed bids or proposals will be opened by the Clerk Office
- the Clerk will forward the received bids or proposals to the user department for evaluation
- the award recommendation will be determined by the user department in consultation with the Finance Department
- a report to Council will be prepared by the requisitioning Department Head, recommending an award or other appropriate action, Council will review the report
- upon receipt of the Council resolution, and their approval of the recommended vendor, the Clerk will arrange for contract execution.