


# POLICY

	Policy:	<b>PROCUREMENT POLICY</b>		
	Department:	Corporate Services		
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## **1. POLICY STATEMENT**

- 1.1. The Corporation of the Town of Amherstburg is committed to open and transparent purchasing activities in the manner that best serves the interests of the Town of Amherstburg and keeps business moving forward.

## **2. PURPOSE**

- 2.1. To procure by purchase, rental, or lease the required quality and quantity of goods and services, including professional and consulting services, in an efficient, timely, and cost effective manner.
- 2.2. To encourage open competitive bidding for the acquisition and disposal of goods and services where practicable.
- 2.3. To consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in evaluating bid submissions from qualified, responsive, and responsible vendors.
- 2.4. To give full consideration to the annual aggregate value or to consider the total project cost of specific goods and services that will be required by each department, and by the Town as a whole, prior to determining the appropriate acquisition method.
- 2.5. To monitor and report on the economic climate and legislative changes which may have an impact on the Town of Amherstburg and to determine the appropriate actions to be taken through purchasing policies and procedure.
- 2.6. To encourage the purchasing of goods and services with due regard to the preservation of the natural environment. Vendors may be selected to supply goods made by methods resulting in the least damage to the environment, and supply goods incorporating recycled materials where practicable.
- 2.7. To provide a time frame for regular review for effectiveness and validity.
- 2.8. To provide a transparent methodology for the acquisition of goods and services to Council and constituents, and to ensure that vendors have fair access to information on procurement opportunities, processes, and results.
- 2.9. To provide a consistent approach to completing projects and acquiring contracts for the best value, on time, and on budget, while meeting all program requirements.
- 2.10. To create a standard for document retention, which provides complete records of all bids, proposals, and quotations received, which would be made available for inspection by the Town's auditors and/or managers until the end of the year and then filed in accordance with the Town's Record Retention By-laws.

### 3. **SCOPE**

- 3.1. This policy applies to all Town of Amherstburg staff authorized to purchase items and procure services on the Town's behalf. This includes, but is not limited to, full-time and part-time employees, firefighters, temporary and contract employees, appointees to agencies or boards, committees, volunteers, etc.
- 3.2. This policy does not apply to Amherstburg Police Services.
- 3.3. This policy shall be adhered to at any time a transfer of funds results in the direct supply of goods and/or services, construction activities, consulting fees and professional services, etc. to the Town of Amherstburg with the exception of items listed in Appendix A – Goods and Services Exempt from the Provisions of the Procurement Policy.
- 3.4. This policy shall be reviewed every five years from the date it becomes effective, or sooner, at the discretion of the CAO.

### 4. **DEFINITIONS**

- 4.1. **Accountability** means the obligation to answer to the general public, Council, and vendors for procurement results and for the manner in which purchasing responsibilities are discharged.
- 4.2. **Acquisition** means the process of obtaining goods and services. Can also mean an item that has been acquired.
- 4.3. **Agreement** means a legal document that binds the Corporation of the Town of Amherstburg and all other parties, subject to the provisions of the contract.
- 4.4. **Applicable Taxes** means the Harmonized Sales Tax (HST) and any other provincial tax payable in Canada and the Province of Ontario by law.
- 4.5. **Annual Aggregate Value** means the total amount anticipated to be spent annually by all departments on a particular type of good or service.
- 4.6. **Approval** means the authorization to proceed with the purchase or disposal of goods or services.
- 4.7. **Best Lifecycle Cost** means the most economic value for money over the expected life of an item. Factors considered include, but are not limited to acquisition cost, installation, disposal value, disposal cost, training costs, maintenance costs, quality of performance, depreciation values and replacement costs.
- 4.8. **Best Value** means the price that results in the lowest expense to the Town for ownership, operation, or purchase. This cost is derived after considering all factors such as price, quality, service, terms, conditions and warranties.
- 4.9. **Bid** means an offer or submission received in response to a request for quotation, tender, or proposal, being subject to acceptance or rejection.

- 4.10. **Bidder** is a person, firm, or corporation that submits a bid in response to a call for proposals, quotations or tenders.
- 4.11. **Bidders List** is the list of vendors who have expressed interest in submitting bids by either submitting Expressions of Interest or Prequalification, or who have already obtained sealed bid documents for a bid opportunity. This may also be referred to as the “Plan Takers List”.
- 4.12. **Bid Irregularity** means a deviation between the requirements (terms, conditions, specifications, special instructions, etc.) of a bid request and the information provided in the submitted bid. (See Appendix B).
- 4.13. **Bid Request** means a formal request for bids which may be in the form of a Request for Quotation, Request for Proposal, or Tender call.
- 4.14. **Chief Administrative Officer (CAO)** is the Chief Administrative Officer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 229 of the *Municipal Act, 2001*.
- 4.15. **Clerk** is the Municipal Clerk for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 228 of the *Municipal Act, 2001*.
- 4.16. **Contract** means a legally binding agreement between two or more parties. Such agreements will consist in the form of a:
- a. Purchase order, or;
  - b. Purchase order incorporating a formal agreement, or;
  - c. Formal agreement between the Town and other parties that creates an obligation to provide defined goods and/or services.
- 4.17. **Conflict of Interest** is a situation where private interests or personal considerations may affect the judgement of an employee or elected official of the Town of Amherstburg to act in the best interest of the Town. It includes using the employee’s or elected official’s position, confidential information, corporate time, material, or facilities for expected or actual private gain or advancement. A conflict may also exist where interests benefit any member of the employee or elected official’s family, friends, or business associates.
- 4.18. **Cost Effective Bid** means a bid received in response to a request that offers the best value for money, taking into consideration a quantitative and qualitative selection procedure.
- 4.19. **Council** refers to the current elected Council for the Corporation of the Town of Amherstburg. This includes, as an entirety, the Mayor, Deputy Mayor and Councillors.
- 4.20. **Co-Op** means a co-operative acquisition venture.
- 4.21. **Director** is the person responsible for direction and operational control of a division as defined on the Town’s organizational structure.

- 4.22. **Deliverable** is a thing able to be provided, such as a service or merchandise. May be an item required to fulfill a contract.
- 4.23. **Designated Signing Authority** means the person or people authorized to execute legally binding contracts on behalf of the Town of Amherstburg.
- 4.24. **Direct Acquisition** means the acquisition of goods and/or services without issuing a call for bids or obtaining comparative quotations.
- 4.25. **Disposal** means the removal of materials owned by the Town of Amherstburg deemed to be surplus by either sale, trade-in, auction, alternative use, gifting, recycling, destruction, or delivery to landfill.
- 4.26. **Emergency** means a situation where the purchase of goods and services requires immediate action to prevent or correct dangerous or potentially dangerous safety conditions, prevent further damage, restore minimum service, or to ensure the safety of the public.
- 4.27. **Execute** means to legally bind the Corporation of the Town of Amherstburg to the terms and conditions defined within an agreement by applying signatures of designated signing authorities of all parties named in the agreement and the corporate seal (if applicable).
- 4.28. **Expanded Works** means approved construction projects in which an unexpected problem arises during construction, which does not expand the original scope of the project, but is necessary to deliver the original approved work.
- 4.29. **Expression of Interest (EOI)** means a situation where vendors are solicited by the Town to advise of their ability or desire to undertake Town projects. This is not to obtain costs for services.
- 4.30. **Goods and/or Services** includes supplies, equipment, property insurance, maintenance, professional and consulting services, and service contracts not otherwise provided for.
- 4.31. **Labour and Materials Payment Bond** is a security provided by a bonding or surety company to the owner of a construction project on behalf of a contractor. These bonds are issued usually with (and for the same amount as) performance bonds, and cover payment for all equipment, labour, materials, and service in the event that the contractor fails to pay for them under the terms of the contract.
- 4.32. **Lease** is a method of financing and acquisition which binds the Town to a stream of future payments. Council approval is required to enter into a lease, along with, or subsequent to, the acquisition approval. Entry into a lease agreement by the Town shall be subject to the provisions of the *Municipal Act, 2001* and the regulation thereto.
- 4.33. **Lowest Responsive Bid** means the lowest bid price submitted that meets the requirements and specifications as set out in the bid request.
- 4.34. **Maintenance Bond** is a type of surety bond purchased by a contractor that protects the Town for a completed construction project for a specified time period against defects and faults in materials, workmanship and design that could arise later if the project was done incorrectly.

- 4.35. **Manager** reports directly to a Director (or the CAO in some instances) and who is responsible for a department within a division of the Corporation, as defined on the Town's organizational structure.
- 4.36. **Material Safety Data Sheet (MSDS)** is an information sheet for hazardous materials, including an index of chemical compounds with details of properties, handling details, precautions, and first-aid procedures.
- 4.37. **Negotiation** means the action or process of conferring with one or more vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this policy.
- 4.38. **Open Market Procedure** means obtaining price quotations from vendors verbally or in writing.
- 4.39. **Performance Bond** is a surety that calls for specific monetary payment to a beneficiary if the purchaser or maker fails to do something or acts in violation of a contract.
- 4.40. **Pre-Qualification** means a submission of information used to verify eligibility of potential bidders. This may include information regarding experience, financial strength, education, background, personnel, firms or corporations used to qualify the bidder to supply goods, services or construction to the Town. This information does not create any contractual obligation between the bidder and the Town, but may be a prerequisite to further procurement contracts to the Town.
- 4.41. **Privilege Clause** means the standard clause used in bid documents and advertising that reads in part "the lowest or any tender may not necessarily be accepted".
- 4.42. **Procurement** means the combined functions of purchasing, inventory control, transportation, receiving and inspection, salvage, and disposal.
- 4.43. **Procurement Policy** provides guidelines for acquiring goods and services for the Town of Amherstburg as approved by Council. Also known as the Purchasing Policy. For the Town of Amherstburg, the Procurement Policy is this document provided herein.
- 4.44. **Professional and Consulting Services** includes the services provided by architects, engineers, designers, appraisers, management or financial consultant, brokers, lawyers, and any other consulting and professional services rendered on behalf of the Town of Amherstburg.
- 4.45. **Project Manager** is the initiating Town department Manager that will be managing the implementation of a project from the award of contract through to project completion.
- 4.46. **Proposal** is an offer to provide goods or services to the Town where it is not feasible or practical to prepare precise specifications, or where alternatives to detailed specifications will be considered and may be subject to further negotiations. A proposal provides solutions to arrive at an end product and allows for evaluation on criteria other than price.

- 4.47. **Purchase** means to acquire goods or services in exchange for an agreed upon price. May also be in the form of a rental or lease.
- 4.48. **Quotation** means an offer to sell goods and/or services to the Town, or an offer to purchase surplus goods or materials from the Town.
- 4.49. **Responsive and Responsible Bidder** is a bidder responding to a bid solicitation who complies with its provisions, including specifications, contract terms, and conditions as set out in the bid document and who can reasonably be expected to provide satisfactory performance on the proposed contract based on reputation, references, performance on previous contracts, and sufficiency of financial and other resources.
- 4.50. **Request for Proposal (RFP)** is a form of bid solicitation in regards to a particular project, but does not provide detailed specifications, terms or conditions. An RFP invites solutions from bidders that will provide all of the project initiatives. Proposals are critiqued and scored not only by price, but also by historical projects and experience, equipment, personnel, and proposed work plans, or any other pertinent details. The use of proposals enables the Town to provide cost analysis as necessary and negotiate contract terms, fair and reasonable prices, but does not preclude competition for technical excellence or price. Typically the contract is awarded to the bidder with the highest proposal score.
- 4.51. **Request for Quotation (RFQ)** is a formal request for prices on specific goods or services based on comprehensive technical specifications. The contract is awarded to the lowest compliant bidder.
- 4.52. **Risk Manager** is the Municipal Clerk for the Corporation of the Town of Amherstburg.
- 4.53. **Sealed Bid Documents** are specification documents prepared and distributed to bidders when tenders, Requests for Quotation (RFQs), or Requests for Proposal (RFPs) are issued. These documents include instructions on how to submit bids/proposals, project specifications, bid forms, insurance requirements, bonding requirements, etc.
- 4.54. **Sealed Bid Process** is the process of soliciting bids or proposals, allowing interested parties to submit bids or proposals, and evaluating the bids or proposals to determine the successful proponent. Sealed bid processes include Request for Quotations (RFQs), Request for Proposals (RFPs), and Tenders.
- 4.55. **Services** means all professional, consulting, construction, and maintenance provided to the Town by third party companies.
- 4.56. **Senior Management Team (SMT)** is comprised of the Chief Administrative Officer and the Directors. If a Director is unavailable, a delegate may be assigned.
- 4.57. **Single Source** or **Sole Source** means there is more than one source in the open market, but only for reasons of function or service, one vendor is recommended for consideration of the supply of the particular goods and/or services.
- 4.58. **Surety** means a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials payment bond, letter of credit, or any other form as deemed necessary and stated in any quotation, tender, or proposal documents issued by the Town.

- 4.59. **Tender** is a formal form of bid solicitation where the Town publishes the specifications, terms, conditions and any and all details concerning the proposed contract. Tenders are typically awarded to the lowest compliant bidder.
- 4.60. **Town** is the Corporation of the Town of Amherstburg.
- 4.61. **Treasurer** is the Treasurer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 286 of the *Municipal Act, 2001*.
- 4.62. **Unbalanced Bid** means a bid in which the bidder places an unreasonably high value on certain items in a unit price contract, and unreasonably low price on other items within the same bid for purposes of receiving large payments at the beginning of a contract, or for maximizing its profits on items that will be used in a contract in greater quantities than estimated in the bid document, and under-pricing items it believes will be used in significantly lesser quantities.
- 4.63. **Unbudgeted Expenditure** is an expense that was not provided for in the approved Capital or Operational budget and requires additional funds at the approval of the CAO, Director of Financial Service and/or Council.
- 4.64. **Verbal Quotation** is a price received in person or via telephone, with written documentation to record the price provided.
- 4.65. **Work** is the activities, services, acquisition of goods or equipment, matters and things required to be completed, delivered or performed by a contractor under contract.

## 5. **INTERPRETATIONS**

- 5.1. Unless the context requires otherwise, use of the singular also implies the plural, and vice versa.
- 5.2. Whenever the words “include”, “includes”, or “including” or other similar terms are used in this policy, they are deemed to be followed by the words “without limitation”.
- 5.3. Any reference to this Policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any references to a By-law or Town policy shall be deemed to be a reference to the most recent passed policy or By-law and any replacements thereto.
- 5.4. All dollars in this document are expressed in Canadian Dollars.
- 5.5. All solicitations and processes under this Policy shall be conducted in English.

## 6. **GENERAL CONDITIONS**

- 6.1. Where a Director is authorized to undertake any act pursuant to this policy, such act may be undertaken by a Director’s authorized designate.



- 6.2. Where it is recommended that a contract be executed, contracts and agreements with the following aggregate values shall be executed as follows:
  - 6.2.1. Under \$100,000 shall be executed in accordance with Section 14.4 of this policy.
  - 6.2.2. Over \$100,000 shall be executed by the Mayor and Clerk upon approval by Council.
- 6.3. Any commitments being made where it is recommended that a contract be executed by the Mayor and the Clerk must first be approved by Council.
- 6.4. No expenditure or commitment shall be incurred or made, and no account shall be paid by the Town, for goods and services except as approved by Council or as otherwise authorized in accordance with this policy.
- 6.5. A vendor may be ineligible to bid on projects for a period of up to two years on the basis of documented poor performance, non-performance, or conflict of interest. See Section 23 – Contractor Performance Rating System.
- 6.6. Material Safety Data Sheets (MSDS) must be maintained and placed on file by the user department for all relevant products.
- 6.7. When using the Privilege Clause which reads in part “the lowest or any tender may not necessarily be accepted”, the specific reasons must be stated why the bids may not be accepted within the contract document.
- 6.8. No employee or elected official shall purchase, offer to purchase, or acquire any goods and/or services on behalf of the Town except in accordance with this policy.
- 6.9. A contract shall not be awarded where the provisions of this policy have not been adhered to.
- 6.10. Elected officials shall not procure or acquire goods and/or services.
- 6.11. The Town shall reject all acquisitions for services where the services could result in the establishment of an employee-employer relationship.
- 6.12. Acquisition of goods and/or services for the Town shall be conducted using the methods of purchasing noted in Section 14 – Purchasing Thresholds of this policy based on the prescribed purchasing thresholds.
- 6.13. Notwithstanding any other provisions of this policy, the acquisition of the items listed in Appendix A – Exceptions to Provisions of the Procurement Policy do not fall under the guidelines of the Procurement Policy and shall be subject to applicable policies and procedures established from time to time.

- 6.14. Acquisition of goods and/or services with dedicated available budget funds for the Town shall be carried forth using the purchase/contract values as thresholds for the methods prescribed in Section 14 - Purchasing Thresholds in which items and/or services are procured. Costs are estimated values of the goods and/or services, exclusive of all taxes, delivery charges, labour and incidental expenses.
- 6.15. In the event that procurement involves a tender for construction, the estimated value of the project must be provided by the consulting engineer preparing the specifications. If a consulting engineer has not been assigned to the project, the Project Manager shall calculate the estimated cost estimate using up-to-date fair market values.
- 6.16. In the event that a service contract is required, or a designated supplier is required to provide goods or services throughout the course of a specified time period, the estimated value of goods and services over the full term of the contract shall be used to determine the appropriate procurement procedure to use to obtain said goods and services.
- 6.17. No action shall be taken to subdivide purchases in order to reduce the estimated price thresholds or to otherwise avoid or circumvent the application of any of the provisions of this policy.

## **7. RESPONSIBILITIES AND AUTHORITIES**

- 7.1. **CAO** has the authority and responsibility to:
  - 7.1.1. Approve any purchases and acquisitions with a value between \$50,000 and \$100,000 in accordance with this policy.
  - 7.1.2. Instruct Directors and Managers not to award a contract and may direct staff to submit recommendations to Council for approval.
  - 7.1.3. Provide additional restrictions concerning purchasing and procurement where such action is considered necessary and in the best interests of the Town.
  - 7.1.4. Inform Council when non-compliance to this policy has occurred.
  - 7.1.5. Place additional restrictions related to purchasing where such action is considered necessary and in the best interests of the Town.
  - 7.1.6. Approve emergency purchases as outlined in this policy.
  - 7.1.7. Review requests with the Director of Financial Services for unbudgeted expenditures of \$5,000 or more or for variances to approved budgets of \$5,000 or more.
  - 7.1.8. Review requests from Directors for exceptions to procurement procedures and grant these exceptions if deemed appropriate.
  - 7.1.9. Review requests to deem items surplus and grant approval at their discretion.

7.2. **Director of Financial Services** has the authority and responsibility to:

- 7.2.1. Continuously monitor and evaluate the efficiency and effectiveness of this policy in cooperation with the Manager of Special Projects.
- 7.2.2. Inform the CAO when non-compliance to this policy has occurred.
- 7.2.3. Ensure that the purchase of all goods and services for the Town is made within the approved annual Operating and Capital Budgets or upon authority of a resolution of Council within the limits and conditions set out in such resolutions.
- 7.2.4. Review requests with the CAO for unbudgeted expenditures of \$5,000 and over or for variances to approved budgets of \$5,000 or more. Advise initiating department if funds can be secured and how they will be financed.
- 7.2.5. Advise all Town departments on availability of funds and financing for purchasing and procurement activities.
- 7.2.6. Manage the purchasing card program and ensure that all cardholders have appropriate employment status with the Town.

7.3. **Manager of Special Projects** has the authority and responsibility to:

- 7.3.1. Continuously monitor and evaluate the efficiency and effectiveness of this policy in cooperation with the Director of Financial Services.
- 7.3.2. Coordinate and advertise sealed bid opportunities through appropriate media outlets and/or the Town website.
- 7.3.3. Issue sealed bid documents and addenda, receive bids/tenders/proposals, and coordinate opening procedures for sealed-bid processes.
- 7.3.4. Consult with initiating departments on RFP evaluation committee composition and coordinate evaluations of proposal submissions.
- 7.3.5. Review submitted bids, tenders, and proposals for errors or omissions.
- 7.3.6. Recommend successful proponents and bidders to issuing departments based on results of sealed-bid processes.
- 7.3.7. Coordinate Purchase orders for issuing departments for purchases and acquisitions valued over \$5,000.
- 7.3.8. Maintain contractor performance reviews on file.
- 7.3.9. Prescribe project start up and close out procedures to be conducted by Project Managers at the onset and completion of contracted services.

7.4. **Directors (all)** have the authority and responsibility to:

- 7.4.1. Approve any purchases and acquisitions with a value between \$5,000 and \$50,000 in accordance with this policy.
- 7.4.2. Assume overall accountability for purchasing activities within their departments.
- 7.4.3. Ensure that all provisions of this policy have been met before purchasing any goods and/or services.
- 7.4.4. Determine and achieve specific objectives as outlined in each project requiring purchase of goods or acquisition of services.
- 7.4.5. Ensure that financing has been arranged with the Finance Department for capital initiatives prior to any funds being required or spent for said projects.
- 7.4.6. Award contracts valued at less than \$50,000 where delegated power is exercised within the limits prescribed in this policy, where the CAO has provided approval, and where the requirements of this policy are met.
- 7.4.7. Prepare reports to Council recommending the award of a tender, proposal, or quotation as outlined in Section 14 - Purchasing Thresholds, or as specifically assigned by the CAO.
- 7.4.8. Submit a request for approval to the CAO and Director of Financial Services for any unbudgeted expenditure of \$5,000 and over, or for variances to approved budgets greater than \$5,000.
- 7.4.9. Review contract amendments and change orders and submit a report to Council for approval if the original contract price with the amendment results in an overage of more than 5% of the budgeted amount for that contract. Issue change orders if the expanded work has been approved.
- 7.4.10. Provide Council with reports recommending the extension of contracts if said contract has a provision for optional extensions.
- 7.4.11. Conduct emergency purchases and conduct the appropriate reporting or approval procedures as outlined in Section 12 – Emergency Purchasing.
- 7.4.12. Notify the CAO of items valued at \$5,000 and over to be deemed surplus and request disposal of same. Offer the surplus items to other Town departments for their use at no charge, prior to disposal.
- 7.4.13. Request exceptions to the Policy for approval by the CAO.

7.5. **Managers** have the authority and responsibility to:

- 7.5.1. Approve any purchases and acquisitions with a value up to \$5,000 in accordance with this policy.

- 7.5.2. Initiate a project for which a purchase and acquisition was attained, after Council/Director approval from commencement to completion of the initiative.
- 7.5.3. Provide cost estimates to the Manager of Special Projects for projects to be acquired through sealed bid processes.
- 7.5.4. Obtain Purchase Orders for items and services valued over \$5,000.
- 7.5.5. Provide the project specifications for the scope of work to the Manager of Special Projects for the preparation of sealed bid documents.
- 7.5.6. Conduct prescribed project start up and close out procedures.
- 7.5.7. Notify the Manager of Special Projects if there are alterations in employment status with any purchasing card holders in their respective departments.
- 7.6. **Council** has the authority and responsibility to:
  - 7.6.1. Award contracts with values of over \$100,000.
  - 7.6.2. Waive any section of this procurement policy as it deems appropriate.
  - 7.6.3. Review and make by resolution any decision regarding purchasing or procurement wherein Administration is requesting their counsel.
  - 7.6.4. Declare a conflict of interest in any purchasing matter at a meeting at which the purchasing matter is the subject of discussion or consideration.
- 7.7. **Risk Manager** has the authority and responsibility to:
  - 7.7.1. Review draft sealed bid documents for appropriate agreements, insurance, and liability standards prior to issue.
  - 7.7.2. Request additional insurance from contractors and services providers in instances where amplified risk has been identified.
- 7.8. **Vendors and Service Providers** have the responsibility to:
  - 7.8.1. Disclose any and all conflicts of interest to the Town prior to or during the bid process.
  - 7.8.2. Not engage in any form of bid rigging or collusion of any nature.
  - 7.8.3. Not participate in any conduct which is or could be reasonably construed as any form of political or other lobbying, or as an attempt to influence the outcome of any procurement process during the currency of any process prior to the award of contract.

## **8. STANDARDIZATION**

- 8.1. It will be the policy of the Town of Amherstburg, wherever possible, to standardize the purchasing of goods and the acquisition of services to allow for:
  - 8.1.1. A reduced number of goods and services required.
  - 8.1.2. Increased volume on common items or series.
  - 8.1.3. Maximizing volume buying opportunities.
  - 8.1.4. Providing economies of scale.
  - 8.1.5. Reducing handling, training, and storage costs.
  - 8.1.6. Co-operative purchasing activities.
  - 8.1.7. Competitive bid results.
  - 8.1.8. Reduced overall cost.

## **9. REQUIREMENT FOR APPROVED FUNDS**

- 9.1. The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within Council approved annual Operating and Capital budgets.
- 9.2. Where goods or services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
  - 9.2.1. The identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates, and;
  - 9.2.2. The requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the Director of Financial Services, the required funding can reasonably be expected to be made available.
- 9.3. Directors may reject all purchase requests for which sufficient funds are not available and identified.
- 9.4. Directors will coordinate all leasing requirements including term capitalization rate, lease vs. buy (or other) analysis, etc. Directors will ensure that all lease commitments comply with the *Municipal Act, 2001* as amended and regulations made thereunder. All leases shall be approved by Council, regardless of estimated costs.

- 9.5. Where this policy prescribes financial limits on purchases and contracts that may be awarded under the authority of a Director, or provides for financial limits on contracts required to be reported to Council, for the purpose of determining whether a purchase or contract falls within these prescribed limits, the amount considered shall be the sum of all costs to be paid to the supplier excluding all taxes and less any rebates.

## **10. EXPENDITURE APPROVAL**

- 10.1. Council has the ultimate authority for all expenditures and delegates this authority to staff through the approved annual Operating and Capital Budgets and by specific resolution.
- 10.2. For purchases and acquisitions approved and included in the Operating and Capital budget, the following approval procedures are required:
  - 10.2.1. Valued up to \$5,000 – Managers shall approve the purchase and acquisition.
  - 10.2.2. Valued between \$5,000 and \$50,000 – Directors shall approve the purchase and acquisition.
  - 10.2.3. Valued between \$50,000 and \$100,000 – Directors shall submit a request for approval to the CAO. Approval shall be provided from the CAO in writing, with a copy of said approval provided to the Manager of Special Projects.
  - 10.2.4. Valued over \$100,000 – Directors shall submit a request for approval to Council.
- 10.3. For purchases not included in the approved budget, or items that are expected to exceed the approved budgeted amount, the following procedures are required:
  - 10.3.1. Directors shall submit a request for approval to Council for:
    - 10.3.1.1. Any unbudgeted expenditure of \$5,000 or more.
    - 10.3.1.2. Any expected variance for the net department Operating budget greater than \$5,000.

## **11. REPORTING**

- 11.1. An administrative report to the CAO by a Director is required for the approval of the acquisition of goods and/or services where all of the following criteria has been met:
  - 11.1.1. The value of the goods and/or services is between \$50,000 and \$100,000.
  - 11.1.2. Procedures defined by this policy have been followed.
  - 11.1.3. The acquisition is within the approved departmental budget amount with the funding sources determined.
  - 11.1.4. The lower responsive bid is being recommended.

- 11.2. A report to Council by a Director is required for the approval of the acquisition of goods and/or services where any one or more of the following criteria has been met:
  - 11.2.1. The value of the goods and/or services is over \$100,000.
  - 11.2.2. The Procurement Policy is being waived.
  - 11.2.3. Acquisition is a lease arrangement.
  - 11.2.4. The acquisition exceeds the approved departmental budget.
  - 11.2.5. There was no provision in the approved budget for this item and the item is an unbudgeted expenditure.
  - 11.2.6. The lowest responsive bid is not being recommended for award of contract.
  - 11.2.7. The CAO requests that a report be presented to Council for consideration and approval.
  - 11.2.8. There is a requirement by a senior level of government (federal or provincial) for Council approval.
  - 11.2.9. A Change Order is required and/or expanded works will alter the cost of the project above 5% of the original approved project cost.

## **12. EMERGENCY PURCHASING**

- 12.1. Notwithstanding the provisions of this policy, “Emergency” shall be defined as the following:
  - 12.1.1. A threat to public health.
  - 12.1.2. The maintenance of essential Town services.
  - 12.1.3. The welfare of persons or public property.
  - 12.1.4. The security of the Town’s interest where the occurrence requires the immediate delivery of goods or services and time does not permit for competitive bids.
- 12.2. The following shall apply when purchasing goods and services in an emergency event:
  - 12.2.1. Purchases with a total value excluding applicable taxes between \$5,000 and \$10,000:



12.2.1.1. Directors may initiate and approve emergency purchases between \$5,000 and \$10,000. Immediately following said purchase, the Director shall notify the CAO and the Director of Financial Services in writing of the purchase with full details concerning the circumstances under which the purchase was made. Purchases of this nature will require that as many comparative quotes as practical under the circumstances be obtained.

12.2.2. Purchases with a total value excluding applicable taxes over \$10,000:

12.2.2.1. Directors initiating the purchase shall obtain the prior approval of the CAO, or in the absence of the CAO, the Director of Financial Services in consultation with the Mayor or Deputy Mayor for the town. As soon as reasonably possible following the purchase, the director shall issue an information report to the CAO.

12.3. In the absence of both the CAO and the Director of Financial Services, the Director may directly purchase the goods or services which require immediate action to prevent further damage, to restore minimum service or ensure safety of the public. In this event, the Director shall inform the CAO and the Director of Financial Services of the occurrence immediately upon their return.

### **13. PURCHASE ORDERS**

13.1. Purchase orders shall be obtained from the Manager of Special Projects prior to any purchase or acquisition of services valued at \$5,000 and over.

13.2. Purchase orders shall be considered approved for commencement when the following signatures are present on the purchase order:

13.2.1. Issuing Manager/Director

13.2.2. Director of Financial Services

13.2.3. Manager of Special Projects

13.2.4. CAO (only required in instances where the purchase is an unbudgeted expenditure)

13.3. Blanket purchase orders may be established by the Manager of Special Projects by the competitive purchasing method for the estimated annual value, when all of the following criteria has been met:

13.3.1. One or more departments repetitively orders the same deliverables, or range of deliverables, and the actual demand (including quantity, delivery date, delivery location, etc.) is not known in advance.

13.3.2. The deliverables are readily available to be ordered when the requirement arises.

- 13.3.3. Prearranged prices or a prearranged pricing basis can be established at the outset and there is no need or intention to negotiate prices at the time of order.

## **14. PURCHASING THRESHOLDS**

### **14.1. Items and Services Valued Under \$5,000 – Direct Acquisition**

- 14.1.1. This process is undertaken where all of the following criteria exist:
  - 14.1.1.1. The requirements for goods and services can be defined and for which a clear and single solution exists.
  - 14.1.1.2. The total cost of the goods and services is not greater than \$5,000 excluding applicable taxes.
  - 14.1.1.3. Sufficient funds are available in the approved Operating or Capital Budgets to pay for the goods and services.
- 14.1.2. A report to Council authorizing the acquisition is not required.
- 14.1.3. A Purchase Order is not required.
- 14.1.4. Quotes are not required, however, informal quotations may be requested where it is in the best interest of the Town to do so.
- 14.1.5. Purchases are to be placed on corporate accounts, where available.
- 14.1.6. Purchasing Cards or Credit Cards may be used for low-value purchases in accordance with Section 29 – Corporate Credit Cards, and Section 30 – Purchasing Cards contained within this policy.
- 14.1.7. All such purchases shall be supported by invoices and delivery slips as approved by the department Manager.

### **14.2. Items and Services Valued \$5,000 to \$50,000 – Quotations**

- 14.2.1. A minimum of three quotations (where possible) are to be sought before the Town commits to any vendor.
- 14.2.2. The award of contract shall be to the lowest compliant bid.
- 14.2.3. The Town reserves the right to accept or reject any quotation.
- 14.2.4. Directors shall approve acquisitions valued between \$5,000 and \$50,000 and provide notice of said approval in writing to the Manager of Special Projects.
- 14.2.5. A report to Council is not required.

14.2.6. **For Purchases between \$5,000 and \$15,000 – Informal Quotation**

14.2.6.1. This process is undertaken where all of the following criteria exist:

- a. The requirement for goods and services can be defined and for which a clear and single solution exists.
- b. The total cost is greater than \$5,000 and less than \$15,000 excluding applicable taxes.
- c. Sufficient funds are available in the approved Operating or Capital budget to pay for the goods and services.
- d. An authorized Purchase Order has been provided to the initiating department for the goods and services.

14.2.6.2. An informal quotation is a process where suppliers are requested to submit quotations on specific goods or services. This process does not involve advertising, sealed bids, or the preparation of formal quotation documents.

14.2.6.3. The respective department shall submit to the Manager of Special Projects a minimum of three quotations before the Town commits to any vendor.

14.2.6.4. If only one quotation is received, the Town may exercise its right to cancel the call for quotations.

14.2.6.5. The CAO and the Director have the authority to legally bind any associated agreements or contracts.

14.2.6.6. Where appropriate, the Manager of Special Projects may deem it necessary to acquire goods and services valued between \$5,000 and \$15,000 by way of formal Request for Quotation (RFQ), Tender or Request for Proposal (RFP).

14.2.7. **For Purchases between \$15,000 and \$50,000 – Formal Request for Quotation (RFQ)**

14.2.7.1. This process is undertaken where all of the following criteria exist:

- a. The requirement for goods and service scan be defined and for which a clear and single solution exists.
- b. The total cost is greater than \$15,000 and less than \$50,000 excluding applicable taxes.

- c. Sufficient funds are available in the approved Operating or Capital budget to pay for the goods and services.
- d. An authorized Purchase Order has been provided to the initiating department for the goods and services.

14.2.7.2. An RFQ is a competitive process where suppliers are requested to submit quotations on specific goods or services. The formal process includes:

- a. Preparation of an RFQ document by the Manager of Special Projects, in coordination with the initiating department. This document provides the prospective bidders with clear instructions, specifications, terms and conditions and a quotation form on which bids are to be submitted.
- b. A time and place where bids will close.
- c. Invitation to bidders by public advertisement or direct invitation, at the discretion of the Manager of Special Projects and the Project Manager.

14.2.7.3. An RFQ will be issued by the Manager of Special Projects.

14.2.7.4. The CAO and the department Director have the authority to legally bind any associated agreements or contracts.

14.2.7.5. Where appropriate, the Manager of Special Projects may deem it necessary to acquire goods and services valued between \$15,000 and \$50,000 by way of Tender or Request for Proposal (RFP).

### 14.3. **Items and Services Valued Over \$50,000 – Tender or Request for Proposal (RFP)**

14.3.1. Reports shall be provided by the issuing department Director for consideration and approval of the award of contract. This report shall provide a summary of the bid process and provide sources of financing, allocation of revenues and other financial commentary where appropriate. The reporting structure is as follows:

14.3.1.1. Valued between \$50,000 to \$100,000 – Report submitted to the CAO for consideration and approval.

14.3.1.2. Valued over \$100,000 – Report submitted to Council for consideration and approval.

14.3.2. Copy of contract approval shall be provided to the Manager of Special Projects in writing by way of CAO's approval or Council resolution.

14.3.3. The Mayor and Clerk have the authority to legally bind any associated agreements or contracts.

- 14.3.4. A Purchase Order is required prior to issuing Tenders or RFPs.
- 14.3.5. The Town reserves the right to accept or reject any quotation.
- 14.3.6. The issuing Department is responsible for maintaining current bonds, insurance certificates and WSIB certificates, as called for in the bid documents. Copies of executed contracts, containing the required insurance certificates, bonds and financial securities and WSIB certificates, etc. shall be provided to the initiating department, the consultant (if applicable), the contractor, Clerk, and Manager of Special Projects.
- 14.3.7. **Tender**
- 14.3.7.1. Used for items, services, or construction with precise specifications valued over \$50,000.
- 14.3.7.2. This process is undertaken in cases where all of the following criteria exist:
- a. The requirements for goods and services can be defined and for which a clear and single solution exists.
  - b. The total cost of the goods and services is greater than \$50,000 excluding applicable taxes.
  - c. Sufficient funds are available in the approved Operating or Capital budget to pay for the goods and services.
  - d. An authorized Purchase Order has been provided to the initiating department for the goods and services.
  - e. Bids can be submitting on a common pricing basis.
  - f. Best value for the Town can be achieved by an award selection made on the basis of the lowest bid that meets specifications.
- 14.3.7.3. A tender is a competitive process where suppliers are requested to submit tenders with definitive specifications, volumes and scope of work. The formal process includes:
- a. Preparation of tender documents by the Manager of Special Projects, in coordination with initiating department. This document provides the prospective bidders with clear instructions, specifications, contract terms and a tend form on which tenders are to be submitted.
  - b. Official receipt and opening of bids.

- c. Invitation to bidders by public advertisement or direct invitation, at the discretion of the Manager of Special Projects and the Project Manager.
- 14.3.7.4. Tenders require a reply by a designated date and time, signed by a corporate officer authorized to bind the Corporation. Any requested bid deposits, securities, or bonds must be included with the submission. Replies are delivered directly to the Clerks Department and are opened at a public tender meeting. If only one tender is received, the Town has the option of not opening the bid and closing the call for tender as outlined in Section 15.6 – Only One Bid Received from a Call for Bids.
- 14.3.7.5. Tenders will be issued by the Manager of Special Projects.
- 14.3.7.6. The award of contract shall be to the lowest compliant bid, in keeping with the specifications and past contractor performance.
- 14.3.7.7. Each sealed bid received in response to a tender call shall be reviewed to determine whether a bid irregularity exists and if any, action is taken according to the nature of the irregularity (see Appendix B).

14.3.8. **Request for Proposal (RFP)**

- 14.3.8.1. Used for the engagement of professional and consulting services for a project over \$50,000 where a project design or execution plan is required to be provided with the proposal submission.
- 14.3.8.2. This process is undertaken in cases where all of the following criteria exist:
- a. The requirements for goods and services cannot be specified.
  - b. The requirements of the Town are best described in a general performance specification.
  - c. The total cost of the goods and services is greater than \$50,000 excluding applicable taxes.
  - d. Sufficient funds are available in the approved Operating or Capital budget to pay for the goods and services.
  - e. An authorized Purchase Order has been provided to the initiating department for the goods and services.
  - f. Best value for the Town can be achieved by an award selection made on the basis of a specified RFP evaluation criteria ranking scheme and analysis by an RFP evaluation committee.

- 14.3.8.3. An RFP will be issued by the manager of Special Projects in cooperation with the initiating department.
- 14.3.8.4. A standard RFP requires information from proponents that includes, but is not limited to, qualifications and experience, strategy, approach, methodology, scheduling, past performance, facilities and equipment, references, as well as associated cost.
- 14.3.8.5. RFPs are not formally opened in public and are scored by a designated Evaluation Committee using an evaluation scoring scheme based on the submission criteria required in the proposal submissions. RFPs are not awarded solely on the proposal price, but are awarded based on the highest scoring compliant proposal and at the recommendation of the Evaluation Committee. Price is a consideration during the evaluation and the weight of the proposal price shall vary based on the specific project program. It is not necessary to disclose prices or terms at the time of submission. If only one proposal is received, the Director has the options of not opening the proposals and closing the call for proposals, as outlined in Section 15.6 – Only One Bid Received from a Call for Bids.

14.4. **Summary Table:**

Estimated Purchase	Acquisition Method				Approval Granted By:	Signing Authority For Contracts & Agreements	
	Direct Acquisition	Request for Quotation (RFQ)		Tender			Request for Proposal (RFP)
		Informal	Formal				
Up to \$5,000	✓					Manager	Not Applicable
\$5,000 to \$15,000		✓		*	*	Director	CAO & Director
\$15,000 to \$50,000			✓	*	*	Director	CAO & Director
\$50,000 to \$100,000				✓	✓	CAO	CAO & Director
Over \$100,000				✓	✓	Council	Mayor & Clerk

*\*A tender or RFP may be used in place of an RFQ if the project scope deems it more appropriate to use these methods. See Appendix C – Tenders vs. RFPs.*

## 14.5. **Pre-Bid Request Activities**

14.5.1. Sealed bid processes may be preceded by a call for Expressions of Interest (EOI) or a Request for Prequalification. These activities are conducted at the discretion of the initiating department and prepared and issued by the Manager of Special Projects.

### 14.5.2. **Expression of Interest (EOI)**

14.5.2.1. Used to determine a set of invited bidders and available service providers prior to issue of an invitation to bid.

14.5.2.2. EOIs do not result in the award of contract. EOIs precede a call for bids and do not request pricing information.

14.5.2.3. The Manager of Special Projects will issue an EOI at the request of the initiating Director to determine a set list of users who are capable of providing a particular product or service, when the availability of said product or service is unknown.

14.5.2.4. EOIs require potential bidders to supply background information that may include corporate history of their business, services/products they supply, previous similar projects completed, catalogues, and any other information that provides the Town with an indication of the ability of the business to provide the required products or services. The compliant responses to the EOI will make up the list of bidders that the invited bid request will be provided to.

14.5.2.5. EOIs are advertised publicly, and responses to the EOI are required by a designated date and time.

### 14.5.3. **Request for Prequalification**

14.5.3.1. Used to determine a list of qualified and competent bidders prior to issue of an invitation to bid based on having met and provided all required prequalification criteria.

14.5.3.2. Prequalifications do not result in an award of contract. Prequalifications precede a call for bids and do not request pricing information.

14.5.3.3. A request for prequalification is issued by the Manager of Special Projects at the request of the initiating department.



- 14.5.3.4. Prequalifications are used to identify contractors or consultants who would be allowed to submit bids for certain projects. Prequalification is typically used where the project requires highly technical expertise. Prequalification requests that bidders demonstrate that they have the ability to undertake the scope of work for the project. Only qualified bidders are eligible to submit a bid when a call for bids has been issued.
- 14.5.3.5. A reply the request for prequalification is required by a designated date and time, signed by an officer authorized to legally bind the corporation.

## **15. SEALED BID PROCEDURES**

### **15.1. Specifications**

- 15.1.1. All sealed bid documents must first be reviewed and approved by the Manager of Special Projects and secondly by the Risk Manager prior to being issued. Issuance of sealed bid documents to bidders will be out of a centralized location at Town Hall, coordinated by the Manager of Special Projects.
- 15.1.2. If in the opinion of the Director, after consultation with the Manager of Special Projects, it is not feasible for the Town to prepare defined specifications in order to solicit bids, an RFP for Professional Services, Consultant, or Engineer may be issued for this purpose. If, in the opinion of the Director, a firm has acute knowledge of the project specifics, or has past experience relating to the scope of work involved in the project where it would be disadvantageous for another firm to prepare the specification documents, the preparation may be assigned to that particular firm upon approval of the CAO.
- 15.1.3. Engineers or Consultants employed to manage project projects and perform contract administration shall work with the Manager of Special Projects to ensure that projects are prepared and administered in conformance to this policy.
- 15.1.4. When sealed bid documents are being prepared by the Manager of Special Projects, the issuing department must provide the scope of work specifications and technical details to the Manager of Special Projects to be included in the documents prior to preparation.
- 15.1.5. Documents and any other information provided to potential suppliers and bidders must identify the minimum requirements and specifications that suppliers and bidders must meet.
- 15.1.6. Where practical, specifications or terms of reference should be considered that are detailed but not brand specific to leave room for potential vendors to provide alternatives in the event that an equal or better-proven product or method is available.
- 15.1.7. Vendors, or potential vendors, should not be requested to expend time, money, or effort on design or in developing specifications beyond the normal level of service expected from vendors.

- 15.1.8. The Town reserves the right to charge a fee to potential bidders and proponents for the acquisition of sealed bid documents.
- 15.1.9. Insurance requirements specified in bid documents for service providers and contractors will be specified and approved by the Town's Risk Manager. The Town may alter the insurance requirements stated in this policy at their discretion and at any time.
- 15.1.10. All sealed bid documents shall include provisions regarding the Accessibility for Ontarians with Disabilities Act (AODA). See Section 31.

## 15.2. **Bonds and Securities**

- 15.2.1. The Manager of Special Projects, the Director of Financial Services, and the Project Manager shall agree on the most appropriate measures to guarantee execution and performance of a contract which may include, but are not limited to:

- 15.2.1.1. Financial bonds for contract performance.

- 15.2.1.2. Certified cheque, bank draft or money order. These are permitted for contracts that shall be reasonably completed within three months of the award of contract.

- 15.2.1.3. Irrevocable Letter of Credit naming the Town of Amherstburg as beneficiary that permits draws to be made without inquiry by the issuer as to whether the Town has a right between itself and the supplier to make a demand.

- 15.2.1.4. Other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks.

- 15.2.2. The Town reserves the right to use e-bonds and e-bond services if it so chooses.

## 15.2.3. **Bid Bonds**

- 15.2.3.1. A bid bond guaranteeing entry into contract shall be included the sealed bid submission envelope for:

- a. Municipal construction projects.
    - b. Special maintenance contracts.
    - c. Demolition contracts.

15.2.3.2. The amount of the bid bond shall be at the discretion of the Manager of Special Projects and the Project Manager, but shall not be less than 10% of the bid. The Town may waive the requirement of a bid bond if the cost of obtaining said bid bond is disproportionate to the cost of the contract prior to issuing a bid request.

15.2.3.3. A certified cheque from the bidder in the required bid bond amount may be submitted in lieu of a formal bid bond document where the project can reasonably be expected to be complete within three months or less.

15.2.3.4. All forms of security shall be returned to unsuccessful bidders when the contract has been awarded and executed.

15.2.4. **Performance Bond and Labour and Materials Payment Bond**

15.2.4.1. Performance Bonds and Labour and Materials Payment Bonds are required for all construction projects valued over \$75,000.

15.2.4.2. Performance Bonds are required for all service contracts and non-construction projects valued over \$75,000.

15.2.4.3. The Manager of Special Projects and the Risk Manager may require Labour and Materials Payment Bonds for any project with any estimated value if it is deemed to be in the best interests of the Town to do so.

15.2.4.4. Where Performance Bonds and Labour and Materials Payment Bonds are required, the amount of such security shall be no less than 50% of the amount of the total project cost. The Manager of Special Projects, Risk Manager, and the Project Manager shall have the discretion to require security in excess of 50% of the total project cost, if in their opinion it would be in the best interests of the Town to do so.

15.2.5. **Maintenance Bond**

15.2.5.1. The amount of the bond shall be determined by the Manager of Special Projects and the Risk Manager and shall not be less than 50% of the total project cost.

15.2.5.2. The Manager of Special Projects and the Risk Manager may require a Maintenance Bond for any project with any estimated value if it is deemed to be in the best interests of the Town to do so.

15.2.6. **Holdback**

15.2.6.1. If it has been deemed that a risk to the Town of Amherstburg has not been adequately limited by the progress payment provisions of the contract, an additional minimum holdback of 10% may be required.

- 15.2.6.2. Holdback funds on construction contracts may be released when all of the following has occurred:
- a. The contractor submits a statutory declaration that accounts have been paid and that all documents have been received for all damage claims.
  - b. A clearance from WSIB has been provided for any arrears of WSIB assessments.
  - c. It has been verified that there are no existing construction liens applied to the project and all requirements of the Construction Liens Act have been satisfied.
  - d. Receipt of certification, where applicable, that liens have not been registered.
  - e. Certification from the Director that the conditions of the contract have been satisfied.

### 15.3. **Sealed Bid Management**

- 15.3.1. The Manager of Special Projects will prepare and/or approve all sealed bid documents and advertise and issue on behalf of the issuing department through a standardized process and at a centralized location at Town Hall.
- 15.3.2. Sealed bid documents and associated addenda will be issued and received by the Manager of Special Projects who will act as the Corporate Contact between the Town and potential bidders, proponents and local construction associations for all sealed bid procedures. All inquiries regarding sealed bid processes will be addressed to the Corporate Contact. Inquiries regarding technical aspects of the project will be directed to the Project Manager, who may also be named as an additional Corporate Contact in the bid documents.
- 15.3.3. After the contract has been awarded, the Project Manager will oversee the completion of the contract per the specifications identified in the contract.

### 15.4. **Sealed Bid Submissions**

- 15.4.1. Bids or proposals for the Town of Amherstburg in the form of the RFQ, RFP or Tender shall be submitted and received in the manner prescribed in the sealed bid specifications. Any bid documents that are submitted or received in a manner contrary to that which is prescribed in the bid document will be deemed an irregular bid in accordance with Appendix B – Bid Irregularities.

- 15.4.2. Where a mandatory site meeting is specified and required as part of the sealed bid process, only those proponents attending the mandatory site meeting shall be permitted to submit a bid for that project. Bids from proponents who did not attend mandatory site meetings will be immediately disqualified in accordance with Appendix B – Bid Irregularities.
- 15.4.3. All bid documents submitted to the Town of Amherstburg by formal bid process shall be submitted to the Town in a sealed envelope and shall be clearly marked as to the contents bearing the provided envelope cover sheet as provided in the bid documents. Any bids received in an unsealed envelope and/or absent of any provided envelope cover shall be immediately disqualified in accordance to Appendix B – Bid Irregularities.
- 15.4.4. Faxed or emailed bids will not be accepted unless otherwise stated in the bid documents.
- 15.4.5. Bids submitted by proponents/bidders shall include all of the mandatory information specified in the bid document. Missing or incomplete mandatory information shall cause a bid to be immediately disqualified in accordance to Appendix B – Bid Irregularities.
- 15.4.6. A proponent may submit more than one bid up to the official closing time. The last bid document received from a proponent shall supersede and invalidate all bids previously submitted by that proponent.
- 15.4.7. Proponents may withdraw their bid in accordance to the process specified in the bid documents.
- 15.4.8. Bids received after the official closing time shall be immediately disqualified and returned unopened to the bidder.
- 15.4.9. Bids received without the application of the corporate seal may be considered executed provided the signatory has declared that they are legally able to bind the corporation. Should this declaration be absent, the Town may review the situation on a case by case basis as noted in Appendix B – Bid Irregularities.
- 15.4.10. Where a bid requires a supplied list of all subcontractors to be employed by the contractors on a project, any proposed changes to or deletion of subcontractors after the public opening of the bid shall require the prior approval of the Project Manager.
- 15.4.11. The Town of Amherstburg reserves the right to declare a bid to be unbalanced, as defined in Section 4.0 - Definitions.
- 15.4.12. The Town of Amherstburg is under no obligation to accept the lowest or any bid received through sealed bid process and the Town will not accept any responsibility, financial or otherwise, claimed by or resulting from, a proponent's response to a bid document.

- 15.4.13. The Town of Amherstburg reserves the right to withdraw or change the scope of any bid document without providing reason for such change or withdrawal at any time during the bid process up to the point where the contract has been awarded. The Town will not accept responsibility, financial or otherwise, for any proponent responding to such withdrawal or changed bid document.
- 15.4.14. The Town of Amherstburg reserves the right to issue addendums to a bid document as specified in each individual bid document prior to the closing date and time. Bidders must acknowledge receipt of said addendums with their submissions on the appropriate bid form.
- 15.4.15. The Town of Amherstburg reserves the right to accept or reject any bid at any time during the bid process and will not accept responsibility, financial or otherwise, for any proponent responding to such call for bids.
- 15.4.16. Bidders responding to a bid request by the Town of Amherstburg are responsible for reviewing the bid documents in their entirety, in conjunction with this policy and shall be responsible for responding to a bid request in the manner prescribed in the bid document and this policy.

#### 15.5. **Sealed Bid Opening and Analysis**

- 15.5.1. Opening of RFQs and tenders will be organized by the Manager of Special Projects. The Project Manager, Consulting Engineer (if applicable), Director of Financial Services, and Clerk shall be in attendance to witness the proceedings. If one of the aforementioned employees is not able to attend an opening, a delegate may be assigned.
- 15.5.2. Tenders and RFQs will be opened by the Manager of Special Projects, who will declare the following:
  - 15.5.2.1. Bidder name.
  - 15.5.2.2. If a bid bond was required as part of the bid document, its presence shall be acknowledged or its absence announced.
  - 15.5.2.3. Total amount of the bid.
  - 15.5.2.4. Acknowledgement of addendum/addenda.
- 15.5.3. Verification of the total amount of each quotation announced and recorded at the opening shall be subject to correction following an analysis of the submitted bids for bid irregularities.
- 15.5.4. Proposals received as a result of an RFP will be first opened by the Manager of Special Projects and Project Manager to confirm compliance to submission standards and then further evaluated and scored by an appointed Evaluation Committee.

- 15.5.5. All submitted bids, proposals, and tenders shall be verified, tabulated, and analyzed for errors and omissions by the Manager of Special Projects. A document containing the results of the bid analysis will be provided to the issuing department. This review and analysis must be conducted prior to the recommendation to Council on the award of contract.
- 15.5.6. If the procurement documents were prepared in cooperation with an Engineer, Consultant or other service provider, the bids shall further be analyzed by said professional with a result of their review provided in writing, and shall be included as an attachment to any reports to the CAO or Council.

15.6. **Only One Bid Received From a Call For Bids**

- 15.6.1. In the event that only one bid is received from a call for bids, the unopened bid may be returned to the bidder, when in the opinion of the Project Manager and the Manager of Special Projects, additional bids could have been secured. The Town may recall for bids at a later date.
- 15.6.2. In the event that only one bid is received in response to a call for bids, the bid may be opened and evaluated in accordance with this policy and the bid may be considered by the Town. In order to open the bid, bidder must sign a waiver acknowledging that the Town has the right to accept, reject, or negotiate the submitted bid. Failure to sign the waiver will result in “No Acceptable Bids Received” as stated in section 15.7 – No Acceptable Bids Received in this policy.

15.7. **No Acceptable Bids Received**

- 15.7.1. The Town has the right to deem that no acceptable bids were received where, in the opinion of the Project Manager, it was determined one of the following conditions exist:
  - 15.7.1.1. The bid prices exceed the Town’s budget for that purpose.
  - 15.7.1.2. The bid specifications are determined to be inadequate or ambiguous, or otherwise in need of revision.
  - 15.7.1.3. The goods or services forming in the subject of the tender are no longer required.
  - 15.7.1.4. It is realized that the terms and conditions of the tender did not allow for consideration of all cost factors in the relation to the supply.
  - 15.7.1.5. The needs of the Town can be satisfied by a less expensive article differing from which the bids were invited.
  - 15.7.1.6. The bids are not responsive to the intent or requirement of the bid document and do not represent fair market value.

- 15.7.2. If the Town deems that no acceptable bids were received, a revised call for bids may be issued in an effort to obtain an acceptable bid.
- 15.7.3. The Town will not be responsible financially or otherwise, to a bidder who has responded to the bid process wherein no acceptable bids were received.
- 15.7.4. The Manager of Special Projects, in consultation with the CAO, may waive the need for a further bid call and decide to negotiate with the sole compliant bidder if the total cost of the sole compliant bid is in excess of the approved budget for that acquisition. If the Town negotiates with a bidder, the Town may discontinue negotiations at any time and reject all bids received.

#### 15.8. **Equal Bids Received**

- 15.8.1. If after a call for bids, two or more bids are received which are equivalent in value and these bids represent the lowest compliant bids, the Manager of Special Projects may provide these bidders with the opportunity to provide further bids. If at the result of this second submission of bids a tie persists, other factors may be considered that include, but are not limited to delivery dates, completion dates, sales service records, previous project history and references.
- 15.8.2. If a decision cannot be made to break the tied bids after all the factors have been considered, the successful bidder will be selected by random draw conducted by the Manager of Special Projects and witnessed by the Project Manager, the Director of Finance, the Clerk, and the two tied bidders. A bidder may elect not to attend the draw, however the draw will proceed regardless.

#### 15.9. **Bid Irregularities**

- 15.9.1. Bid irregularities will be classified and handled in the manner described in Appendix B – Bid Irregularities.
- 15.9.2. The town reserves the right to waive minor irregularities or deem an irregularity not listed in Appendix B.

#### 15.10. **Council Privilege**

- 15.10.1. Council shall have the right to approve or reject any submitted tenders, proposals, or bids or approve or reject any part thereof, where Administration is requesting their counsel.

### **16. BIDDER ELIGIBILITY**

- 16.1. The Town reserves the right to restrict the eligibility of a bidder, or reject a submitted bid, based on the following circumstances:



16.1.1. **Poor Contractor Performance Rating**

16.1.1.1. Contractors with unsatisfactory Contractor Performance Ratings on file shall not be eligible to bid on Town projects until the performance rating has expired. See Section 23 – Contractor Performance Rating System.

16.1.2. **Litigation**

16.1.2.1. The Town shall reject a tender, proposal or quotation submitted by a bidder if the bidder, or any officer or director of the bidder, is or has been engaged, either directly or indirectly through another corporation, in a legal action against the Town, its elected or appointed officials, and employees in relation to any other contract or services, or any matter arising from the Town's exercise of its powers, duties, or functions. A rejection under this clause shall be determined upon the Town's experience with the bidder and the likeliness that awarding the contract to the bidder will incur increased staff and legal costs in the administration of the contract.

16.1.3. **Poor References**

16.1.3.1. If references provided by the contractor indicate that past performance by the contractor has contributed to unsavory consequences for a property owner, this may disqualify the contractor from being eligible to bid on Town projects. This can include circumstances of, but are not limited to, non-performance, poor quality workmanship, failure to meet projected deadlines, non-attendance, non-completion, etc.

16.1.4. **Construction Liens**

16.1.4.1. Contractors that have a Construction Lien currently registered against them, or a property on which they are conducting work under their leadership, shall not be eligible to submit bids on Town of Amherstburg bid opportunities.

16.1.5. **Labour Force Strikes**

16.1.5.1. Contractors that are currently embroiled in a labour strike by their workforce shall not be eligible to submit bids for Town projects while the labour strike is in effect.

## **17. CONTRACTS AND AGREEMENTS**

- 17.1. Formal agreements or contracts shall be issued when the resulting acquisition is complex and includes various particular terms and conditions, or when the risk Manager and the Manager of Special Projects deem appropriate.
- 17.2. Council must approve the award of contract or agreement for acquisitions over \$100,000 prior to the contract being officially awarded to the selected proponent.
- 17.3. Formal agreements and contracts entered into as a result of a commitment to acquire goods or services shall be in a form satisfactory to the Town and shall be executed by the individuals authorized to execute contracts and agreements for the purchasing threshold that the acquisition falls under as follows:
  - 17.3.1. Under \$100,000 – signed by the CAO and requisitioning Director
  - 17.3.2. Over \$100,000 – signed by the Mayor and the Clerk
- 17.4. Prior to the commencement of any work or the supply of any goods and services where the value is over \$5,000, the contractor must submit to the Town the required documentation to form a complete contract as indicated by the bid documents that may include, but is not limited to:
  - 17.4.1. Required Bonds and Securities
  - 17.4.2. Proof of Insurance
  - 17.4.3. WSIB Certificates
- 17.5. Projects shall not commence, or the provisions of the items acquired shall not be supplied, until the formal agreement or contract has been executed by all parties and all insurance, bonds and securities have been received, if said agreement is deemed necessary.
- 17.6. Where a contract may extend beyond the term of Council, the contract shall contain provisions to minimize the financial liability of the Town of Amherstburg should the subsequent Council not approve sufficient funds to complete the contract and the Town may terminate the contract.
- 17.7. No amendment or revision that alters the original contract price shall be reflected without a corresponding alteration to the scope of work. Change orders shall be issued and executed by the Director for expanded works. Where expenditures for contract amendments combined with the original contract price exceed the contract price approved by Council by over 5%, a report to Council shall be submitted by the Director recommending the expanded works. If the contract amendment results in an overage in the approved budget for that item, this report must also indicate same and provide the source of finance for the overage, as approved by the Director of Financial Services. Approval of Council must be provided prior to the execution of the change order.

- 17.8. Where contracts and agreements provide provisions for optional extensions after the original contract period, and where the acquisition valued at \$100,000 and over, the Director shall provide to Council for their approval, a report that summarizes the following:
- 17.8.1. That a contractor performance review has been conducted and the performance has been satisfactory in meeting the terms of the contract.
  - 17.8.2. Why the renewal is in the best interest of the Town of Amherstburg.
  - 17.8.3. Any contractual increases as a result of the extension of the original contract and the funding sources as approved by the Director of Financial Services.
- 17.9. Original copies of executed contracts shall be provided to the following:
- 17.9.1. Initiating Department
  - 17.9.2. Contractor
  - 17.9.3. Consultant (where applicable)
  - 17.9.4. Clerk
- 17.10. A reproduced copy of the executed contract shall be provided to the Manager of Special Projects.

## **18. CONTRACT PROGRESS PAYMENTS**

- 18.1. All progress payment certificates, final certificates, release of holdback certificates, detail sheets, and back-up documentation shall be prepared by the Project Manager, or provided to the Project Manager by the engineering consultant. Payment certificates shall be accompanied by invoices supplied by the contractor for that certificate billing period, that include proof of payment for all subcontractors and suppliers. The Project Manager shall review the invoices and claims for payment and provide to the appropriate signing authority for payment approval.
- 18.2. If a discrepancy exists in the quantities provided in a progress payment certificate, payment shall be withheld for that certificate until the discrepancy is resolved in a manner satisfactory to the Town.

## **19. SUPPLIER DISCRIMINATION**

- 19.1. The *Discriminatory Business Practices Act* and the Trade Agreements forbid the granting of a preference to a local supplier as a form of discrimination. Therefore, in compliance with the law and Trade Agreements, the Town shall not discriminate between the deliverables or suppliers of a particular province, city, or geographic region and the deliverables or suppliers of another province, city, or region.

## **20. INDEMNITY**

- 20.1. The Town shall be indemnified for and against any claim, loss, cost, or damage resulting from a supplier's obligations under a contract.

## **21. INSURANCE**

- 21.1. Minimum insurance required by service providers, contractors, or other professional services shall be required by the Town and will be specifically stated in sealed bid documents.
- 21.2. The value of insurance required shall be at the discretion of the Town's Risk manager, who may increase the insurance requirements or may identify another risk requiring coverage for a project at any time provided the increased requirement is disclosed in the sealed bid documents.
- 21.3. The Town of Amherstburg shall be named as an additional insured in the contractor's insurance policy and the policy shall contain a cross-liability and severability of interest clause. This policy shall also indemnify the Town from and all claims, demands, losses, costs, or damages resulting from the performance of a contractor's obligation under a contract.
- 21.4. Insurance policies shall not be altered, cancelled, or allowed to lapse without having provided thirty days' notice in writing to the Town. If alterations are made to the policy in any manner that would affect the Town as to the coverage specified in the policy for any reason, thirty days' notice shall be given by the insurer to the Town.
- 21.5. Prior to any contractor commencing work on behalf of the Town, the contractor shall provide a certificate of insurance to the Town.
- 21.6. Contractors shall maintain insurance that provides adequate coverage for loss by burglary, theft, or fire of any stock or equipment and dishonesty of employees or agents of the contractor on Town property.
- 21.7. Contractors shall maintain adequate automobile insurance that will provide coverage for bodily injury and property damage caused by vehicles owned by the contractor.

## **22. COMPLETION OF CONTRACTED SERVICES**

- 22.1. Projects that have been acquired through sealed bid process shall follow specified project start up and close out procedures conducted and documented by the Project Manager, with copies being provided to the Manager of Special Projects.
- 22.2. Start up and close out procedures shall be prescribed by the Manager of Special Projects.

## **23. CONTRACTOR PERFORMANCE RATING SYSTEM**

- 23.1. Upon completion of contracted services, a post-project performance review will be arranged between the Project Manager and the Contractor. This review will provide an overview of the Contractor's performance and provide a recommendation by the Project Manager as to whether the Contractor's performance was satisfactory or unsatisfactory.
- 23.2. The Contractor's performance review will be documented using prescribed forms as defined by the Manager of Special Projects, and will be acknowledged by both the Project Manager and the Contractor. Should a Contractor refuse to sign the performance review document, the review will be considered unsatisfactory, regardless of outcome.
- 23.3. Performance reviews shall be kept on file by the Manager of Special Projects.
- 23.4. Contractors who receive an unsatisfactory performance review will not be eligible to bid on Town projects for a two-year period from the date of the review. Bids received will be returned unopened to ineligible bidders.
- 23.5. The CAO may extend or cancel a Contractor's ineligibility period at his discretion.

## **24. EXCEPTIONS TO PROCUREMENT PROCEDURES**

- 24.1. Exceptions to specified procurement and purchasing procedures may be requested by a Director and approval shall be granted by the CAO.
- 24.2. Exceptions to the Procurement Policy will be documented in writing with records kept on file by the Manager of Special Projects.
- 24.3. Exceptions will only be considered by the CAO in the following circumstances:

### **24.3.1. Volatile Market Conditions**

24.3.1.1. Notwithstanding the provisions of this policy, where market conditions are such that long term price protection cannot be obtained for goods and services, the Director will obtain competitive prices for short term commitments until such a time reasonable price protection and firm market pricing is restored.

### **24.3.2. Sole Source Purchasing**

24.3.2.1. Purchase by negotiation may be adopted if any of the following conditions apply:

- a. Goods and services are in short supply due to market conditions.
- b. The sources of supply are so specialized or restricted to the extent that there is not effective price competition.

- c. Consideration of substitutes is precluded due to any of the following:
  - i. Components or replacement parts for which there is no substitute.
  - ii. Compatibility with an existing product, facility, or service is required.
  - iii. Specific standards are adopted by Council.
- d. There is documented evidence that the extension or reinstatement of an existing contract would prove most cost effective or beneficial (a savings of a minimum of 10% of the original contract must be proven). The contract shall only be reinstated if the previously contracted work was substantially completed less than one calendar year.
- e. Work is required at a location where a contractor has already been secured through a procurement process, with established unit prices and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed for the Town. This shall only apply if the project for which the unit prices are to be extended was substantially completed less than one calendar year.
- f. After the procurement process has closed, it may be necessary for discussion to clarify and/or make significant revision(s) to the initially defined requirements of the call for bids.
- g. When only one bid is received through the bid solicitation process and it is impractical to recall the requirements of the call for bids.

#### 24.3.3. **Pilot Projects**

24.3.3.1. The Town may participate in an experimental trial or test to confirm that a program or initiative is attainable and within the best interests of the Town to pursue. Funds may be extended to initiate said program trial or test, regardless if the initiative is executed past the trial period or test phase.

24.3.3.2. A contractor or service provider coordinating a pilot project may be directly acquired, upon approval of the CAO.

#### 24.3.4. **Council Privilege**

24.3.4.1. Council, by means of official recommendation, may waive the Procurement Policy on a case by case basis.

#### 24.3.5. **Emergency Purchasing**

24.3.5.1. Notwithstanding the provisions of this policy, the following shall only apply in case of an emergency, when an event occurs that is determined by a Director and the CAO to be:

- a. A threat to public health.
- b. The maintenance of essential town services.
- c. The welfare of persons of public property, or
- d. The security of the Town's interests and the occurrence requires the immediate delivery of goods or service and time does not permit for competitive bids.

24.3.5.2. Sole sourcing because of an emergency on the basis noted in section 23.3.5.1 shall be applied in accordance to section 12 - Emergency Purchasing provided in this policy.

#### 24.3.6. **Cooperative or Joint Venture**

24.3.6.1. The Town may participate with other government agencies or public authorities in cooperative purchasing and acquisition ventures, or utilize a "piggy back clause" within public sector contracts whenever it is determined to be in the best interest of the Town to do so.

24.3.6.2. The Town may 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 economical advantages to doing so, provided that under any such approved arrangement the methods utilized are competitive and adequate arrangements have been made for the provision of all necessary support required for the method of purchase.

#### 24.3.7. **Unsolicited Proposal**

24.3.7.1. Any purchasing activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this policy. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the purchasing requirements comply with the non-competitive purchasing policies and procedures.

### 24.3.8. **Consulting and Professional Services**

24.3.8.1. If it has been deemed necessary to obtain a firm to provide consulting and/or professional services, the CAO may waive the requirement to use a sealed bid process for the acquisition of these services and may approve a consultant or professional services for a particular project without competitive process where one or more of the following conditions exist:

- a. The works are a continuation of a previous project.
- b. The firm has demonstrated unique qualifications to undertake the project including in-house experience or historical data of the Municipality.
- c. Time constraints restrict the ability to seek proposals or quotations that would result in increased costs or loss of provincial or federal funding.

### 24.3.9. **Group Procurement Organizations**

24.3.9.1. The Town may participate in programs provided by not-for-profit group procurement organizations that offer competitively-sourced and priced products and services through collaborative sourcing agreements.

24.3.9.2. These organizations conduct competitive bidding processes on behalf of Public Sector organizations and provide access to the Town to the details of the procurement process and associated records.

24.3.9.3. The Manager of Special Projects may provide a roster of products and services available to the Town by a group procurement organization to minimize costs and maximize approved budgets.

## **25. CONFLICT OF INTEREST**

25.1. Where an elected official, officer, or employee of the Town either on his own behalf or while acting for, by, with, or through another, has any pecuniary interest, direct or indirect, in any purchasing matter present at any meeting at which the purchasing matter is the subject of discussion or consideration, the elected official, officer or employee of the Town shall:

25.1.1. Not take part, in any way, in the procurement process for which the conflict exists including, but not limited to, the securing of pricing or preparation of bid documents, contact with vendors participating in the bid, the official closing and recording of bids received, evaluation and discussion of bids, negotiation, authorization or approval of the contract, authorization or approval of payments under the contract, or any other matter related to the purchase.



- 25.1.2. Disclose the interest and general nature thereof prior to any discussion or consideration of the matter at any time.
  - 25.1.3. Not take part in the discussion of, or vote on, any question in respect to the matter.
  - 25.1.4. Not attempt in any way, whether before, during, or after the meeting, to influence the voting in respect of the matter.
- 25.2. All consultants, contracted services, and vendors must disclose to the Town prior to accepting an assignment, signing a contract, and/or providing goods and/or services, any potential conflict of interest. If a conflict of interest exists, the Town, as directed by the department Director, may at its discretion, withhold the assignment, contract, or provision of goods and/or services.
- 25.3. If during an assignment, contract, or delivery of goods/services the service provider or vendor is retained by another client giving rise to a potential conflict of interest, the service provider shall so inform the Town.
- 25.4. At any time during a bid process beginning with the preparation of a bid document through to the award and commitment stage, no person shall accept, directly or indirectly, from any person or organization to which the acquisition is, or might be awarded, anything of any value or preferential treatment including rebates, gifts, meals, money, event tickets or special privileges.

## **26. INVENTORY AND MATERIAL**

- 26.1. Department Managers shall be responsible for inventory management and shall ensure a physical inventory of stock items be taken on a periodic basis and shall allow for adequate inventory obsolescence.
- 26.2. The Manager of Special Projects may alter the source of a supply of a deliverable in consultation with the initiating department, if it is in the best interests of the Town to do so.
- 26.3. Upon receipt of deliverables, Managers shall promptly inspect the deliverable for compliance with the terms of the contract. The Manager of Special Projects shall be notified of any deviation of the terms of the contract and shall assist as required to rectify the deviation.

## **27. DISPOSAL OF SURPLUS GOODS**

- 27.1. Directors shall notify the CAO of items deemed surplus that have a value of \$5,000 or more and approval shall be granted by the CAO to dispose of these surplus goods.
- 27.2. Prior to the disposition of surplus goods, the Director shall circulate a list of the surplus assets available for use to all Town departments and they may be acquired by other Town departments free of charge.

- 27.3. Surplus assets not required by any Town department shall be sold or disposed of by the initiating department via formal auction, internet auction, tender, trade-in, demolition, recycling, or disposal at landfill.
- 27.4. Profit from the disposition of surplus goods will be credited to the initiating department in a defined holding account for future reserve fund allocation.
- 27.5. Surplus assets may also be awarded to a non-profit entity upon approval of the CAO.
- 27.6. Disposal of unsafe or hazardous surplus items shall be the responsibility of the originating department and shall be conducted in accordance with this policy.

## **28. PETTY CASH**

- 28.1. Every effort shall be made to minimize usage of petty cash and to make purchases on Town accounts without the direct exchange of cash funds. Petty cash is to be used only in instances where no other option is practical.
- 28.2. The CAO may choose to eliminate or implement a petty cash till at their discretion.
- 28.3. The use of petty cash shall adhere to the Cash Handling Policy.
- 28.4. Petty cash purchases shall not exceed \$200.

## **29. CORPORATE CREDIT CARDS**

- 29.1. Corporate credit cards have been entrusted to authorized senior administration. These credit cards are to be used in compliance with the Procurement Policy and the issuing creditor's terms and conditions.
- 29.2. Corporate credit cards limits shall be set by the Director of Financial Services in consultation with the CAO.
- 29.3. Every effort shall be made to make purchases on Town accounts without having to utilize corporate credit cards. Credit cards are to be used only in instances where charging on Town accounts or using a purchasing card is not practical.
- 29.4. Only certain types of vendors are registered to corporate credit cards. Transactions at vendors that are not registered with the corporate credit card will be declined.
- 29.5. Monthly statements will be provided to card holders and all credit card transactions must be reconciled with original receipts to the Accounts Payable Department as soon as possible, having been first approved by the cardholder's supervisor (if applicable).
- 29.6. Credit cards are user specific and delegation of authority is not permitted when making transactions.

- 29.7. The cardholder is responsible for immediately reporting a lost or stolen credit card first to the credit card company, and secondly to the Director of Financial Services.
- 29.8. The credit card is the property of the Town of Amherstburg and is intended to be used for necessary circumstances that keep business moving forward.
- 29.9. Under no circumstances may the corporate credit card be used for personal purchases or cash advances.
- 29.10. Failure of the cardholder to adhere to the provisions and regulations of the corporate credit card may result in the loss of privileges and may result in disciplinary action.

### **30. PURCHASING CARDS (P-CARDS)**

- 30.1. Purchasing cards shall be used to procure low-value expense items.
- 30.2. Purchasing cards will be issued to employees approved to make purchases on behalf of the Town for small dollar purchases.
- 30.3. P-card purchase receipts shall be signed by cardholders for validation purposes. Receipts must be supplied to the Accounts Payable department at the first available opportunity after purchase, with associated General Ledger account numbers and managerial authorization. Monthly statements will be provided to the Accounts Payable Department who will reconcile this statement with the associated P-card purchase receipts.
- 30.4. Purchasing cards are user specific and delegation of authority is not permitted when making transactions.
- 30.5. The cardholder is responsible for ensuring the safety and integrity of the purchasing card at all times. Cardholders shall immediately report a lost or stolen purchasing card to the Director of Financial Services.
- 30.6. The purchasing card is the property of the Town of Amherstburg and is intended to be used for necessary circumstances that keep business moving forward.
- 30.7. Under no circumstances may the purchasing credit card be used for personal purchases.
- 30.8. Failure of the cardholder to adhere to the provisions and regulations of the purchasing card may result in the loss of privileges and may result in disciplinary action.
- 30.9. The Director of Financial Services shall coordinate applications for card users. Department Managers shall be responsible for immediately notifying the Director of Financial Services of any employment status changes with cardholders in their respective departments.

### **31. ACCESSIBILITY FOR ONTARIANS WITH DISABILITIES ACT (AODA)**

- 31.1. Contractors and service providers, including subcontractors if applicable, that provide services to the public or third parties on behalf of the Town of Amherstburg shall ensure that all its employees, agents, volunteers or others for whom the contractor is legally responsible receive training regarding the provision of the goods and services contemplated herein to persons with disabilities in accordance with Section 6 of the Ontario Regulation 429/07 (the "Regulation") made under the *Accessibility for Ontarians with Disabilities Act, 2005*, as amended (the "Act"). The contractor shall ensure that such training includes, with limitation, a review of the purposes of the Act and the requirements of the Regulation, a review of the Town's Policy on Accessible Customer Service Standards, as well as instruction regarding all matters set out in Section 6 of the Regulation.
- 31.2. The contractor shall also maintain a record of all training provided to the contractor's personnel on the Town's accessible customer service standards as required under this section, which shall include at a minimum, the dates on which the training was provided and the number of individuals to whom the training was provided. The vendor shall furnish any required records of accessible customer service training to the Town within ten days of the Town's request, unless otherwise agreed upon by the Town. The Town reserves the right to require the contractor to amend its training policies to meet the requirements of the Act and the Regulation.

### **32. OCCUPATIONAL HEALTH AND SAFETY ACT**

- 32.1. Contractors and service providers shall comply with all requirements of the *Occupational Health and Safety Act, 1990* and the Regulation for Construction Projects and Amendments, as administered by the Ontario Ministry of Labour and all subsequent amendments of said act.
- 32.2. In the event that the contractor fails to comply with the requirements of the above mentioned act, the Town may suspend the continuation of the work forthwith and the suspension will remain in effect until the contractor has taken whatever remedies are necessary to comply with said act. Suspension of the work by the Town on account of the provisions of this clause, shall not allow the contractor an extension of the time of completion and the contractor may be liable for liquidated damages to the Town.
- 32.3. If the project tender price exceeds \$50,000 the successful contractor shall notify the Ontario Ministry of Labour with a Notice of Project as required under the *Occupational Health and Safety Act* and Regulation, and shall provide a copy of same to the Town.

### **33. RECORDS AND INFORMATION**

- 33.1. Purchasing records will be retained in accordance with the Town's Record Retention By-law.

- 33.2. The Town is subject to the *Municipal Freedom of Information and Protection of Privacy Act*. Subject to provisions of this Act, the Town will use reasonable efforts to safeguard the confidentiality of any information identified by a supplier as confidential, but shall not be liable in any way whatsoever if such information is disclosed.
- 33.3. Purchasing files shall be maintained by the Manager of Special Projects to monitor and review the effectiveness of this policy and associated procedures, and to ensure compliance to this Policy.

#### **34. PROCEDURES**

The Manager of Special Projects has the authority to establish procedures for implementing this policy and to amend those procedures as required in the best interests of the Town with the concurrence of the CAO and Town Solicitor (if required).

## **APPENDIX A – GOODS AND SERVICES EXEMPT FROM THE PROVISIONS OF THE PROCUREMENT POLICY**

The following items are exempt from the provisions of this policy:

1. Petty Cash Items
2. Training and Education
  - 2.1. Conferences
  - 2.2. Courses
  - 2.3. Conventions
  - 2.4. Memberships
  - 2.5. Seminars
  - 2.6. Periodicals
  - 2.7. Magazines
  - 2.8. Staff training
  - 2.9. Staff development
  - 2.10. Staff workshops
  - 2.11. Subscription
3. Employee “Work Related” Expenses
  - 3.1. Advances
  - 3.2. Meal allowances
  - 3.3. Travel and hotel accommodations
  - 3.4. Entertainment
  - 3.5. Miscellaneous Non-Travel
4. Employer’s General Expenses
  - 4.1. Payroll deduction remittances
  - 4.2. Licenses (vehicle, elevators, radios, etc.)
  - 4.3. Debenture payments
  - 4.4. Grants to agencies
  - 4.5. Payment of damages
  - 4.6. Tax remittances
  - 4.7. Charges to/from other government or Crown agencies
  - 4.8. Employee income
  - 4.9. Financing fees and rates
5. Professional and Special Services
  - 5.1. Committee fees
  - 5.2. Witness fees
  - 5.3. Court reporters fees
  - 5.4. Honoraria
  - 5.5. Arbitrators
  - 5.6. Legal Settlements
  - 5.7. Integrity Commissioner

(cont’d)

6. Utilities

6.1. Postage

6.2. Water and sewer charges

6.3. Electricity

6.4. Cable television

6.5. Internet

6.6. Natural Gas

## **APPENDIX B – BID IRREGULARITIES**

1. A bid irregularity is a deviation between the requirements (terms, conditions, specification, special instruction, etc.) of a bid request and the information provided in a bid response.
2. Bid irregularities will be classified as “Major Irregularities”, “Minor Irregularities” and “Mathematical Error”.

### **2.1. Major Irregularity**

- 2.1.1. A deviation from the bid request that affects the price, quality, quantity, or delivery and is material to the award of contract. If the deviation is permitted, the bidder could gain an unfair advantage over the competition. The bid that contains a major irregularity must be rejected.
- 2.1.2. In the event that a bid is rejected due to a major irregularity, the Town may disqualify the bidder from participating in Town bid requests for a period of up to one year, at the discretion of the initiating Department Director

### **2.2. Minor Irregularity**

- 2.2.1. A deviation from the bid request that affects form rather than substance. The effect on 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. A Director, in collaboration with the Manager of Special Projects, may permit the bidder to correct a minor irregularity.

### **2.3. Mathematical Error**

- 2.3.1. An error in mathematical calculation in the bid response. The Manager of Special Projects will correct errors in mathematical extensions and/or taxes and the unit price will govern.

### **2.4. Summary of Bid Irregularities**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>MAJOR</b>	<b>MINOR</b>	<b>ACTION</b>
2.4.1	Late bids (by any amount of time)	✓		Automatic rejection
2.4.2	Bids completed in pencil instead of ink	✓		Automatic rejection
2.4.3	Unsealed tender envelope	✓		Automatic rejection
2.4.4	Envelope cover sheet not applied to submission envelope	✓		Automatic rejection
2.4.5	Bid received on documents other than those provided (pages have been reproduced by bidder)	✓		Automatic rejection, unless otherwise specified in bid documents
2.4.6	Partial bids (prices for all items have not been provided)	✓		Automatic rejection



ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
2.4.7	Changes are made to bid form but are not initialled by bidder		✓	Bidder provided 2 business days to initial the error. Town reserves the right to waive the requirement to initial bid and may accept as is. Reviewed on a case-by-case basis.
2.4.8	Alternate items bid in whole or in part	✓	✓	May be considered unless specified that alternates are not accepted
2.4.9	Mathematical errors exist in the bid which are not consistent with the unit prices.		✓	Bidder provided 2 business days to initial the error. Unit prices will govern total price.
2.4.10	Unit prices in the schedule of prices have been changed but are not initialled by bidder		✓	Bidder provided 2 business days to initial the error. Town reserves the right to waive the requirement to initial bid and may accept as is. Reviewed on a case-by-case basis.
2.4.11	Bids containing minor clerical errors		✓	Bidder provided 2 business days to initial the error. Town reserves the right to waive the requirement to initial bid and may accept as is. Reviewed on a case-by-case basis.
2.4.12	Bidder has not acknowledged addendum/addenda.	✓		Automatic rejection
2.4.13	Pages requiring completion of information by vendor are missing	✓		Automatic rejection
2.4.14	Bid form is not signed	✓		Automatic rejection
2.4.15	Bid form does not contain corporate seal of bidder, or notation of ability to bind corporation	✓	✓	Bidder provided 2 business days to apply seal or provide proof of ability to bind the corporation. Town reserves the right to waive the application of corporate seals provided the signatory has noted that they are legally able to bind the corporation. Reviewed on a case-by-case basis.
2.4.16	Bid bond is not submitted with bid	✓		Automatic rejection
2.4.17	Bid bond amount is insufficient	✓		Automatic rejection, unless the insufficiency is trivial or insignificant.
2.4.18	Bid bond is not executed	✓		Automatic rejection

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
2.4.19	Cheque submitted for bid bond is not certified	✓		Automatic rejection
2.4.20	Agreement to bond is not submitted with bid	✓		Automatic rejection
2.4.21	Agreement to bond is not executed	✓		Automatic rejection
2.4.22	Surety company is not licensed to do business in Ontario (bid bond, agreement bond, etc.)	✓		Automatic rejection
2.4.23	Bidder did not attend mandatory site meeting	✓		Automatic rejection
2.4.24	Bidder has an unsatisfactory performance review currently on file with an ineligibility period still in effect	✓		Automatic rejection
2.4.25	Bid documents suggest that the bidder has made a major mistake in calculations or intent to bid			Consultation with Town solicitor on a case-by-case basis
2.4.26	Bid contains kickback	✓		Automatic rejection and suspension of bidder's eligibility to bid on Town projects for period of one year.

The above list of irregularities should not be considered all-inclusive. The Manager of Special Projects will review minor irregularities not listed.

## **APPENDIX C – TENDERS vs. RFPs**

1. The following is provided to assist in determining which procurement method, Tender or RFP, is more appropriate in instances where the acquisition is valued over \$50,000:

### **1.1. Request for Proposals (RFPs)**

1.1.1. An RFP solicitation should be used when the Town wants to review and implement different and new solutions to a problem, project or business process. The RFP document provides proponents with an overview of the perceived or expected requirements. It does not give a detailed project plan as it is expected that this is what the proponent will develop in response to the RFP. To summarize, an RFP is used when:

- a. You know what you want, but not how to get it
- b. The purchaser is looking for the best solution to solve a problem or deliver a good or service, but is not exactly sure how to achieve it
- c. There is no detailed material, procedure and/or specification
- d. The good or service is not clearly defined
- e. Looking for a general solution to a problem

1.1.2. The proposals will be evaluated and scored by an evaluation committee to determine the proponent with the most complete submission in accordance with the Town's needs. The evaluation is not solely based on cost for services, but also scored on several criteria, including proposed solutions, qualifications, references, etc.

### **1.2. Tenders**

1.2.1. A tender call should be used when the Town knows what they want and how they want to achieve that. The tender document provides bidders with exact specifications for the item/service they desire and are seeking the best possible price to obtain that item/service. To summarize, a tender is used when:

- a. You know what you want and how you want it done.
- b. The purchaser has an exact item or service defined is looking for the best price to deliver it.
- c. There is detailed methodology, procedure, and/or specification.

1.2.2. Tenders are analyzed for errors or omissions and the tender is typically awarded to the bidder with the lowest compliant tender price.