

Township of Cavan Monaghan

By-law No. 20~~20-22~~¹⁹⁻¹²

Being a by-law respecting the procurement of Goods and Services for the Township of Cavan Monaghan

1.0 Legislative Authority

The Municipal Act, 2001, S.O. 2001, Chapter 25 Part VI, Section 270(1) as amended, states that a municipality shall adopt and maintain policies with respect to its procurement of goods and services.

2.0 Goals of the Purchasing Policy

- 2.1 This policy sets out guidelines for the Municipality to ensure that all purchases of goods and services provide the best value for the Municipality's ratepayers. All things being equal, and having regard for the guidance of this policy and the specific procurement process that is utilized, "best value" may be described as a balance of meeting or achieving performance standards and requirements for the goods or services to be procured and obtaining those goods or services at a cost commensurate with the standards and requirements imposed upon that acquisition.
- 2.2 This policy shall be known as the "Purchasing Policy" which provides guidance for an open and honest procurement program, with transparency as a cornerstone of the decision-making process.
- 2.3 This policy shall provide a purchasing environment that is fair, impartial and transparent.
- 2.4 This policy shall promote and maintain the integrity of the purchasing process and protect Council, vendors and staff involved in the process by providing clear direction and accountabilities.
- 2.5 A competitive bidding process is the preferred method of purchasing and as such Department Heads are encouraged to seek out new sources of supply, readily provide purchasing information to vendors in a cooperative manner and ensure that all mechanisms for purchasing contain clear and full disclosure of requirements.
- 2.6 To maintain integrity and protect the interests of our taxpayers, any elected or appointed official participating in a procurement process that have a private interest that are in conflict with their duties as elected or appointed officials, shall declare said conflict as required under the provisions of the *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M.50.

- 2.7 All applicable legislation, including the *Municipal Freedom of Information and Protection of Privacy Act*, the *Municipal Act*, the Interprovincial Trade Agreement, and the Integrated Accessibility Standards Regulation will be considered prior and during the procurement process.

3.0 Definitions

- 3.1 For the purposes of this Policy:

“Award” means the selection of the Bidder/Proponent and their Goods/Services as accepted by the Township of Cavan Monaghan.

“Bid” shall mean a submission, under any of the prescribed purchasing mechanisms, from a prospective vendor in response to a request for the purchase of goods and services issued by the Municipality.

“CAO” shall mean the Chief Administrative Officer for the Municipality.

“Council” shall mean the Council of the Corporation of the Township of Cavan Monaghan.

“Department Head” shall mean the head of a department operating within the Township of Cavan Monaghan, being the Chief Building Official; Clerk; Director of Finance/Treasurer; Fire Chief; Director of Planning; Director of Public Works; Manager of Parks & Facilities and the Chief Administrative Officer (where applicable).

“Emergency Purchase” shall mean a purchase made in an emergency, as defined in section 5.7.2, where immediate action is required to prevent the possible loss of life, property or minimize a negative impact on municipal operations.

“Evaluation Members” shall be the Department Head, and any two of the following: the CAO, the Treasurer, the Clerk, or another individual deemed appropriate by the CAO.

“Goods” shall mean supplies, merchandise, materials and equipment.

“MFIPPA” means Municipal Freedom of Information and Protection of Privacy Act.

“Purchasing Designate” shall mean a person designated by a Department Head to exercise responsibilities of the Department Head with respect to this policy.

"Quotation" means the written or electronic submission of a Vendor setting out the price, terms of sale and description of goods and/or services (and such other particulars identified in the Request for Quotations) to be supplied by Vendor.

"RFQ" means a Request for Quotation, a formal or informal process whereby the Municipality requests vendors to provide a Quotation for the supply of goods and/or services.

"RFSQ" means Request for Supplier Qualification, a process the Municipality uses to select a supplier to be added to the Pre-Approved Suppliers List.

"RFI" means Request for Information, a process the Municipality uses to obtain preliminary information about a market or the type of available supply or service when there is not enough information readily available for procurement method. A Request for Information is used to informally solicit this information. An RFI may not be used as a source selection method for procurement of a supply or service.

"RFP" shall mean a Request for Proposal document that sets out general specifications for the commodity or service required when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.

"Sealed Bids" are bids submitted in a sealed envelope to a specified location, by a specified date or submitted as an electronic tender, in such a way that it is transmitted, time stamped and received before the deadline is reached.-

"Services" shall mean the procurement of non-Goods including construction, professional, leases, repair or maintenance of equipment, machinery or other personal and real property and/or other services required by the Municipality.

"Tender and/or RFT" shall mean a Tender or a Request for Tender as a publicly advertised procurement process for the execution of certain specified work or to supply certain specified goods or services at a specific rate in response to the information contained in the procurement document; the goal is to obtain competitive bids based on precisely defined requirements for which a clear or single solution exists.

"Time Sensitive Purchase" shall mean a purchase made in a situation where immediate action is required to engage vendors to ensure that works are completed within a specific time frame to minimize a negative impact on municipal operations.

"Vendor" shall mean any person or enterprise supplying goods or services to the Corporation of the Township of Cavan Monaghan.

4.0 Purchasing Procedures

Any person acquiring Good/Services on behalf of the Municipality, shall do so in accordance with this By-law and the following purchasing procedures;

- Direct Acquisition (5.1), procurement less than or equal to \$15,000
- Request for Quotation, RFQ (5.2), procurement less than \$50,000
- Request for Tender, RFT (5.3), procurement equal to or greater than \$50,000
- Request for Proposal, RFP (5.4)
- Request for Pre-Qualification (5.5)
- Non-Competitive Purchases; Sole Source, Single Source (5.6)
- Emergency and Time Sensitive Purchases (5.7)

4.1 Pre-Approved Supplier

The Department Head shall be authorized to make purchases of goods and services, from a pre-approved supplier, for annual expenditures less than \$50,000 without obtaining quotations. A pre-approved supplier has been selected through a Request for Supplier Qualification, RFSQ, which authorizes the supplier to provide goods/services for a defined period of time on terms and conditions, including pricing/discounts, as set out in the agreement.

The Request for Supplier Qualification is a public competitive procurement process posted in a fair, open and transparent manner. The Department Head, in conjunction with a municipal employee deemed appropriate by the CAO, are involved in evaluating proposals received as part of the RFSQ process. Proposals representing the best quality and range of products, level of customer service, delivery and potential cost savings are selected to become pre-approved suppliers for the Municipality. Pre-approved Suppliers are selected to cover a broad range of commodities commonly used in municipal operations.

Suppliers may submit an application, at any time during the year, to be considered for the Pre-Approved Supplier List as published annually in April. The same qualification requirements, evaluation process and agreements that were included in the original RFSQ shall apply to any subsequent process for the qualifying of a new supplier. Any newly approved applicants will be added annually in April to the Pre-Approved Supplier List. Annual applications are required to remain on the Suppliers list.

Pre-approved suppliers that fail to perform contracts awarded in a satisfactory manner, as determined in accordance with the supplier performance evaluation process, will be removed from the Pre-Approved Suppliers List and will no longer be eligible to participate or re-qualify during a two-year period.

A summary of each agreement, including product categories, is maintained by the Department Head and the Pre-Approved Suppliers List is posted on the municipal website.

4.2 Expenditure Authorization

The Council of the Township of Cavan Monaghan has ultimate authority and accountability for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. This purchasing policy outlines how spending authority is to be used unless Council directs otherwise.

4.3 Department Head Authorization and Responsibilities

- 4.3.1 The Department Head shall be responsible for procurement, purchasing and acquisitions within the approved budget or any amendment to same, as approved by Council.
- 4.3.2 The Department Head Report to Council shall recommend budget amendments, capital expenditures or special appropriations that contain the purpose of expenditure, cost estimates or expenditure limitation, where availability of sufficient funds are contained in the approved departmental budget. All reports recommending such matters shall also require endorsement by the Treasurer and the Chief Administrative Officer or designates.
- 4.3.3 Notwithstanding the provisions of this By-law, the Municipality shall have the absolute discretion in awarding contracts, and where the procurement value exceeds \$50,000 after obtaining Council's approval, and retains the right to reject any or all Bids.

4.4 Purchasing Designate

A Department Head may appoint a Purchasing Designate to exercise direct acquisition responsibilities assigned to that Department Head, as per 5.1.

5.0 Purchasing Mechanisms

In determining which purchasing mechanism is the most appropriate, the Department Head shall have regard for the goals as outlined in Section 2, the purchasing responsibilities as outlined in section 4 and the dollar thresholds as stated in section 5.

5.1 Direct Acquisition, procurement less than or equal to \$15,000

The Department Head shall be authorized to make direct purchases of goods and services up to an amount of \$15,000 from such vendor and upon such terms

and conditions as the Department Head deems appropriate. The Department Head shall use vendors from the "Pre-approved Supplier" list for goods or services where the total is less than \$15,000. If there is not a pre-approved supplier, the Department Head may obtain comparable prices from known suppliers who can provide acceptable quality goods, through a Request for Quotation, or services at competitive prices.

5.2 Request for Quotation, procurement less than \$50,000

5.2.1 The Department Head shall be authorized to make purchases of goods and services for estimated expenditures less than \$50,000 from such vendor and upon such terms and conditions as the Department Head deems appropriate subject to first obtaining at least three (3) Quotations whenever possible.

5.2.2 Notwithstanding 5.2.1 when the preferred Quotation exceeds the line item approved budget, the Department Head may proceed with the purchase of goods and services provided the funds are available within the overall departmental budget.

5.2.3 In the event there are no funds available within the overall departmental budget and the respective Department Head wishes to undertake a procurement without budget support, the Department Head shall prepare a report to Council for approval with the source of financing endorsed by the Treasurer or designate.

5.3 Request for Tender, procurement equal to or greater than \$50,000

5.3.1 The Department Head shall not order goods and services equal to or exceeding \$50,000 without requesting and obtaining sealed tenders (hardcopy) or electronic tenders for the goods and services and receiving Council approval of the tender. At least three (3) bids shall be obtained whenever possible.

5.3.2 In the preparation of a tender, the Department Head shall ensure that, as a minimum, the bid document includes the following sections:

- instruction to bidders;
- specifications of the goods and services;
- terms and conditions;
- financial requirements (tender deposit information);
- scoring matrix, where applicable;
- prescribed format for the schedule of items and prices;
- an authorized signature or electronic authority that binds the bidder to the terms and bid document;
- references.

- 5.3.3. A list of those persons who take tender documents shall be maintained by the department or government authorized e-procurement making the tender call and shall be available to the public after the official tender opening. The list shall contain the names, addresses and telephone numbers of all parties requesting tender documents.

When it becomes necessary to revise, delete, substitute or add to the tender documents for a tender call, the Treasurer shall approve the issuance of an addendum prepared by the Department Head.

A copy of each addendum shall be forwarded by fax or email by the Department Head or his/her designate or government authorized e-procurement to all persons on the list referenced in section 10.3.6 and a copy shall be attached to all undistributed tender documents and updated on the Township website.

- 5.3.4 After the opening of the tenders, the Department Head responsible for the initiation of the Request For Tender shall review and confirm that each bid meets the tender specifications and is compliant.
- 5.3.5 The respective Department Head shall prepare a preliminary tender summary report of the tenders received, including the names of all those submitting a tender and the tender amounts and security/deposit amounts (if applicable) and a recommendation in writing to the CAO and Treasurer for review and comment prior to submission to Council. The report will then be forwarded to Council for direction.
- 5.3.6 Notwithstanding Section 5.3.3 & 5.3.4, where tenders are coordinated by a Consultant for a designated project, or by the County of Peterborough/other municipalities for co-operative purchasing, the Consultant/County/Municipality shall prepare a recommendation in writing and provide to the respective Department Head, who will prepare a report for Council.
- 5.3.7 Council shall make the final determination as to awarding of all tenders. The lowest tender, or any tender, not necessarily accepted. Appendix 'B' attached hereto outlines the Bid Irregularities and the guidance and direction of use.

5.4 Requests for Proposal

- 5.4.1 The Department Head may use a Request for Proposal in place of a tender or quotation when goods and services cannot be specifically stipulated or when alternative methods are being sought to perform functions or services. At least three (3) proposals shall be obtained whenever possible.

- 5.4.2 A RFP proposal document shall be developed by the respective Department Head, with support and input from the Treasurer and/or Chief Administrative Officer or designates.
- 5.4.3 After the opening of the proposals the evaluation members shall review the documentation individually and score all RFP documents by using a scoring matrix, if applicable.
- 5.4.4 The respective Department Head shall prepare a preliminary proposal summary report of the proposals received, including the names of all those submitting a proposal and the amounts and security/deposit amounts (if applicable) and a recommendation in writing to the CAO and Treasurer for review and comment prior to submission to Council. The report will then be forwarded to Council for direction.

5.5 Request for Pre-Qualification

- 5.5.1 For any of the purchasing methods listed in this Bylaw, a pre-qualification process may be used where the Authorized Person wishes to ensure that Suppliers have the necessary experience, qualifications, and resources to provide the Goods, Services or Construction anticipated to be procured. The selection of Bidders to proceed to a procurement method by way of a pre-qualification shall not create any contractual obligation between the Township and a pre-qualified Supplier.

5.6 Non-Competitive Purchases (Sole Source, Single Source)

The requirement for a competitive bid process for the selection of a supplier for goods, services and construction (except for Emergencies – see 5.7) may be waived under authority of the CAO and replaced with direct negotiations by the Department Head (or delegate) under the following circumstances.

- a. The procurement qualifies as 'Sole Source' as defined in 5.6.1;
- b. The procurement qualifies as a 'Single Source' as defined in 5.6.2

5.6.1 Sole Source

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

- a. Statutory or market-based monopoly;
- b. Competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, licence, technical secrets or controls of raw material; or

- c. The complete item, service, or system is unique to one supplier and no alternative or substitute exists.

If this method of purchasing is utilized, the Department Head and/or Consultant (as approved by the Department Head) must, in consultation with the CAO provide a written report to Council which shall identify the eligible reason(s) and provide confirmation that the sole source purchase satisfies the eligibility criteria.

5.6.2 **Single Source**

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

The procurement may be conducted with valid and sufficient reasons for selecting one supplier in particular, as follows:

- a. An attempt to acquire the required goods and/or services by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing and compliant supplier;
- b. The confidential nature of the requirement is such that it would not be in the public interest to solicit competitive bids;
- c. There is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e. contract extension or renewal);
- d. The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;
- e. The goods are purchased under circumstances which are exceptionally advantageous to the Municipality, such as in the case of a bankruptcy or receivership;
- f. It is advantageous to the Municipality to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body;
- g. It is advantageous to the Municipality to acquire the goods or services directly from another public body or public service body;
- h. Another organization is funding or substantially funding the acquisition and has determined the supplier, and the terms and conditions of the commitment into which the Municipality will enter are acceptable to the Municipality; or
- i. Where due to abnormal market conditions, the goods, services or construction required are in short supply.

5.7 **Emergency and Time Sensitive Purchase**

5.7.1 The Department Head shall be authorized to make emergency and time sensitive purchases in excess of \$15,000 upon the approval of the Chief Administrative Officer. The Department Head shall present a report to Council at its next meeting providing sufficient details on the purchase, emergency involved or timing rationale, and impact on approved departmental budget.

A supplier should be chosen from the Pre-Approved Suppliers List, whenever possible.

5.7.2 Emergency includes:

- (i) an imminent or actual danger to the life, health or safety of an official or an employee while acting on the Municipality's behalf;
- (ii) an imminent or actual danger of injury to or destruction of real or personal property belonging to the Municipality;
- (iii) an unexpected interruption of a public service;
- (iv) an emergency as defined by the *Emergency Plans Act*, R.S.O. 1990, Chapter E.9 and the emergency plan formulated there under by the Municipality;

5.8 Advertising

The Department Head shall draft the advertisement in consultation with the Treasurer and/or CAO and publish same in appropriate publications. As a minimum, all Tenders and RFP's (not by invitation) shall be advertised on our website and advertised locally in the local media publication(s). The closing date for tenders and RFP's shall be no sooner than **two weeks** following publication in the local media unless the urgency of the requirement dictates otherwise and approval from Council has been obtained. Each advertisement for Tender and Request for Proposal shall typically contain the following information:

- location where Tender/RFP documents may be obtained;
- date and time of Tender/RFP closing;
- general specifications of the goods or services required;
- name and phone number of contact person.

5.9 List of Prospective Bidders

The Department Head ~~or~~ their designate or government authorized e-procurement shall keep a list of all persons taking out Tender and RFP documents. Such list shall contain the prospective bidder's name, address and telephone number and shall be made available to the public.

6.0 Goods or Services at a Trade Show

The Department Head or designate may have the opportunity to attend trade shows, where on occasion special limited time pricing can be obtained on specific goods or services. The Department Head or designate shall obtain at least one (1) price from a known supplier of the goods or services in advance of the attendance at the trade show in order to ascertain that the price(s) obtained at the trade show are in fact competitive. The Department Head or designate shall record the price obtained prior to and following attendance at the trade show.

7. Exercise of Contract Renewal Options

- 7.1 Where a contract contains a Municipal option for renewal, Council shall decide whether the option should be exercised.
- 7.2 Prior to the date upon which a Municipal option may be exercised, the Department Head shall provide a report to Council for consideration in the exercise of its authority under subsection 7.1 above. Such report shall include and/or address the following:
- Whether, the supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract,
 - Whether the Department Head and CAO recommend that the exercise of the option is the best interest of the Municipality,
 - A summary or business case supporting the Department Head/CAO's recommendation which includes commentary on the applicable market situation and trends, and
 - Whether funds are available in appropriate accounts within the approved budget including authorized revisions to meet the proposed expenditure.

8.0 Contract Amendments and Revisions

- 8.1 No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Municipality.
- 8.2 No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- 8.3 Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within the approved budget including authorized revisions.
- 8.4 Where expenditures for the proposed amendment combined with the price of the original contract exceeds approved budget for the project, a report prepared by

the Department Head, with the source of financing endorsed by the Treasurer or designate, shall be submitted to Council for approval.

9.0 Exclusions

9.1 While having regard for the goals of this policy, Department Heads are encouraged to consider the skills of Municipality staff and range of Municipality equipment and seek out in-house bids where applicable. In this manner, the respective Department Head shall prepare a written budget outlining all direct/in-direct costs. The Department Head(s), Treasurer and Chief Administrative Officer shall review the budget and have regard for:

- (i) cost
- (ii) department workload
- (iii) timelines of project completion

and upon completion of the review determine whether the in-house bid is appropriate to achieving the goal of best value for the Municipality ratepayers.

9.2 In addition, adherence to this purchasing policy is not required with respect to those items listed in Appendix 'A' attached hereto.

10.0 Communications

11.1 All bid documents, and their respective advertisement of invitation, shall state the date, time and place of bid opening / closing.

11.2 The Municipality web site shall include a section dedicated to Tenders and RFP's. The website shall include a copy of the current purchasing policy. All notices for Tenders and RFPs shall be posted on the website.

11.3 Any persons desiring to view ~~be present at~~ the opening of Tenders and RFPs may watch the opening online or attend in person, when the municipal office is open to the public.

12.0 Administration

12.1 All Tenders and RFPs shall be received online through the government authorized e-procurement or as a hardcopy received at the Township of Cavan Monaghan, 988 Country Road 10, Millbrook, Ontario for recording of date and time received for safekeeping pending the opening of same.

12.2 All Tenders and RFPs shall close at the time and day specified in the advertisement.

- 12.3 Within three (3) hours of the closing, or a time deemed reasonable by the Department Head, the Tenders and RFP's shall be opened publicly and the names of those submitting and the amounts shall be disclosed at the time of opening.
- 12.4 Tenders and RFPs shall be opened in the presence of the Department Head, at least one other Department Head (Clerk and/or Treasurer) and/or the CAO, one member of Council and any other person deemed necessary.
- 12.5 No contract or purchase shall be divided to avoid the requirements of this policy.
- 12.6 Vendor contact regarding any procurement/purchasing with Council Members is prohibited and can be considered as grounds for disqualification from the selection process.
- 12.7 The Municipality may participate with other units of government, their agencies or public authorities in co-operative purchase ventures when the best interest of the Municipality will be served.
- 12.8 Purchases may be made for items of small value by a Department Head or his/her designate by way of a petty cash fund. The purchase of combined small value purchases through petty cash at one time shall not exceed \$200. The Department shall submit receipts, coded to the correct general ledger account and approved by the appropriate Department Head(s) to replenish their petty cash fund.
- 13.0 **Conflict of Interest**
- 13.1 The Department Head shall not open and consider any bid, or otherwise acquire any goods or services from an elected official, officer or employee of the Municipality unless the elected official, officer or employee obtains approval from Council prior to the close of the bid or the acquisition of the goods and services.
- 13.2 No Elected Official, officer or employee of the Municipality shall allow contact with a person, or any officer, employee or agent of the person who has submitted a bid to the Municipality unless the bid call has been awarded or the contact is for the purpose of receiving a complaint, and are subject to the provision of MFIPPA.
- 13.3 All consultants (eg. Architects, engineers, etc.) retained by the Municipality shall disclose to the Municipality prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Municipality as directed by the Department Head, may at its discretion, withhold the assignment from the consultant until the matter is resolved. And furthermore, if during the contract of a Municipality assignment, a consultant is retained by another client

giving rise to a potential conflict of interest, then the consultant shall so inform the Municipality.

- 13.4 Elected officials, officers or employees of the Municipality shall declare a conflict of interest when they submit a bid and shall not be present when any decision is being made.

14.0 Financial Services

- 14.1 All invoices or accounts from vendors shall be forwarded to the Accounts Payable Department only after they have been properly marked as received, properly coded to the correct general ledger account and approved by the appropriate Department Head(s).
- 14.2 Prior to the adoption of the annual estimates, the services provided shall continue at the level carried out the previous year. The Department Heads are authorized to incur expenses, and the Treasurer is authorized to pay the accounts, of such ordinary business transactions.
- 14.3 Prior to the approval of the current budget a department may incur normal operating expenditures (up to 50% of the previous years' operating budget) and normal roads network capital expenditures (up to 75% of the Asset Management Plan annual funding required for sustainability plus annual indexing) and expenses for capital projects carried forward from the previous year. Annual licensing, membership and insurance renewals may incur normal operating expenditures up to 100% of the previous year's operating budget.
- 14.4 After the adoption of estimates, the Treasurer is authorized to pay the accounts approved by the respective Department Heads.

15.0 Disposal of Surplus Items and Real Property

- 15.1 Any "real property" or "surplus items" belonging to the "municipality" and declared surplus shall be disposed of in accordance with the Tangible Capital Asset Policy and /or the Sale and other disposition of Land policy By-law 2016-07.

16.0 Purchasing Policy Best Practices

In order to ensure that Council and staff are familiar with this policy and that the policy reflects best practices, it shall be reviewed once in each term of Council. The review shall be coordinated by the Treasurer or designate and shall include an initial review by the Department Heads, suggestion of any proposed amendments or additions, and a report by the Chief Administrative Officer with recommendations to Council.

17.0 Repeal

By-law No. 20~~19-12~~¹⁷⁻⁴⁷ and By-law No. 20~~13-61~~^{are is} hereby repealed in ~~their~~ entirety.

18.0 Severability

In the event that any court should adjudge that any Section of this By-law is not valid for any cause, such Section or Sections shall be severable from the remainder of the By-law to the same extent as if the offending Section or Sections had not been included therein.

19.0 Effective date

This By-law comes into force the ~~_4th~~ day of ~~_February~~, 20~~2019~~

Read a first, second and third time and passed this ~~_4th~~ day of ~~February~~, 20~~2019~~.

Scott McFadden
Mayor

Elana Arthurs
Clerk

Appendix A and B

Appendix A – List of Items Exempt from the Policy

The following items are excluded from the requirements of this Policy and therefore no quotations, tenders, proposals or purchase orders are required:

Petty Cash Items

Training and Education

- a. Conferences, Courses, Conventions and Seminars.
- b. Magazines, Books, Periodicals
- c. Memberships
- d. Staff training/development/workshops

Refundable Employee and Council Expenses

- a. Advances
- b. Meal Allowances
- c. Miscellaneous - Non-Travel
- d. Travel and Entertainment

Unless otherwise noted, Goods/Services as set out below may be procured without a competitive process by the Finance Department and/or signed off by the Department Head.

- a) banking services
 - b) utilities (hydro, television service, natural gas, sewer and water)
 - c) inter-departmental charges
 - d) insurance
 - d) internet and/or website hosting ongoing supplies & maintenance of existing IT hardware and software
 - f) municipal audit
 - g) police services
 - h) property taxes
 - i) telephone/cellular hardware / services
- ii. Payments made in accordance with employee salary, wages and payroll benefits, including allowances/settlements as authorized by Council.
- iii. Credit card payments
- iv. Petty Cash replenishment
- v. Refundable Employee Expenses
 - a) employee mileage and/or travel
 - b) meal allowances
 - c) medicals

- d) training and education (membership, conferences, seminars, courses, books magazines)
- vi. Other Expenditures as authorized in the budget:
 - a) fuel expenditures
 - b) legal services
 - c) licenses
 - d) membership Fees – professional associations
 - e) magazine and periodical subscriptions
 - f) postage
 - g) travel expenses, meals, accommodation and mileage
- vii. Specific payments as authorized by Council for:
 - a) expropriations
 - b) land purchases
 - c) real estate costs
- viii. Federal, Provincial and Municipal Mandated Programs
- ix. Government payments
All accounts for fees and levies payable to the federal, provincial or other Municipal government, or to any agency, board or commission thereof.
- x. Debt
All accounts for payments of principal or interest on debentures, loans or overdrafts, including foreign exchange in accordance with Council's investment policy.

Appendix B - Bid Irregularity

Bid Irregularity

A bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response.

For the purposes of this policy, bid irregularities are further classified as "major irregularities" or "minor irregularities".

A **"major irregularity"** is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. The CAO must reject any bid, which contains a major irregularity. The bidder will be notified of the rejection due to the major irregularity.

A **"minor irregularity"** is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The CAO may permit the bidder to correct a minor irregularity.

Mathematical Errors – Rectified by Staff

The Treasurer and/or CAO will correct errors in mathematical extensions and/or taxes, and the unit prices will govern. If, based on the corrected total the required bid deposit is insufficient, the bidder shall be notified and will be given 24 hours to rectify the issue or the bid will be automatically rejected.

Action Taken:

The Treasurer and/or CAO or designate will be responsible for all action taken in dealing with bid irregularities, and acts in accordance with the nature of the irregularity:

- major irregularity (automatic rejection)
- minor irregularity (bidder may rectify)
- mathematical error (additions or extensions) as above

In the event that the vendor withdraws his bid due to the identification of a major irregularity, the Municipality may disqualify such vendor from participating in Municipality quotations/tenders/requests for proposals for a period of up to one year.

Appendix B

Bid Irregularities – Summary				
Item	Description	Major	Minor	Action
1.	Late bids (by any amount of time)	X		automatic rejection
2.	Bids completed in pencil	X		automatic rejection
3.	Bid surety not submitted with the bid when the bid request (or any addenda) indicated that such surety is required	X		automatic rejection
4.	Execution of Agreement to Bond: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. surety company not licensed to do business in Ontario	X		automatic rejection
5.	Execution of Bid Bonds: a. corporate seal or equivalent proof of authority to bind company or signature of the Bidder or both missing b. corporate seal or equivalent proof of authority to bind company or signature of Bonding Company missing	X		automatic rejection
6.	Other Bid Security: Cheque which has not been certified	X		automatic rejection
7.	Bidders not attending mandatory site meeting	X		automatic rejection
8.	Unsealed tender envelopes	X		automatic rejection
9.	Proper response envelope or label not used		X	acceptable if officially received on time
10.	Pricing or signature pages missing or not properly signed and executed	X		automatic rejection
11.	Insufficient financial security (i.e.: no deposit or bid bond or insufficient deposit)	X or	X	where security is required & amount is not specified in request, automatic rejection

Bid Irregularities – Summary				
Item	Description	Major	Minor	Action
				unless insufficiency is de minimus (trivial or insignificant) -where security is required and amount of security is specified in request, automatic rejection
12.	Bid received on documents other than those provided in request	X		not acceptable unless specified otherwise in the request
13.	Execution of Bid Document proof of authority to bind is missing	X		automatic rejection
14.	Bids containing minor clerical errors		X	1 working day to correct initial errors. Municipality reserves the right to waive initialling and accept bid
15.	Un-initialled changes to the request documents which are minor (i.e.; the bidder's address is amended by overwriting but not initialled)		X	1 working day to correct initial errors. Municipality reserves the right to waive initialling and accept bid
16.	Alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in

Bid Irregularities – Summary				
Item	Description	Major	Minor	Action
				request
17.	Unit prices in the schedule of prices have been changed but not initialled		X	1 working day to correct initial errors. Municipality reserves the right to waive initialling and accept bid
18.	Other mathematical errors which are not consistent with the unit prices		X	1 working day to initial corrections. Unit prices will govern.
19.	Pages requiring completion of information by vendor are missing		X	1 working day to provide upon request
20.	Bid documents which suggest that the bidder has made a major mistake in calculations or bid			consultation with a Solicitor on a case-by-case basis and referenced within the staff report if applicable
21.	When a document fee is requested, respondents must have previously purchased the respective bid document and be on the corresponding plan takers list	X		automatic rejection
22.	Tendered item does not meet mandatory specifications	X		automatic rejection

Note: The above list of irregularities should not be considered all inclusive. The Treasurer and/or CAO, in consultation with the requisitioning department will review minor irregularities not listed. The Treasurer and/or CAO may then accept the bid, or request that the bidder rectify the deviation.