



# Schedule A to By-law 77-2024

## Procurement Policy

Policy #

Date Last Reviewed:

### Table of Contents

1	Policy Purpose and Goals.....	2
2	Definitions and Application .....	3
3	Roles and Responsibilities.....	6
4	Approval Authority .....	11
5	Procurement Strategy.....	13
6	Direct Purchase.....	17
7	Cooperative Procurement and Buying Groups .....	19
8	Document Preparation.....	20
9	Notice.....	21
10	Supplier Management .....	21
11	Contract Management.....	24
12	Surplus Assets .....	24
13	General Terms .....	25
14	Summary of Amendments .....	25
	Schedule "A" – Exemptions from Procurement Policy.....	26
	Schedule "B" – Reference Tools .....	28



# Procurement Policy

Policy #

Date Last Reviewed:

## 1 Policy Purpose and Goals

1.1 **Purpose.** The purpose of this Policy is:

- (a) To ensure all Purchases of Deliverables of the Municipality of Lakeshore are handled in an open, fair, and transparent manner, in compliance with all applicable laws as well as current best practices in public procurement;
- (b) To ensure the disposal of all surplus assets of the Municipality is handled in an open, fair, and transparent manner, in compliance with all applicable laws as well as current best practices in public procurement;
- (c) To protect the interests of the Municipality, the public, and Suppliers by providing a clear Policy;
- (d) To maintain the integrity of the Purchasing process by ensuring that, whenever possible, competitive Purchasing processes are being used to secure the best value for the Municipality;
- (e) To clearly define the circumstances in which non-competitive Purchasing processes may be used;
- (f) To clearly define the roles and responsibilities related to the Purchasing process;
- (g) To outline the process for co-operative Purchasing; and
- (h) To outline the process for disposing of surplus goods.

1.2 **Goals.** The goals of this Policy are:

- (a) To Purchase Deliverables in the most efficient and cost-effective manner possible, demonstrating best value for money with a high focus on customer service, while maintaining fairness and transparency, and ensuring the Municipality's operational requirements are met;
- (b) To ensure compliance with all applicable laws;
- (c) To develop, support and promote the highest professional standards and transparency in order to serve the public good;



# Procurement Policy

Policy #

Date Last Reviewed:

- (d) To comply with and incorporate the requirements of the Accessibility for Ontarians with Disabilities Act, 2005, S.O.2005, c.11 (the "AODA"), as amended, in the Purchasing process of the Municipality; and
- (e) To Purchase Deliverables with due regard to the preservation of the natural environment.

## 2 Definitions and Application

2.1 **Definitions.** Words and phrases used in this Policy and related procedures have the following meanings, unless expressly stated otherwise:

**"AODA"** means the Accessibility for Ontarians with Disabilities Act, 2005, S.O.2005, c.11, as amended.

**"Approval Authority"** means the authority to approve: (a) procurements; and (b) contract award decisions and/or the signing of contracts, including any changes to such procurements or contracts.

**"Bid Documents"** means Municipal documents used in connection with a Purchasing process including but not limited to RFTs, RFPs and RFQs.

**"Buying Group"** means a cooperative arrangement in which individual members of a formal Buying Group administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the Buying Group administers procurement for group members. Buying Groups may consist of a variety of entities, including any combination of procuring entities, private sector entities, or not-for-profit organizations.

**"CAO"** means the Chief Administrative Officer of the Municipality.

**"Construction"** means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other work, but does not include Consulting Services related to the Construction unless they are specifically included in the Purchase.

**"Contract"** means a written agreement for the purchase of Deliverables and can include a Purchase Order.



# Procurement Policy

Policy #

Date Last Reviewed:

**“Cooperative Procurement”** means the purchase of Deliverables with other municipalities and/or government agencies to leverage their collective purchasing power.

**“Council”** means the Council of the Municipality of Lakeshore.

**“Department”** means an area of operation of the Municipality as defined by its organizational charts.

**“Department Head”** means the designated lead of a Department responsible for its direction and operation.

**“Delegation of Authority Bylaw”** references the Municipality’s Delegation of Authority Bylaw.

**“Deliverable”** means the Goods, Services, or Construction being purchased.

**“Direct Purchase”** means acquiring a Deliverable directly from a Supplier without a competitive process.

**“Dollar Value”** is the amount payable by the Municipality for a Deliverable under a Contract.

**“Elected Official”** is an elected member of the Municipality’s Council.

**“Emergency”** has the meaning assigned in Section 6.10.

**“Goods”** includes supplies, equipment, materials, products, software, furniture, structures and fixtures to be delivered, installed, and/or constructed but does not include Construction.

**“Legislation”** means all applicable laws, regulations, by-laws, codes, policies and trade treaties/agreements.

**“Mayor”** means the Mayor of the Municipality.

**“Municipal Act”** means Municipal Act 2001, S.O. 2001, c. 25.

**“Municipality”** means the Municipality of Lakeshore.

**“Performance Evaluation”** has the meaning assigned in Section 10.2.

**“Petty Cash”** means an accessible store of money kept by the Municipality for expenditure on low dollar value items.



# Procurement Policy

Policy #

Date Last Reviewed:

**“Policy”** means this Procurement Policy.

**“Procurement Office”** means the Purchasing Specialist or Division Leader – Financial Planning and Analysis, or their designate.

**“Purchase”** The acquisition of Deliverables by any means, including rental and leasing, and the functions that pertain to the acquisition of Deliverables, and “Purchasing” shall have a corresponding meaning.

**“Purchase Order”** or **“PO”** means a written offer to acquire Goods and/or Services or a written acceptance of an offer.

**“Purchasing Card”** means a credit card provided by the Municipality’s Corporate Services Department and its use is bound by the provisions of the Purchasing Card Policy.

**“Prequalification”** means a request for supplier qualification or, a process used to gather information on supplier capabilities and qualifications with the intent of creating a list of prequalified suppliers for subsequent participation in an invitational solicitation.

**“RFP”** means a request for proposal, a process in which a need is identified, but the method by which it will be achieved is not necessarily prescribed at the outset and price is not the only evaluation criterion.

**“RFQ”** means a request for quotations, including Formal Quotations and Informal Quotations, but not including RFPs or RFTs.

**“RFT”** means a request for tender, a process to request supplier responses to supply Deliverables in compliance with stated requirements, performance specifications and terms and conditions and evaluation is made solely on price.

**“Services”** means all intangible products not having a physical presence.

**“Solicitation”** means a document released inviting Submissions.

**“Specifications”** means the detailed description of, and written requirements and standards for Deliverables contained in a Solicitation to the extent known or available to the Department, and includes any drawings, designs, and models.



# Procurement Policy

Policy #

Date Last Reviewed:

**“Standing Offer”** means a form of Contract requiring a Supplier to supply Deliverables on an “as required” basis under prearranged terms and conditions, including pricing, over the term of the Contract.

**“Submission”** means the response to a Solicitation.

**“Supplier”** means a person who submits a Submission to a Solicitation.

**“Surplus Assets”** has the meaning assigned in Section 12.

2.2 **Application.** This Policy applies to all Purchase and/or disposal of surplus assets, except for the items listed in Schedule A.

2.3 **Unsolicited Proposals.** If an unsolicited proposal is received from any potential Supplier, the unsolicited proposal should be forwarded to the Procurement Office and the appropriate Department Head. The Department Head, with the assistance of the Procurement Office, shall assess such proposal. Any Purchase shall be conducted in accordance with this Policy.

## 3 Roles and Responsibilities

3.1 **Delegation.** Where any person is authorized to undertake any act under this Policy, such act may also be undertaken by a person properly designated by the authorized person, in writing, with approval of the CAO. The authorized person shall remain responsible for the exercise of delegated authority. Sub delegation is not permitted.

3.2 **Role of Council.** Council shall:

- (a) establish the Municipality’s Policy;
- (b) monitor compliance with this Policy;
- (c) prioritize the Municipality’s Purchasing needs; and,
- (d) disclose all conflicts of interest as required by Legislation.
- (e) Chief Administrative Officer (“CAO”) Responsibilities. The CAO shall:
- (f) maintain ultimate administrative responsibility and control over the Purchasing addressed in this Policy;



# Procurement Policy

Policy #

Date Last Reviewed:

- (g) ensure compliance with this Policy by all employees and Suppliers conducting procurements and/or disposing of surplus assets on behalf of the Municipality; and,
- (h) assist Council in fulfilling its role.

## 3.3 **Treasurer Responsibilities.** The Treasurer shall:

- (a) approve any procedures established under this Policy;
- (b) assist Department Heads, as appropriate, in the administration and compliance with this Policy and related procedures.

## 3.4 **Department Head Responsibilities.** Department Heads shall:

- (a) provide departmental Purchasing requirements in a timely manner to the Procurement Office following budget approval;
- (b) be responsible for the conduct of all Purchasing activities within their Departments;
- (c) ensure compliance with this Policy, and all related procedures;
- (d) obtain Council authority for Purchase where required by this Policy;
- (e) assign a Project Lead to oversee each Purchasing project or disposal of Surplus Assets by the Department; and,
- (f) identify Surplus Assets for disposal.

## 3.5 **Project Lead Responsibilities.** Project Leads shall:

- (a) be responsible for the preparation of Bid Documents and Specifications for Purchases;
- (b) identify any additional terms, conditions, and requirements to the Procurement Office for inclusion in the Solicitation or the Contract;
- (c) ensure all Deliverables conform with Contract terms, conditions, and Specifications throughout the term of the Contract; and,
- (d) manage all aspects of the Contract, including:
  - i. verification of payments;



# Procurement Policy

Policy #

Date Last Reviewed:

- ii. ensuring that timelines are met;
- iii. obtaining any approvals required by the Contract;
- iv. obtaining any approvals required for Contract amendments;
- v. assisting with enforcement and warranty claims, in support of the Solicitor and the Treasurer; and,
- vi. ensure completion of any Supplier evaluation required.

3.6 **Manager and Supervisor Responsibilities.** Managers and Supervisors shall:

- (a) ensure compliance with this Policy; and,
- (b) monitor all expenditures to ensure compliance with award, Council approvals, and established budgets.

3.7 **Procurement Office Responsibilities.** The Procurement Office shall:

- (a) develop and implement procedures as approved by the Treasurer;
- (b) oversee and coordinate the Municipality's Purchasing and Surplus Asset disposal function except where specifically noted in this Policy;
- (c) ensure the consistent application of this Policy and related procedures;
- (d) report any non-compliance to the Department Head, Treasurer, CAO, or Council as may be required;
- (e) provide Purchasing advice, including addressing issues and concerns regarding the application and interpretation of this Policy or the conduct of a Solicitation, in coordination with the Municipal Solicitor and Treasurer as required;
- (f) develop and maintain all templates related to Purchasing;
- (g) determine the appropriate Purchasing or disposal method for each process;
- (h) fully administer the Purchasing process up to contract execution, including:
  - i. receiving all Submissions;





# Procurement Policy

Policy #

Date Last Reviewed:

- ii. determining Supplier eligibility;
  - iii. determining Submission compliance;
  - iv. overseeing the evaluation of Submissions;
  - v. conducting all Supplier communications until Contract execution;
- (i) oversee the disposition of assets that have been declared surplus by the relevant Department Head;
  - (j) approve participation in any Buying Group;
  - (k) establish and maintain any Co-operative Procurement relationships with other public bodies; and,
  - (l) train all staff responsible for or involved in Purchasing.

3.8 **Employee Responsibilities.** Every employee with Purchasing responsibilities shall:

- (a) comply with this Policy and all related procedures;
- (b) participate in any training required;
- (c) understand the limits of the authority granted by this Policy;
- (d) obtain the maximum value for money for the Municipality;
- (e) observe all requirements of confidentiality;
- (f) avoid all actual and perceived Conflicts of Interest.
- (g) upon becoming aware of an actual or perceived conflict of interest, where the conflict could directly affect a material term of the potential Contract, and whose daily work would allow them to have any impact on the preparation of the Specifications, the Purchasing process, or management of the potential Contract, shall immediately refer each and every actual or perceived Conflict of Interest to the CAO and Municipal Solicitor for written direction.

3.9 **Prohibitions.** The following are prohibited:



# Procurement Policy

Policy #

Date Last Reviewed:

- (a) avoiding or attempting to avoid the application or requirements of this Policy through any means, including dividing purchases to avoid threshold requirements;
- (b) creating specifications or requirements designed to favour or disadvantage any Supplier;
- (c) purchasing any goods or services through the Municipality for personal use by employee or member of Council for themselves or others;
- (d) providing information to any Supplier that may give an advantage over other Suppliers.

3.10 **Prohibitions.** In procurements with a Dollar Value of \$100,000 or more, unless otherwise approved by Council, the following are prohibited:

- (a) imposing a requirement of prior Contracts with the Municipality as a condition of Supplier participation;
- (b) requiring prior experience where it is not essential to the contract.

3.11 **Supplier Responsibilities.** Suppliers:

- (a) shall be required to disclose any and all Conflicts of Interest prior to or contemporaneously with making a Response;
- (b) shall not engage in any form of bid rigging or collusion of any nature; and,
- (c) shall be forbidden to engage in any conduct which is or could reasonably be construed as any form of political or other lobbying, or as an attempt to influence the outcome of any Purchasing process during the currency of any process prior to an award.

Failure by a Supplier to adhere to the responsibilities outlined in this Policy may result in disqualification from participating in Municipal Purchasing opportunities, in the discretion of the CAO.

3.12 **Unsolicited Offers.** Suppliers wishing to present product or other information to the Municipality outside of a specific Purchasing process must do so through the Procurement Office.



# Procurement Policy

Policy #

Date Last Reviewed:

3.13 **Leasing.** No Purchase shall be conducted for a lease, rent-to-own, or other transaction containing financing terms without the prior authorization of the Municipal Treasurer.

3.14 **Employee Failure to Abide by this Policy.** Contravention of this Policy may result in disciplinary action, up to and including termination of employment.

## 4 **Approval Authority**

4.1 **When Approval Required.** Approval must be obtained:

- (a) To commence any Solicitation before it is made public;
- (b) Following the closing of a Solicitation and prior to releasing the proposed Contract to any Supplier; and,
- (c) To amend, assign, or terminate a Contract. Only the CAO has the authority to terminate a Contract.

4.2 **Funds Must Be Available.** An approved budget sufficient to cover all costs related to both the Solicitation and the Purchase must be in place before commencing any Solicitation. In the case of a multi-year Contract involving operating funds, an “approved budget” is deemed to exist if there is approved funding in the current year based on a multi-year forecast.

4.3 **Dollar Value.** To estimate the Dollar Value of a Purchase for the purposes of determining necessary approvals and procedures:

- (a) Exclude all taxes and duties;
- (b) In the case of multi-year Contracts, the Dollar Value will be the estimated annual expenditure under the Contract.

4.4 **Leasing.** The Dollar Value of any Purchase by lease, rent-to-own, or containing financing terms shall be established by the Municipal Treasurer for the purposes of this Policy.

4.5 **Purchasing Approval Based on Dollar Value.** Despite any by-law or policy to the contrary, the authority to provide Purchasing Approval for the Purchase of Deliverables is:

- (a) Dollar Value of \$50,000 or less: Manager or Supervisor designated by Department Head pursuant to this Policy.



# Procurement Policy

Policy #

Date Last Reviewed:

(b) Dollar Value of \$100,000 or less: Department Head.

(c) Dollar Value of \$100,001 or more. Municipal Council.

4.6 **Increase in Dollar Value of Purchase.** In the event the Dollar Value of a Purchase increases at any time, the level of Approval Authority shall change accordingly.

4.7 **Contract Execution Authority.** Despite any by-law or policy to the contrary, the authority to execute Contracts for the Purchase of Deliverables is :

(a) Dollar Value of \$50,000 or less: Department Heads or Division Leads

(b) Dollar Value of \$100,000 or less: Department Heads

(c) Dollar Value of \$100,001. Mayor and Municipal Clerk

Unless otherwise duly authorized by Council Resolution or Bylaw, no other Employees are permitted to sign Contracts on behalf of the Municipality for the Purchase of any Deliverable.

4.8 **Council Approval of Award.** Council approval is required for an award of Contract if:

(a) The value of the Purchase is greater than \$100,000;

(b) The value of the Purchase exceeds the Council-approved budget by greater than ten (10) percent;

(c) There is a legal requirement for Council approval.

4.9 **Contract Renewal and Extension.** Where a Contract contains an option for renewal or extension and it is determined by the Department Head in consultation with the Municipal Treasurer and the Procurement Office that a renewal or extension is desirable, the Department Head shall:

(a) if Council has approved renewal or extension, request in writing that the Procurement Office process a renewal or extension; or,

(b) if Council has not approved renewal or extension, obtain Council approval for the renewal or extension.



# Procurement Policy

Policy #

Date Last Reviewed:

- 4.10 **Approval of Contract Amendment.** Contract amendments shall be processed in accordance with this section, subject to any approved project management framework.
- 4.11 **Best Interests.** No amendment or revision to a Contract shall be made unless, in the opinion of the Municipal Solicitor, that amendment or revision is in the best interests of the Municipality.
- 4.12 **Scope of Work.** No amendment changing the original Purchase Price of a Contract shall be agreed to without a corresponding change in the requirement or scope of work.
- 4.13 **CAO Approval of Contract Amendment.** The CAO has the authority to approve Contract amendments where b. the amendment is less than the lesser of 50% of the original Purchase Price or \$100,000 and the amendment does not exceed the Council-approved budget.
- 4.14 **Council Approval of Contract Amendment.** Council must approve amendments that result in:
- (a) a significant change in the scope of work;
  - (b) an overrun of the approved budget.; or,
  - (c) the Purchase Price exceeding \$100,000, except where the CAO has Council authority to approve the Contract Amendment.

## 5 Procurement Strategy

- 5.1 **Solicitation Method.** Where options exist, the most effective and efficient method of Solicitation shall be used.
- 5.2 **Non-Competitive Purchasing.** Unless otherwise noted, non-competitive Purchasing is permitted for purchases of Dollar Value of \$10,000 or less, and competitive Purchasing is required for Purchases in excess of \$100,000.
- 5.3 **Best Value.** Where a non-competitive form of Purchasing is permitted, employees have the duty to obtain best value for money for the Municipality and are therefore encouraged to obtain pricing from at least three Suppliers.
- 5.4 **Petty Cash.** Petty Cash may be used for Purchases up to \$100 in accordance with the Petty Cash Policy.



# Procurement Policy

Policy #

Date Last Reviewed:

- 5.5 **Purchase Order.** Purchase Orders may be used for Purchases up to \$10,000.
- 5.6 **Purchasing Card.** Purchasing Cards may be used for purchases up to \$10,000 in accordance with the Purchasing Card Policy.
- 5.7 **Informal RFQ (\$10,000 up to \$50,000):** An Informal RFQ may be used for procurements with a Dollar Value of \$10,000 and up to \$50,000 where the Specifications are clear and no Standing order exists for the Deliverables.
- Only those Suppliers invited to give quotations will receive notice. At least three quotations must be solicited.
  - Quotations may be provided in any form of written communication. Each Supplier may provide only one quotation and may not change or negotiate the quotation.
  - The most favourable response will receive the Contract.
- 5.8 If three quotations are not received, the Department Head may waive this requirement upon receipt of satisfactory written justification as to why three quotes cannot be obtained.
- 5.9 **Formal RFQ (\$10,000 up to \$100,000).** A Formal RFQ may be used for procurements with a Dollar Value of \$10,000 and up to \$100,000 where the Specifications are clear, and no Standing order exists for the Deliverables.
- Notice of a formal RFQ will be given on the Municipality's website.
  - Quotations may be provided in any form of written communication. Each Supplier may provide only one quotation and may not change or negotiate the quotation.
  - The most favorable response will receive the Contract.
- 5.10 If three quotations are not received, the Chief Administrative Officer may waive this requirement upon receipt of satisfactory written justification as to why three quotes cannot be obtained.
- 5.11 **RFT/RFP (greater than \$100,000):** An RFT shall be used when:
- two or more sources are able to supply the Deliverable;
  - the estimated Dollar Value is \$100,000 or greater;



# Procurement Policy

Policy #

Date Last Reviewed:

- c. a Standing Offer does not exist;
- d. Specifications are clearly defined; and,
- e. Price is the basis for the award.

5.12 **An RFP shall be issued when:**

- a. two or more sources are capable of supplying the Deliverable;
- b. the estimated Dollar Value is \$100,000 or greater
- c. a Standing Offer does not exist;
- d. The Municipality's need is identified, but the means of accomplishing it is not identified and may involve many variables;
- e. Price is not the sole basis for the award.

5.13 **Conduct of RFP and RFT.** All RFPs and RFTs shall be conducted in accordance with the RFP/RFT Procedure.

5.14 **Standing Offer.** The Procurement Office can establish a Standing Offer when:

- a. one or more Departments repetitively orders the same Deliverables or range of Deliverables and the actual demand (including quantity, delivery date, and delivery point) is not known in advance;
- b. the Deliverables are readily available to be ordered ("called up") as and when the requirement arises; and,
- c. prearranged prices or a prearranged pricing basis can be established at the outset and there is no need or intention to negotiate them at call-up.
- d. Standing Offers shall be established by the competitive Purchasing method prescribed by the estimated annual Dollar Value of the Standing Offer
- e. The Procurement Office shall maintain a list detailing Standing Offers and the associated Deliverables, Suppliers, and pricing.



# Procurement Policy

Policy #

Date Last Reviewed:

- f. Where a Standing Offer exists, Deliverables must be Purchased under that Standing Offer.

5.15 **Prequalification.** A Prequalification may be used where:

- a. It is desirable to create a Roster of Suppliers to use for one or more future Purchases;
- b. the qualifications of the Supplier are paramount having regard to the complexity, cost, potential Occupational Health and Safety Act risk, or to specialized equipment, material or financing requirements; or,
- c. the standard of performance of the Deliverables has been established and must be met.

5.16 **The Prequalification shall include:**

- a. a description of the Deliverable;
- b. how long the Prequalification is valid, to a maximum of three years;
- c. a statement that only Prequalified Suppliers will be permitted to participate in the Solicitation and that the Municipality is not obligated to enter into any Contract with a Supplier based on participation in the prequalification; and,
- d. If a Prequalification is established for a Solicitation, only prequalified Suppliers may participate in the Solicitation.

5.17 **Rosters.** Prequalified Suppliers may be placed on a roster for a term of up to three years.

5.18 **No Notice.** Where a roster exists, no public notice is required, and the Solicitation shall be provided directly to the Prequalified Suppliers.

5.19 **Negotiation.** No negotiation is permitted unless the Solicitation specifically contemplates negotiation taking place or under the following circumstances and with prior approval of the Procurement Office:

- a. The Deliverable is being acquired through a Direct Purchase;
- b. no compliant Submissions are received, and it is not practical to run another Solicitation;





# Procurement Policy

Policy #

Date Last Reviewed:

- c. the lowest compliant Submission exceeds the available budget, and it is not practical to substantially change the Specifications to run another Solicitation; or,
- d. only one Submission is received.

5.20 **Cancellation of Solicitation.** The Procurement Office may cancel any Solicitation at any time until Award where:

- a. There is a request to do so by the responsible Department Head;
- b. An adequate budget is not available;
- c. The Deliverable is no longer required, or the Specifications are no longer suitable;
- d. In the opinion of the Procurement Office the integrity of the Purchasing process has been compromised and cannot be remedied without cancelling the Solicitation; or,
- e. The Solicitation has failed to elicit competition or any qualified Supplier.

## 6 Direct Purchase

6.1 **Permitted.** The Municipality may procure Deliverables without a competitive process in the following circumstances:

6.2 **Lack of Competition.** No compliant Submissions received in response to a Solicitation.

6.3 **Single Supplier.** Only one Supplier can provide the Deliverables, and no reasonable alternative or substitute exist as in the case of:

- a. a work of art;
- b. protection of patents, copyrights, or other exclusive rights;
- c. absence of competition for technical reasons;
- d. supply controlled by a Supplier that is a statutory monopoly;
- e. need to ensure compatibility with existing Goods;



# Procurement Policy

Policy #

Date Last Reviewed:

- f. OEM maintenance requirements;
- g. work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
- h. work to be performed on a leased property that may be performed only by the lessor; or
- i. subscriptions to newspapers, magazines, or other periodicals.

6.4 **Additional deliveries.** Additional deliveries of Deliverables by the original Supplier that were not included in the initial procurement, if a change of Supplier for such Deliverables:

- a. Cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, Services, or installations procured under the initial Purchase; or
- b. Would cause significant inconvenience or substantial duplication of labour and/or costs for the Municipality.

6.5 **Commodities.** Deliverables purchased on a commodity market such as electricity, postal services, postage, water, fuel, natural gas, furnace oil.

6.6 **Prototype.** Purchase of a prototype or a first Good or Services that is developed in the course of, and for, a particular contract for research, experiment, study, or original development, but does not include quantity production or supply to establish commercial viability or to recover research and development costs.

6.7 **Exceptionally Favorable Circumstance.** Exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular Suppliers.

6.8 **Design Contest.** An award to a winner of a design contest provided that the contest has been organized in a manner that is consistent with this Policy, in particular relating to the publication of a Solicitation; and the participants are judged by an independent review panel with a view to an Award made to the winner.



# Procurement Policy

Policy #

Date Last Reviewed:

6.9 **Confidential Nature.** Deliverables regarding matters of a confidential nature, the disclosure of which could reasonably be expected to compromise confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest.

6.10 **Emergency Purchase.** An emergency purchase may be undertaken in the event of unforeseeable situation of urgency brought when Deliverables could not be obtained in time using an open and competitive process and where there is:

- a. an imminent or actual danger to the life, health or safety of any person;
- b. an imminent or actual danger of injury to or destruction of real or personal property belonging to the Municipality or to a third party to whom the Municipality would be liable;
- c. an imminent or actual unexpected interruption of a public service essential to the community;
- d. an emergency as defined by the Emergency Management and Civil Protection Act, R.S.O. 1990, c. E.9 and the emergency plan formulated thereunder by the Municipality; and an imminent or actual spill of a pollutant as contemplated by Part X (Spills) of the Environmental Protection Act.

## 7 Cooperative Procurement and Buying Groups

7.1 **Permitted.** The Procurement Office is authorized to enter into arrangements with area municipalities, local boards and other public bodies or authorities for the purchase of Deliverables on a cooperative or joint basis where there are economic advantages to doing so; provided that under any such approved arrangement the methods used are competitive and that all approvals from the relevant Approval Authorities are received before committing to the joint purchase process. The Purchasing Specialist shall maintain a list of approved Buying Groups.

7.2 **Required Notice.** While participating in a Cooperative Procurement process or through an approved Buying Group, the Municipality shall publish notice of its participation in a Cooperative Procurement process or with a Buying Group on the tendering website normally used by the Municipality, and the notice shall provide Suppliers with information about how to participate in such



# Procurement Policy

Policy #

Date Last Reviewed:

Cooperative Procurement process and/or how to submit a bid to the Buying Group.

## 8 Document Preparation

- 8.1 **Template Documents.** The Procurement Office shall maintain all approved template documents for Purchases. No amendments to the approved template documents will be permitted without the prior approval of the CAO, Municipal Solicitor, and Treasurer. All Solicitations shall use only approved template documents, and any amendments or additions must receive prior approval of the Municipal Solicitor and the Treasurer.
- 8.2 **Responsibility for Specifications.** The Project Lead, working in conjunction with the Procurement Office, is responsible for preparing the Bid Documents and Specifications in compliance with AODA, and to obtain approval from the correct Approval Authority prior to public release.
- 8.3 **Consultant shall not Participate.** Any consultant who prepares or assists in preparation of Specifications shall not be permitted to participate in the resulting Solicitation.
- 8.4 ***Accessibility for Ontarians with Disabilities Act, 2005.*** All Bid Documents shall be AODA-compliant.
- 8.5 **Security and Insurance.** The Municipal Solicitor shall determine the necessary thresholds for insurance, bid security, and project security.
- 8.6 **Collaboration and Consultations.** If a Purchase will have an impact on the operations or finances of any other Department beyond the originating Department, that department shall be consulted in respect of the Purchase,
- 8.7 **Technology.** Any acquisition of technology, computer hardware, computer software or software services, the IT Department shall be consulted to ensure that there is no compromise to the Municipality's network or unnecessary cyber security risks.
- 8.8 **Records Management.** Any Purchase that may have an impact on the management of the Municipality's records shall consult with the Municipal Clerk to ensure the procurement aligns with the Municipality's Record Retention Policy.



# Procurement Policy

Policy #

Date Last Reviewed:

## 9 Notice

- 9.1 **Mandatory.** For all Solicitations with a Dollar Value in excess of \$100,000, notice shall be given:
- a. on the Municipality's website;
  - b. on an electronic tendering system that is equally accessible to all Canadian Suppliers; and,
  - c. in any publication or forum deemed relevant by the Department Head and Procurement Office as long as forum is equally accessible to all Canadian Suppliers.
- 9.2 **Date Range.** The notice shall be published from the date of issuance of the Solicitation to the date of closing of the Solicitation.
- 9.3 **Form of Notice.** The form of notice shall be established by the Procurement Office and approved by the Municipal Solicitor and Treasurer.
- 9.4 **Advertising Opportunities.** Advertising opportunities are to be posted to the Municipality's website.

## 10 Supplier Management

- 10.1 **Debriefing.** Any Suppliers participating in an RFT/RFP may submit a written request to the Procurement Office for a debriefing, which shall be conducted in accordance with any procedure in place under this Policy.
- 10.2 **Performance Evaluation.** Department Heads shall ensure completion of Performance Evaluation of the Supplier as required by the Supplier Performance Procedure.
- a. The Supplier shall be given an opportunity to comment on the Performance Evaluation and all resulting information shall be retained by the Procurement Office.
  - b. Performance Evaluations may be used to determine Supplier eligibility to:
    1. continue to provide Deliverables to the Municipality on a current Contract;



# Procurement Policy

Policy #

Date Last Reviewed:

2. become or remain a qualified Supplier on a roster; and/or
3. participate in future procurements as set out in this Policy (Bidder Eligibility).

10.3 **Dispute Resolution.** The following dispute resolution process is available to any Supplier who:

- a. Disputes the fairness of a Purchasing process;
- b. Disputes an award of contract or a determination on a Prequalification;
- c. Disputes any Supplier Performance Evaluation

10.4 **Notice of Dispute.** Within thirty days of the circumstance giving rise to the dispute, the Supplier shall provide a written request for a meeting with the Procurement Office detailing the legal and factual grounds underlying the dispute and the desired outcome and must include any relevant documents.

10.5 **Meeting.** The Procurement Office shall convene a meeting with the Supplier within twenty days of receipt of the request. The meeting may be conducted in writing, in person or by teleconference, and may include any other members of administration deemed necessary by the Procurement Office.

10.6 **Outcome.** If the Procurement Office is satisfied that action should be taken, a report will be provided to the Municipal Solicitor, Treasurer, and CAO advising that such action be taken.

10.7 **Appeal.** If the Supplier is unsatisfied with the outcome of the meeting, the Supplier may provide a written request for a meeting with the Municipal Solicitor, Treasurer, and CAO. This request must detail the legal and factual grounds underlying the claim and the desired outcome and must include any relevant documents.

10.8 **CAO Determination.** The CAO shall convene a meeting with the Supplier within twenty days of receipt of the request. The meeting may be conducted in writing, in person or by teleconference, and may include any other members of administration deemed necessary by the CAO. The determination of the CAO shall be final.

10.9 **Supplier Suspension.** At the discretion of the Chief Administrative Officer in consultation with the Municipal Solicitor, the Municipality may, but is not



# Procurement Policy

Policy #

Date Last Reviewed:

required to, suspend a Supplier from participating in the Municipality's Purchasing activities due to:

- a. Litigation or engagement in legal action between the Supplier or any officer or director of the Supplier, directly or indirectly through another corporation, and the Municipality, Consultants engaged by the Municipality in respect of a specific Solicitation, or Municipal employees in relation to any other Contract or service or any matter arising from the Municipality's exercise of its powers, duties or functions if the litigation is likely to affect the Supplier's ability to work with employees or Municipal Consultants or to cost additional staff and legal costs in the administration of a Contract with the Supplier;
- b. poor past performance by the Supplier, any act of dishonesty or failure to meet Contract requirements or health and safety violations, as documented by the Department Head and provided to the Procurement Office;
- c. failure by the Supplier to satisfy a debt due to the Municipality;
- d. any act of collusion, harassment, intimidation, or other act towards or with an employee, elected official, or other Supplier in relation to any Solicitation;
- e. failure by the Supplier to enter into a Contract following an Award;
- f. Conviction or finding of liability under any statute or ordinance pertaining to:
  1. Income Taxation
  2. Criminal or quasi criminal acts
  3. Occupational Health and Safety
  4. Environmental protection
  5. Product Liability
  6. Securities regulation.

10.10 **Response.** A Supplier shall be given an opportunity to respond to an allegation of poor performance. A Supplier shall be given notice of as well as an opportunity to respond to an intent to suspend.



# Procurement Policy

Policy #

Date Last Reviewed:

10.11 **Lifting Suspension.** A suspension may be lifted at the discretion of the CAO and Treasurer if the suspended Supplier demonstrates that the reasons for the suspension have been satisfactorily addressed and that the Supplier no longer poses a performance risk to the Municipality.

10.12 **Related Parties.** For the purposes of this Section, a reference to a Supplier includes officers, directors, a majority or controlling shareholder, a partner, or other directing mind of the Supplier.

## 11 Contract Management

11.1 **Responsibility.** Each Department Head is responsible for management of contract requirements in their respective areas, including:

- a. confirmation that all required insurance and security remain in place during the Contract term;
- b. confirmation that all Deliverables comply with Contract requirements;
- c. confirmation that all invoices comply with the Contract requirements and accurately reflect the work performed or Deliverables received prior to payment;
- d. monitoring of Supplier performance and addressing issues and deficiencies with the assistance of the Procurement Office and Municipal Solicitor.

## 12 Surplus Assets

12.1 **Identification of Surplus Assets.** Department Heads shall submit a list to the Procurement Office of Surplus Assets, being all goods, equipment and stock which is no longer being used, or which has become obsolete. Net proceeds of disposal, if any, shall accrue to the Department.

12.2 **Redistribution of Surplus Assets.** The Procurement Office shall determine if any Surplus Assets can be utilized by other Municipal Departments and shall authorize distribution.

12.3 **Disposal of Surplus Assets.** If the Surplus Assets cannot be used by the Municipality, the Treasurer may approve that they be disposed of by any of the following methods:

- a. offered for sale to public agencies;





# Procurement Policy

Policy #

Date Last Reviewed:

- b. sold by external advertisement, including by tender, quotation, public auction or online auction;
- c. sold or traded to the original supplier or others in that line of business;
- d. donated to a charitable organization;
- e. recycled;

or any other means appropriate and in the best interests of the Municipality, If the Surplus Assets cannot be disposed of, they can be scrapped.

12.4 No employees, Councilors, or related parties as defined by the Code of Conduct for Council, Local Boards, and Committees shall be permitted to receive Surplus Assets unless they are to be scrapped or recycled in accordance with this section, at the discretion of the CAO, or, by purchase through a public process conducted by a third party.

## 13 General Terms

13.1 **Review.** The Procurement Office shall be responsible to review this Policy at least every four years.

13.2 **Transition Provisions.** Any Solicitation or Purchase commenced but not completed before this Policy becomes effective shall be completed pursuant to the rules then in place governing Purchasing.

## 14 Summary of Amendments

Date	Amendment(s)
August 13, 2024	Procurement Policy is adopted by By-law 77-2024



# Procurement Policy

Policy #

Date Last Reviewed:

## Schedule "A" – Exemptions from Procurement Policy

The following are not subject to the competitive procurement requirements in this Policy, but remain subject to all other provisions of this Policy.

1. **General Exclusions.** The following Purchases are excluded from the application of this Policy:
  - a. Goods or Services financed primarily from donations that require the Procurement to be conducted in a manner inconsistent with this Policy;
  - b. Purchases by the Municipality on behalf of an entity not covered by this Policy; and,
  - c. Acquisition of Goods for the purpose of commercial sale or re-sale by the Municipality.
2. **Excluded Services.** The following Services are excluded from the application of this Policy:
  - a. Health or social services;
  - b. Services that may, under applicable law, only be provided by licensed lawyers or notaries;
  - c. Services of expert witnesses or factual witnesses used in court or legal proceedings; and,
  - d. Financial Services respecting the management of government financial assets and liabilities (i.e. treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution.
3. **Non-Purchase Transactions.** The following transactions are not deemed to be Purchases are excluded from the application of this Policy:
  - a. Insurance products, however, the purchase of insurance advisory Services is not excluded;
  - b. Payments of debts;
  - c. Any form of financial assistance, such as grants, loans, equity infusions, guarantees, and fiscal incentives;



# Procurement Policy

Policy #

Date Last Reviewed:

- d. Agreements with a governmental authority or agent of government;
  - e. Acquisition or rental of land, real property payments including land, buildings, leasehold interests, easements, encroachments and licenses, or the like as addressed in the Municipal policy on land disposal.
  - f. Insurance claims, legal settlements and grievance settlements.
  - g. Binding orders, judgments or decisions of an arbitrator, tribunal or court.
  - h. Refundable travel expenses
  - i. Professional memberships and dues
  - j. Professional development (training, workshops, courses, trade shows, conferences, and seminars);
  - k. Testing and examination fees
4. **Specialized Surplus Goods.** Specialized Surplus Goods identified by the Procurement Office as requiring specialized training and/or licensing to operate, buy, or sell, may be offered for sale in any manner deemed appropriate by the Procurement Office.
5. **Commodities.** Deliverables purchased on a commodity market such as electricity, postal services, postage, water, fuel, natural gas, furnace oil.



# Procurement Policy

Policy #

Date Last Reviewed:

## Schedule "B" – Reference Tools

### 1. Procurement Types

Dollar Amount	Procurement Type
<\$100	Petty Cash
Up to \$10,000	Purchase Order <b>OR</b> Purchasing Card
\$10,000 to \$50,000	RFQ (informal)
\$10,000 to \$100,000	RFQ (formal)
> \$100,001	RFT OR RFP

- *More formal processes may always be selected if appropriate.*
- *This chart is intended as a quick reference guide and is in all respects subject to section 5 – Procurement Strategy.*



# Procurement Policy

Policy #

Date Last Reviewed:

## 2. Approval Authorities

Dollar Amount	Approver
up to \$50,000	Designated Manager/Supervisor
Up to \$100,000	Department Head
> \$100,001	Municipal Council

- *Higher authority approvals may always be utilized if appropriate.*
- *This chart is intended as a quick reference guide and is in all respects subject to section 4.5.*



# Procurement Policy

Policy #

Date Last Reviewed:

## 3. Contract Execution

Dollar Amount	Signing Authority
Up to \$100,000	Department Head
> \$100,001	Mayor and Municipal Clerk

- *Higher level execution may always be utilized if appropriate.*
- *This chart is intended as a quick reference guide and is in all respects subject to section 4.7.*