



Purchasing and Procurement Policy

Purposes, Goals and Objectives

1. The purposes, goals and objectives of this policy and each of the methods of Purchasing authorized herein are:
 - a) To provide a Corporate wide policy for the procedures and controls in the acquisition of goods and services;
 - b) To ensure fairness among bidders;
 - c) To ensure all goods and services are purchased on a competitive basis at lowest cost consistent with the quality required and availability;
 - d) To provide a level of service that meets the time frame requirements for each department;
 - e) To ensure openness, accountability and transparency while protecting the financial best interest of the Town of Parry Sound;
 - f) To promote, and incorporate wherever possible in Purchasing activities of the Corporation, the requirements of the *Accessibility for Ontarians with Disabilities Act, 2005*;
 - g) To monitor all purchases within current control resources and to maximize savings to the taxpayers;
 - h) Policy will be applicable to all departments of the Corporation of the Town of Parry Sound and where their operational and reporting structure permits, boards and services responsible to the Corporation;



Definitions

1. Wherever a word is used in this policy with its first letter capitalized, the term is being used as it is defined in this section. Where any word appears in ordinary case, its regularly applied meaning in the English language is intended.
 - a) **“Appropriated”** means the provision of funds in the annual budget. Where Council has not yet adopted a budget for the current year, and expenditure shall be deemed to be appropriate if, in the opinion of the CAO and the Department Director, the expenditure is for normal operations and maintenance;
 - b) **“Award”, “Awarded” and “Awarding”** means authorization to proceed with the purchase of goods, services or construction from one or more selected suppliers or contractors;
 - c) **“Best Value”** means the optimal balance of performance and cost as determined by the decision maker and in accordance with any pre-determined evaluation plan;
 - d) **“Bid”** means an offer or submission from a bidder in response to a call for bid and in accordance with the terms and conditions of the Corporation’s bid documents;
 - e) **“Bidder”** means one who submits a response to a call for a bid;
 - f) **“Bid Deposit”** means the form of security required by the terms and conditions of Bid Solicitations to guarantee that the successful supplier enters into a Contract with the Corporation;
 - g) **“Bid Solicitation”** means a formal request for Bids including a Request for Informal Quotation, Request for Quotation, Request for Tender, or Request for Proposal;
 - h) **“Budget”** means the budget or portion of the budget approved by Council;
 - i) **“Chief Administrative Officer”** of **“CAO”** means the Chief Administrative Officer of The Corporation of the Town of Parry Sound;
 - j) **“Compliant Bid”** means a Bid that meets the terms and conditions of the Bid Solicitation and this policy;
 - k) **“Contract”** means a binding agreement by way of a Purchase Order, or Purchase Order incorporating a formal agreement, or a formal agreement between two or



more parties that creates an obligation for the supply of goods, services or construction in return for money or other consideration;

- l) "**Conflict of Interest**" means a situation where a personal, business or other interest of an elected or appointed official, officer or employee of the Corporation is, or can be reasonable perceived to be, in conflict with the interests of the Corporation, and includes, but is not limited to:
 - i) the giving or receiving of a direct or indirect personal gain or benefit, or a direct or indirect advantage or privilege, by any person or business that offers Goods and / or Services to the Corporation;
 - ii) a direct or indirect interest in any business that provides Goods and / or Services to the Corporation;
 - iii) a conflict of interest as defined in the Municipal Conflict of Interest Act; or
 - iv) a conflict of interest as defined in the Corporation's Code of Ethics / Conflict of Interest Policy.
- m) "**Construction**" means the process of utilizing labour to build, alter, repair, improve or demolish any structure, building or public improvement, generally does not apply to routine maintenance, repair or operations of existing real property;
- n) "**Corporation**" means the Corporation of the Town of Parry Sound;
- o) "**Council**" means the Council for the Corporation of the Town of Parry Sound;
- p) "**Department Director**" means an employee who holds operational responsibility for a municipal function or service. Where responsibility for a function or service cannot be ascribed to a Department Director, this definition shall be deemed to mean the CAO;
- q) "**Designate**" means a person authorized by the Department Director to act on his behalf, for the purpose of this policy. Only a person holding a position no lower than one level below in the Corporation's organizational structure may be authorized to act as a Designate;



- r) "**Disability**" or "**Disabilities**" shall have the same meaning as set out in the *Accessibility for Ontarians with Disabilities Act, 2005*, or any successor legislation thereto;
- s) "**Disposal**" means the selling, trading, assignment and / or scrapping of surplus assets;
- t) "**Goods**" means, in relation to procurement, moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property), including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract;
- u) "**Lowest Compliant Bid**" means the Compliant Bid that would provide the Corporation with the desired Goods and / or Services at the lowest cost;
- v) "**Normal Operating Expenditure**" means an expenditure of an operational, recurring nature and does not include one-time special or capital expenditures;
- w) "**Obsolete Equipment**" means equipment that cannot operate or do the job it was originally purchased for efficiently and economically;
- x) "**Professional Services**" means those services requiring the skills of professionals for a designed service requirement including:
 - i) architects, engineers, designers, surveyors, geoscientists, project managers, financial consultants, auditors, accountants, doctors, dentists and lawyers;
 - ii) firms or individuals having specialized competence in environmental, planning or similar disciplines; and,
 - iii) software consultants and any other persons providing similar services;
- y) "**Proponent**" means one who submits a response to a Request for Proposal;
- z) "**Proposal**" means the submission received or the response to a Request for Proposal, acceptance of which may be subject to further negotiation;
- aa) "**Purchase**" means to acquire Goods and / or Services by purchase, rental, lease or trade;



- bb) **"Purchase Order"** means written authorization to purchase goods and services, on a form provided by the Corporation.
- cc) **"Quote"** means a written estimate submitted to the Corporation in response to an information request for the cost of providing goods, services or construction to the Corporation;
- dd) **"Request for Expression of Interest"** or **"RFEOI"** means a public request made by the Corporation seeking responses from potential suppliers for the purpose of compiling a list of suppliers who may be interested in providing Goods and / or Services to the Corporation from time to time. Receipt of an expression of interest by the Corporation does not create any obligation between the potential supplier and the Corporation, but may be a precondition to qualifying for subsequent Bid Solicitations issued by the Corporation;
- ee) **"Request for Pre-Qualification"** or **"RFPQ"** means a public request by the Corporation seeking submissions outlining the experience, financial strength, education, background and significant personnel of potential suppliers who may, from time to time, qualify to supply Goods and / or Services to the Corporation;
- ff) **"Request for Proposal"** or **"RFP"** means a request for proposals from proponents for goods, services or construction and is generally based on providing a solution to objectives stated within applicable terms of reference. The request document must clearly state the evaluation criteria, price may not be the primary evaluation factor and subsequent award recommendation;
- gg) **"Request for Quotation"** or **"RFQ"** means a public request for quotation for the provision of goods, services or construction to the Corporation based on defined requirements and where a clear solution exists;
- hh) **"Request for Tender"** or **"RFT"** means a public request for tenders for the provision of goods, services or construction to the Corporation based on defined requirements and where a clear solution exists;
- ii) **"Services"** means intangible products that do not have a physical presence and includes Professional Services. No transfer of possession or ownership takes



place when services are sold and they: 1) cannot be stored or transported; 2) are instantly perishable; and 3) come into existence at the time they are bought and consumed;

- jj) "**Single Source**" means the non-competitive procurement process to acquire Goods and / or Services from a specific supplier even though there may be more than one supplier capable of delivery of the same Goods and / or Services;
- kk) "**Sole Source**" means there is only one source of the Goods and / or Services that meets the requirements of the Corporation;
- ll) "**Special Circumstance**" means
 - i) an event that is exceptional or could not be foreseen and is likely to pose a threat to the health, safety or welfare of the public;
 - ii) an event that, unless immediately addressed is likely to cause significant loss or damage to property;
 - iii) an event that has disrupted any essential service that need to be re-established without delay;or
 - iv) an emergency as defined in the *Emergency Management Act, R.S.O. 1990, c E.8*, as amended, or any successor legislation thereto;
- mm) "**Tender**" means an offer submitted to the Corporation in response to a formal request for the cost of providing goods, services or construction to the Corporation;
- nn) "**Tenderers**" means a person, agent, company or other entity that formally responds to a call for tenders by submitting a price to do the work or provide the product;
- oo) "**Total Acquisition Costs**" means that the financial limits are based on the sum of all the costs to be paid to the supplier, any applicable taxes and less any rebates;
- pp) "**Two Envelope Process**" means a Request for Proposal where the proposal details and price information are submitted in separate envelopes within the submission package and designed to permit review and evaluation of proposal content without the knowledge or influence of price.



Interpretation

1. Wherever this By-law refers to a person or thing with reference to gender or the gender neutral, the intention is to read the By-law with the gender applicable to the circumstances;
2. The dollar values stated are in terms of Total Acquisition Cost
3. Schedule "A" – Purchasing Exemptions is incorporate into this By-law;
4. Schedule "B" - Purchasing and Execution Authority is incorporated into this By-law;
5. Schedule "C" - Chart of Bid Irregularities is incorporated into this By-law;

Application

1. The procedures prescribed in this policy shall be followed to make an award or to make a recommendation of an award to Council.
2. Every person who purchases goods and services shall exercise that authority in a responsible manner consistent with public purchasing practices and procedures and in accordance with the applicable laws of the Province of Ontario, the Government of Canada and the regulations made pursuant to this policy. All purchases must be approved by the Department Director or their Designate.
3. The methods of purchasing outlined in this policy shall not apply to the purchase of those Goods and Services outlined in Schedule "A".
4. This provision provides authority for the purchase of Goods and Services outlined in Schedule "A" as long as the funding is available in the Budget.
5. Any Contracts necessary to complete the purchase of Goods and / or Services outlined in Schedule "A" shall be signed by the appropriate Document Execution Authority for "Single Source" as set out in Schedule "C", up to the prescribed limit that:
 - a) The Contract has been prepared in a form satisfactory to the CAO;



- b) Any financial securities and insurance required under the Contract are satisfactory to the Director of Finance and POA Court Services; and
- c) Funding is available in the Budget.

Application for Approved Funds

1. The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within Council's approved Budget.
2. Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
 - a) The identification and availability of sufficient funds in appropriate accounts for the current year within Council approved Budgets,
 - b) The requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the Director, the required funding can reasonably be expected to be made available.
3. All purchase requests for contracts for which sufficient funds are not available and identified shall be rejected unless the deficiency is minimal and alternative funding has been identified and approved by the CAO or Council.

Trade Agreements

1. Purchasing by the Corporation may be subject to the provisions of trade agreements.
2. Where an applicable trade agreement supercedes and is in conflict with this policy, the trade agreement shall take precedence.



3. The Director of Finance, or designate, shall advise the appropriate departmental Director when a purchase may not conform to an applicable trade agreement as early as possible.

Accessibility

1. Pursuant to the *Accessibility for Ontarians with Disabilities Act, 2005*, as amended, in deciding to purchase goods or services, the Corporation will have regard for persons with disability. The Corporation is committed to accessibility principles and is taking steps to improve accessibility in accordance with the Act.
2. Suppliers and contractors providing service to the Corporation may, as required by the *Accessibility for Ontarians with Disabilities Act* or subsequent legislation, be required to sign a "Third Party Declaration" related to their training in accessibility requirements.

Advertising of Purchasing Opportunities

1. Purchases requiring a RFP or RFT shall, as a minimum, be advertised:
 - a) On the Corporation's website from the date that the Bid Solicitation is issued up to and including the date on which the Bid Solicitation closes; and / or
 - b) One time, at least seven (7) calendar days before the Bid Solicitation closes, in a local newspaper that has circulation within the Town of Parry Sound.
2. Any person responsible for a purchase may advertise purchases for lesser amounts if he or she determines that it is in the Corporation's best interest.
3. Advertising is not required for services that may be provided only by any of the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers, paralegals and notaries.



Cancellation of Request for Quotation, Proposal or Tender

1. A Director, with the concurrence of the CAO, may cancel a Request for Quotation, Proposal or Tender at any time up to contract award, and shall ensure that the confidentiality of any bid submitted is maintained in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

Standard Procurement Procedures

1. The purchasing methods described in this by-law do not apply to the items outlined in Schedule A of this policy.

Request for Pre-Qualification of Acceptable Suppliers

1. The Corporation may conduct a Request for Pre-Qualification to develop a list of suppliers that may be eligible to submit a Bid on subsequent Bid Solicitations or to develop a roster of suppliers for Professional Services.
2. Pre-Qualification may be considered in the following circumstances:
 - a) The work will require substantial project management by the Corporation and could result in substantial cost to the Corporation if the supplier is not appropriately experienced;
 - b) The Goods and / or Services to be purchased must meet national safety standards;
 - c) The work involves complex, multi-disciplinary activities, specialized expertise, equipment, materials or financial requirements;
 - d) Miscellaneous repairs and services as required by the Corporation such as plumbers, electricians, and drywall contractors;
 - e) There could be substantial impact on the Corporation's operations if the work is not satisfactorily performed the first time; or



- f) Any other circumstances deemed appropriate by the CAO or departmental Director.
- 3. An RFPQ shall be provided to the potential suppliers setting out the criteria for pre-qualification which may include, but are not limited to:
 - a) Experience on similar work (firm and staff assigned);
 - b) References provided from other customers for similar work;
 - c) Verification of applicable licences and certificates;
 - d) Health and safety policies and staff training; and
 - e) Financial capability.
- 4. Supplier submissions will be evaluated and ranked and a short list of pre-qualified suppliers will be invited to participate in the second step of the two-step purchasing process being a Request for Proposal or a Request for Tender.
- 5. An RFPQ is not a legal offer but only an invitation for suppliers to make offers to the Corporation.

Low Value Purchases - Purchases of \$2,000 or Less

- 1. Department Directors and / or their Designates shall have authority to make purchases to meet the requirements of the municipality for the acquisition of goods, services or constructing having a value of \$2,000 or less.
- 2. Only purchases that can be demonstrated to have been made at Fair Market Value shall be made.
- 3. Purchase Orders are not required, unless requested by the vendor.
- 4. All disbursements shall be evidenced by vouchers or invoices approved by the Department Director or designate whom has authority to approve the purchase.



Informal Quotations - Purchases between \$2,001 and \$9,999

1. Purchases estimated between \$2,001 and \$9,999 shall be handled by the Department Director, or Designate, obtaining a minimum of 2 quotes which shall be evaluated on price and the criteria outlined in the quote request. Evidence of the gathering of quotes shall be made on the back of the office copy of the Purchase Order (or attached to the Purchase Order if necessary).
2. Quotes need not be obtained if the purchase qualifies for Single Source or Sole Source purchases
3. Purchase Orders must be completed by the Department Director or their Designate and signed. The Purchase Order is to include the quoted price from the supplier.

Request for Quotation (Formal) - Purchases between \$10,000 and \$29,999

1. The Department Director shall prepare the prescribed form which shall include the following information:
 - a) The specifications for the goods and services required;
 - b) The name and address of the municipality and person to whom the quotes should be directed;
 - c) The date and time of closing for the receiving of quotes;
 - d) Required delivery date.
2. Invitations to submit quotes shall be directed to a minimum of three suppliers (where possible). The Department Director shall keep a list of suppliers who have been invited to quote with the objective of getting the best value for the municipality.
3. Quotations received by the Corporation must be in writing and include specifications of products/services being quoted, supplier's company name, name of individual supplying the quote, date of the quote, amount of the quote and delivery date.



4. The Department Director shall issue a Purchase Order for the selected supplier if the proposed expenditure has been approved in the current year's budget.
5. The Department Director shall prepare a recommendation to forward to Council for approval if the proposed expenditure has not been approved in the current year's budget. Once Council has passed a resolution approving the expense, a Purchase Order should be issued quoting the resolution number.
6. Any Bid irregularities shall be dealt with in accordance with Schedule "D"
7. Quotes shall remain confidential until after the date and time of closing.

Request for Tender - Purchases Greater than \$30,000.00

1. A Request for Tender shall be used for purchases exceeding \$30,000 where all the following criteria apply:
 - a) Two or more sources are considered capable of supplying the requirement;
 - b) The requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria;
 - c) The market conditions are such that tenders can be submitted on a common pricing basis;
 - d) It is intended that the Lowest Compliant Bid will be accepted;
 - e) Sufficient funds are available and identified in appropriate accounts within Council approved budgets, except in an emergency situation;
 - f) Any Bid irregularities shall be dealt with in accordance with Schedule "D"
 - g) The provisions of this By-law are complied with.
2. The Request for Tender becomes due a minimum of two (2) weeks subsequent of the advertisement date.
3. Tenders received are opened in the presence of the Department Director, a member of Council and the CAO or Designate, as well as anyone from the General Public.
4. Tenders are reviewed by the applicable staff/consultant and a written report prepared and presented to Council recommending the award of the contract to the



supplier meeting all mandatory requirements and providing best value as stipulated in the Request for Tender and is the lowest price.

5. Final acceptance of Tenders must be by resolution of Council.

Request for Proposal - Purchases Greater than \$10,000

1. A Request for Proposal may be issued where the Method of Purchasing meets one or more of the following criteria:
 - a) The Purchase is required as a result of a particular problem, requirement or objective;
 - b) The selection of the supplier depends more upon the effectiveness of the proposed solution rather than the price alone;
 - c) The precise Goods and / or Services, or the specifications therefor are not known and are not definable and it is expected that the suppliers will further define them.
2. The Request for Proposal shall include the evaluation criteria to be used in the final awarding of the contract.
3. The Request for Proposal may require the use of a Two Envelope response. The first envelope will contain the form of proposal and corporate and key personnel qualifications, methodology, schedule and other technical requirements of the Bid Solicitation. The second envelope will contain the proposed fee for the services, and will only be opened once the qualitative analysis has been completed. All Bids will be evaluated based on the evaluation criteria outlined in the Bid Solicitation by an evaluation team consisting of members of the requesting Department, and others as appointed.
4. Any Bid irregularities shall be dealt with in accordance with Schedule "B".
5. Final acceptance of Proposals must be by resolution of Council.



Special Circumstance Purchases

1. Purchases that are required to respond to a Special Circumstance, as defined in this Policy, shall be authorized in accordance with Schedule "C". All such purchases must be reported to the Director of Finance and POA Court Services and the CAO the following business day.
2. Contracts required to effect Special Circumstance purchases shall be signed in accordance with the Document Execution Authorities set out in Schedule "C".
3. The CAO may enter into a contract for the provision of services under a qualifying special circumstance. Any contractual agreements must then be approved by Council at its next Council meeting
4. Where an emergency exists requiring the immediate procurement of goods, services and construction, the CAO may authorize the purchase required by the most expedient and economical means.
5. During working hours the CAO or designate shall be contacted to approve the applicable purchase.
6. After working hours the Department Director may arrange to make the applicable purchase and provide the relevant documentation and rationale in a timely manner to the Administration and Finance departments for review of the CAO or designate and the Director of Finance or designate.
7. When such action is taken as outlined above, the CAO shall report such action to Council forthwith.

Single Source Purchases

1. Bid Solicitations are not required for Single Source Purchases, provided that any of the following conditions apply:
 - a) A Sole Source is being recommended;
 - b) The compatibility of a Purchase with existing equipment, product standards, facilities or service is a paramount consideration;



- c) A Good is purchased for testing or trial use;
 - d) There is an absence of competition for technical reasons and the Goods and / or Services can only be supplied by a particular supplier;
 - e) An unforeseeable situation of urgency exists and the Goods and / or Services cannot be obtained in time by means of open procurement procedures;
 - f) The Corporation has a rental contract with a purchase option and such purchase option is beneficial to the Corporation;
 - g) For matters involving security, police matters or confidential issues, in which case a purchase may be made in a manner that protects the confidentiality of the supplier or the Corporation;
 - h) There are no bids in response to a Bid Solicitation;
 - i) A roster for Professional Services has been developed.
2. All purchases shall be authorized in accordance with the Purchasing Authorities set out in Schedule "C" and all Contracts shall be signed in accordance with the Document Execution Authorities set out in Schedule "C".

Negotiation Method

1. Notwithstanding that Negotiation may be a component of another procurement process, Negotiation may be used for the procurement of goods, services or construction when any of the following conditions exist:
- a) The required Goods and / or Services are in short supply;
 - b) Competition is precluded due to the existence of any patent right, copyright, technical secret or control of raw material;
 - c) A Sole Source is being recommended;
 - d) Two (2) or more identical Bids are received;
 - e) The Lowest Compliant Bid received meeting all specifications exceeds the Budget amount;
 - f) The extension of an existing Contract would be more effective;



- g) Only one (1) Bid is received in response to a Bid Solicitation;
 - h) The Bid Solicitation process has been cancelled without Award;
 - i) A roster for Professional Services has been developed;
 - j) There is Council authorization to do so.
2. All purchases shall be authorized in accordance with the Purchasing Authorities set out in Schedule "C" and all Contracts shall be signed in accordance with the Document Execution Authorities set out in Schedule "C"

Roster for Professional or Specialized Services

1. An RFPQ or RFEOI may be conducted for the purpose of developing a roster of qualified suppliers of Professional or Specialized Services for groups of projects requiring similar and particular expertise. While the use of a roster is strictly optional, the associated RFPQ or RFEOI shall be conducted in accordance with this policy.
2. The Department Director shall provide the relevant information regarding the Professional Services and required expertise.
3. The Department Director will prepare the RFPQ or RFEOI, inviting interested suppliers to submit Bids outlining, among other things, their qualifications, availability, recent project experience, key personnel, and roles, and sufficient references satisfactory to the Director for work of a similar nature.
4. An evaluation team consisting of members of the requesting department shall analyze and evaluate the responses received using the criteria outlined in the RFPQ or RFEOI to select a number of qualified suppliers of Professional or Specialized Services which shall be placed on a roster.
5. On subsequent projects, suppliers of Professional or Specialized Services may be selected from the roster to submit detailed proposals in response to a Bid Solicitation, in accordance with this policy. The requesting department shall invite



suppliers on the roster to provide Services, using best efforts to equally distribute opportunities amongst the suppliers on the roster.

6. Alternatively, a supplier may be selected from the roster to submit a Bid for Professional or Specialized Services, in accordance with the requirements for Single Source or Negotiated purchases.
7. Rosters shall be updated at least once every three (3) years.

Petty Cash

1. Cash purchases (petty cash) may be used by approved departments in accordance with established procedures and where the value is less than \$50.00.
2. They are not to be grouped to achieve larger purchases.

Purchase Orders

The following procedures shall be observed whenever there is a requirement for a Purchase Order as required by this policy.

1. Upon issuance of a Purchase Order, the Department Director or Delegate shall indicate a description, actual or estimated price, applicable taxes, a total cost, the correct general ledger account, the date, vendor name and Department Director or Delegate's signature.
2. The Purchase Order is in triplicate and the copies should be forwarded as follows:
 - a) Copy 1: White Forwarded to the supplier either by mail or hand delivery
 - b) Copy 2: Yellow Forwarded to the Accounts Payable clerk
 - c) Copy 3: Pink Forwarded to the Accounts Payable clerk for future matching to the invoice before forwarding to the correct Department Director or Delegate for approval



3. Purchase Orders are to indicate correct delivery designation of the supplies or equipment.
4. Blanket Purchase Orders can be issued if such a Purchase Order is desirable. Any Purchase Order issued shall be limited as to the time (not to exceed a period of 12 months) and value per order (not to exceed \$1,000 per order).

Co-Operative Purchasing

1. The Corporation may enter into arrangements with any government body, ministry, agency, board, corporation or authority on a co-operative or joint basis for purchases of Goods and / or Services where there are economic advantages in doing so and such purchases comply with this policy.

Tender and Contract Administration

Financial Securities and Insurance

1. The Corporation may require that a Bid be accompanied by a Bid Deposit or other similar security to guarantee that the successful supplier enters into a Contract with the Corporation.
2. In addition to the security referred to above, the successful supplier may also be required to provide:
 - a) A Performance Bond to guarantee the performance of the Contract;
 - b) A Labour and Materials Bond to guarantee the payment for labour and materials to be supplied in connection with a Contract; and / or
 - c) Such further security as the Director deems appropriate in the circumstances.



3. Prior to the commencement of work, the supplier shall provide to the Corporation, proof of insurance in accordance with the Bid Solicitation, satisfactory to the Director.
4. Failure to comply with all terms and conditions of a Bid Solicitation, including failure to provide proof of insurance as required, shall be just cause for cancellation of the Award.
5. Prior to the Corporation issuing payment to a supplier and before any work commences, the supplier shall provide a Certificate of Clearance from the Workplace Safety and Insurance Board confirming all premiums or levies have been paid to the Board to date.

Bid Irregularities

1. The process for administering irregularities contained in Bids pertaining to all Bid Solicitations shall be as set out in Schedule "B".

Form of Contract

1. An Award may require a formal written agreement or Purchase Order.
2. A Purchase Order may be used when the resulting Contract is straightforward and will refer to the Corporation's standard terms and conditions outlined in the Bid Solicitation.
3. A formal written agreement satisfactory to the CAO shall be used when the resulting Contract is complex.
4. It shall be the responsibility of the Department Director, in consultation with the CAO, to determine if it is in the best interest of the Corporation to establish a formal written agreement with the supplier.
5. All formal written agreements must be approved by Council.



Supplier Performance

1. The Department Director, or designate, shall monitor and document the performance of suppliers providing Goods and / or Services to that department. The Director and CAO shall be notified in writing when the performance of a supplier has been unsatisfactory.
2. The Corporation may, in its sole discretion, disqualify a supplier from bidding on any Bid Solicitation or reject a Bid if a supplier:
 - a) Has, at any time, threatened, commenced or engaged in legal claims or litigation against the Corporation;
 - b) Is involved in a claim or litigation initiated by the Corporation;
 - c) Previously provided Goods and / or Services to the Corporation in an unsatisfactory manner;
 - d) Has failed to satisfy an outstanding debt to the Corporation;
 - e) Has a history of illegitimate, frivolous, unreasonable or invalid claims;
 - f) Provides incomplete, unrepresentative references or receives unsatisfactory external and / or internal references in a reference check undertaken by the Corporation.
 - g) Has engaged in conduct that leads the Corporation to determine that it would not be in the Corporation's best interests to accept the Bid.

Submission of Tenders, and Proposals

1. Sealed tenders or proposals, clearly marked as to contents, shall be accepted. Tenders or proposals by facsimile or in electronic form will not be accepted.



No Acceptable Tender or Equal Tenders Received

1. Where tenders are received in response to a Request for Quotation or Tenders but exceed budget, are not responsive to the requirement or do not represent fair market value, a revised solicitation shall be issued in an effort to obtain an acceptable bid.
2. The Council may waive the need for a revised Request for Quotation or Tenders and instruct the Department Director to enter negotiations with the lowest compliant bidder or the highest compliant bidder for a revenue-driven bid selection emanating from a bid solicitation under the following circumstances:
 - a) The total cost of the lowest compliant bid is in excess of the funds appropriated by Council for the project or the divisional highest responsive bid revenue is less than that made in appropriate accounts in the Council approved department estimates, and
 - b) Council agrees that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.
3. The method of negotiation shall be those accepted as ethical practices.
4. If two equal bids are received, a means of breaking the tie consistent with the provisions of the solicitation shall be employed.
5. Factors to be considered in breaking the tie include:
 - a) Prompt payment discount,
 - b) When delivery is an important factor, the bidder offering the best delivery date be given preference,
 - c) A bidder in a position to offer better after sales service, with a good record in this regard, be given preference,
 - d) A bidder with an overall satisfactory performance record be given preference over a bidder known to have an unsatisfactory performance record.



Environmentally Sound Acquisitions

1. Departments will endeavour to include specifications in Bid Solicitations that provide for energy efficient products, reusable products and products that contain the maximum level of post-consumer waste and / or recyclable content, without significantly affecting the intended use of the product or service. It is recognized that cost analysis is required in order to ensure that the products are competitively priced.

Contract Execution

1. Successful bidder(s)/proponent(s) who are required to execute a contract agreement with the Corporation shall provide the following items for performance of a contract:
 - a) Contract security;
 - b) Proof of insurance;
 - c) Certificate of Workplace Safety and Insurance Board (WSIB) compliance;
 - d) Policy and Procedures related to Health & Safety;
 - e) Signed Third Party Declaration of and supporting documentation that the supplier received AODA training
 - f) Project schedule;
 - g) Accrediting credentials; and
 - h) Any other relevant documentation as may be warranted and requested at the discretion of Council, the CAO, or, the Department Director.
2. The Council and Department Director shall select the appropriate means to guarantee execution and performance of the contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments, and holdbacks.



Exercise of Contract Renewal Options

1. Where a contract contains an option for renewal, the Council may authorize the Department Director to exercise such option provided that:
 - a) The supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract;
 - b) Council and the Department Director agree that the exercise of the option is in the best interest of the Corporation; and
 - c) Funds are available in appropriate accounts within Council approved budget including authorized revisions to meet the proposed expenditure.
2. The request to Council to exercise the contract renewal options shall include a written explanation as to why the renewal is in the best interest of the Corporation, including comments on the market situation and trends, and the report shall be approved by resolution of Council.

Contract Amendments and Revisions

1. No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Corporation.
2. No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
3. Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within Council's approved Budget including authorized revisions, approved by resolution of Council.

Term of Council

1. Where a contract may extend beyond the term of the Council, the contract may contain provisions to minimize the financial liability of the Corporation should the

subsequent Council not approve sufficient funds to complete the contract and the contract must be terminated by the Corporation.

Access to Information

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 Protection of Privacy Act*, as amended.
2. All suppliers who contract with the Corporation shall adhere to or exceed the standards set in the *Municipal Freedom of Information and Protection of Privacy Act* or other relevant Ontario or federal privacy legislation or common law as may be passed or amended from time to time, as if they were agents of the Corporation as relate to the confidential and secure treatment, including collection, use, disclosure or retention of personal information, other confidential information of the Corporation, and all records thereof which they come into contact with in the course of performing Services or providing Goods to the Corporation.

Surplus Assets

1. Directors shall submit to the Finance Department from time to time and upon request a list of furniture, vehicles, equipment, stocks and other assets, which are obsolete, damaged or surplus to that Department's needs ("Surplus Assets").
2. All Surplus Assets shall first be offered to other Departments within the Corporation.
3. All Surplus Assets not required by any Department of the Corporation may then be offered to area municipalities, agencies and charitable organizations within the District of Parry Sound prior to any public Disposal procedure.
4. The Department shall have the authority to sell or dispose of all Surplus Assets by sealed bid, public auction or any other public sale.



5. The Sale of Surplus Assets shall be made to the highest bidder and in accordance with the provisions of this policy.
6. The respective Department shall be credited with the net proceeds, if any, from the Disposal of its Surplus Assets unless otherwise agreed.
7. Surplus Assets shall not be sold directly to any employee or to a member of Council, although this does not prohibit any employee or member of Council from purchasing Surplus Assets being sold through a public process.
8. The above provisions do not apply to disposal of real property (ie. land, buildings, land allowances, etc) of the Corporation.

Providing Assistance

1. The CAO has the authority, provided there is no adverse impact upon the operations of the Corporation, to lend, lease, rent or otherwise provide any vehicle, equipment or other goods owned by the Corporation to any federal, provincial, or municipal body, ministry, agency, board, corporation or other public authority when such action is reasonably justified due to unforeseen conditions and shall report such action to Council forthwith.

Conflict of Interest

1. Personal purchases shall not be made for any elected or appointed officials, members of a board or commission, or for Corporation officers, employees or their families.
2. An employee of the Corporation who has the responsibility for declaring Surplus Assets shall not bid or personally obtain any goods that he or she has declared as surplus.
3. Every elected official, appointed officer, employee of the Corporation or member of an employee's family is expressly prohibited from accepting, directly or indirectly,



from any person, company, firm or corporation to which any Purchase Order or Contract is, or might be awarded, any rebate, gift or money, except:

- a) Gifts of a very small intrinsic value; or
 - b) Moderate hospitality during normal course of business that would not significantly exceed what the Corporation, through its Budget would likely provide in return and would not be perceived by others as influencing the making of a business decision.
4. All elected officials, officers or employees of the Corporation shall declare any Conflicts of Interest to the Director of Finance and POA Court Services and shall have no involvement in a purchasing process where a real or perceived Conflict of Interest has been found or deemed to exist, including but not limited to:
- a) Requesting the Goods and / or Services, setting the parameters of the Purchase, evaluating Bids or recommending, deciding or making Awards;
 - b) Direct contact with those making those purchasing decisions.
5. Suppliers shall not be allowed to submit a Bid for any Bid Solicitation in which the supplier has participated in the preparation of the Bid Solicitation, and any such Bid submitted shall be disqualified.



SCHEDULE “A” - Purchasing Exemptions

The purchasing methods described in this policy do not apply to the following goods and services:

1. Petty Cash items
2. Training and Education
 - a) registration and tuition fees for conferences, conventions, courses and seminars
 - b) magazines, books and periodical unless the purchase of such magazines, books and periodicals are subject to value-added services
 - c) memberships
3. Refundable employee/councillor expenses
 - a) advances
 - b) meal allowances
 - c) travel and entertainment
 - d) miscellaneous – non travel
4. Employer’s general expenses
 - a) payroll deductions remittances
 - b) medical
 - c) licenses, (vehicles, etc)
 - d) debenture payments,
 - e) grants,
 - f) tax remittances
 - g) damage claims
 - h) payments for employment



5. Professional Services

- a) Committee fees
- b) Medical and laboratory services
- c) Fees for professional legal or expert services
- d) Medical and dental fees
- e) Funeral and Burial expenses
- f) Appraiser fees
- g) Witness fees
- h) Honorariums
- i) Work payments to Long Term Care Residents
- j) Advertising

6. Ongoing maintenance and software licencing agreements for equipment such as computer hardware and software, telecommunications equipment, elevators, and HVAC equipment.

7. Banking Services and Charges

8. Utilities (monthly charges)

- a) Water and Sewer
- b) Electricity
- c) Gas
- d) Communication infrastructure services (Bell, Cogeco, etc)
- e) Utility relocations
- f) Construction work completed by Railways on property of the Corporation and billed to the Corporation.



SCHEDULE “B” - Chart of Bid Irregularities

Irregularity	Response
Late Bids	Automatic rejection
Unsealed Envelope	Automatic rejection
Insufficient Financial Security	
a) No bid deposit, uncertified cheque, or financial security not an original	a) Automatic rejection
b) Amount of Financial Security is insufficient	b) Automatic rejection (if expressed as a percentage of the total bid sum and the insufficiency is trivial or insignificant, rejection is not required)
c) Name, or signature of supplier, or bonding company is missing or incomplete	c) Automatic rejection
d) Failure to provide a letter of agreement to bond (if applicable)	d) Automatic rejection



Irregularity	Response
Bid Document - execution	
a) Bids completed in erasable medium	a) Automatic rejection
b) Signature of representative authorized to bind the supplier missing or incomplete on the document	b) Automatic rejection (if electronic signature of representative is on Form of Submission, 2 days to obtain original signature)
c) Form of Proposal or Quotation missing or incomplete	c) Two (2) working days to correct to the satisfaction of department, otherwise automatic rejection
d) Form of Tender missing or incomplete	d) Automatic rejection
e) Signature of witness, if required, missing or incomplete	e) Two (2) working days to correct, otherwise automatic rejection
f) Date of Bid missing or incomplete	f) Two (2) working days to correct, otherwise automatic rejection (or automatic rejection if stated in the Bid Solicitation)
Bids received on documents other than those provided or specified by the Town	Automatic rejection
Bids containing minor obvious clerical errors or mathematical errors	Two (2) working days to initial the correction as made by the Corporation. Unless otherwise stated in the Bid, the unit price shall prevail and the total Bid price shall be adjusted accordingly. The Corporation reserves the right to waive initialing and accept Bid as corrected.



Irregularity	Response
Incomplete, illegible or obscure Bids or Bids which contain information not called for, erasures, overwriting or strike outs (not initialed).	Two (2) working days to correct to the satisfaction of the Corporation, otherwise automatic rejection.
Document, in which all necessary Addenda have not been acknowledged.	Two (2) working days to confirm Bid to the satisfaction of the Corporation, or if stated in the Bid Solicitation automatic rejection
Failure to attend mandatory site visit (if required)	Automatic rejection
Qualified Bids (Bids qualified or restricted by an attached statement)	Automatic rejection

Working days start from the hour the Bidder is notified by Corporation staff of the irregularity.



SCHEDULE "C" - PURCHASING AND EXECUTION AUTHORITY

Method of Purchasing	Dollar Value	Purchasing Authority	Document Execution Authority	Type of Agreement with Supplier
Low Value (routine purchases of low dollar values)	Up to \$2,000	Department Representative - any employee authorized by the CAO or Department Director	Department Director	Cash, purchase order, credit card or purchasing card
Informal Quotation (obtain, if possible, 2 verbal / written quotations for goods and services)	\$2,001 to \$9,999	Department Director or Designate	Department Director	Purchase Order or legally executed agreement
Formal Quotation (formal bid solicitation to obtain quotations from at least 3 supplier)	\$10,000 to \$29,999	Council	Department Director, CAO or Council	Purchase order or legally executed agreement
Request for Tender	>\$30,000	Council	CAO and Council	Legally executed agreement



Method of Purchasing	Dollar Value	Purchasing Authority	Document Execution Authority	Type of Agreement with Supplier
Request for Proposal	>\$10,000	Council	Department Director, CAO or Council	Purchase order or legally executed agreement
Single Source and Negotiation	\$2,001 to \$9,999	CAO	CAO	Purchase order or legally executed agreement
	>\$10,000	Council	Council	executed agreement
Special Circumstance	>\$10,000	CAO, Department Directors	CAO	CAO may approve but must inform Council at earliest convenience