

[2014]

TOWNSHIP OF PERTH EAST PROCUREMENT POLICY



**SCHEDULE "A" TO BY-
LAW NO. 51-2014
FI-1.14.01(R)**

[October 7, 2014]

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SECTION 1: MISSION, VISION AND VALUES

To ensure that the procurement function meets the current and future needs of the Corporation, providing an economical and efficient service in compliance with the Corporate Core Values of integrity, teamwork, service, continuous improvement and fiscal responsibility.

Commented [RF1]: Not included in Perth Policies

To ensure that the procurement function adheres to the Corporate Mission of providing innovative leadership and services essential to creating an inclusive, thriving and sustainable community.

SECTION 2: DEFINITIONS, INTERPRETATION AND ADMINISTRATION

2.1 Definitions

Accessibility means the degree of ease that a device, service or environment can be used and enjoyed by persons with a disability. The term implies conscious planning, design and/or effort to ensure it is barrier-free to persons with a disability, and by extension, highly usable and practical for the general population as well.

Commented [RF2]: Revised from PS

Acquisition means the process for obtaining goods and services.

Commented [RF3]: From CH

Addenda means an addition, alteration, or removal of the scope or the terms of a procurement call before the closing.

Commented [RF4]: From internet dictionary

Authority means the legal right to conduct the tasks as outlined in this policy.

Commented [RF5]: From CH

Bid means an offer or submission received from a vendor, contractor or consultant in response to a request, quotation, tender or proposal which may be subject to acceptance or rejection.

Commented [RF6]: From PS

Bidder means a person or enterprise that submits a Bid.

Commented [RF7]: From PS

Chief Administrative Officer (CAO), means the Chief Administrative Officer of the Corporation of the Township of Perth East.

Clerk, means the Clerk of the Corporation of the Township of Perth East.

Competitive means vendors are given an equal opportunity to compete for Township business.

Commented [RF8]: From CH

Conflict of Interest means as defined in the Municipal Conflict of Interest Act, R.S.O., 1990. Chapter M 50.

Commented [RF9]: From PS

Contract means a legally binding agreement between two or more parties.

Commented [RF10]: From CH

Contractor means a person or company providing contractual services to the Township.

Commented [RF11]: From WSIB Operational Policy

Corporation or Township, or Municipality means the Corporation of the Township of Perth East.

Cost Effective means a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selections procedure.

Commented [RF12]: From PS

Council means the Council of the Corporation of the Township of Perth East.

Department Manager means the individual accountable for the department and services assigned to each section thereof.

Commented [RF13]: From CH

Designate means a person authorized by a Perth East Department Manager and CAO, to act on his/her behalf, for purposes of this policy.

Commented [RF14]: From CH

Employee is an employee of the Township of Perth East.

Commented [RF15]: Revised from PS

Form of Tender means the bidding documents provided by the Township of Perth East that shall include a pricing schedule.

Goods mean all materials, services, equipment, fixtures and structures to be delivered, installed, or constructed.

Commented [RF16]: From CH

Improper Bid means a bid that does not meet all the requirements under the procurement request.

Commented [RF17]: From CH Section 4.3.8v

Negotiated Method means the acquisition method whereby the Township may negotiate with one or more vendors to acquire goods or services without using the Competitive Process.

Commented [RF18]: From CH

Officer means a holder of a public, or civil office in a position of authority or command with the ability to legally bind the Corporation of the Township of Perth East.

Pre-Qualification precedes the procurement of a contract and may be used by the Township to identify bidders who would be allowed to bid for certain contracts. Pre-qualification reduce the need to evaluate unqualified contractors, narrowing the field to only those who have the requisite ability to comply with the terms of the contract and the financial capability to undertake the work.

Commented [RF19]: Researched under Kaieteur News online

Prescribed Form means a form that is included in this Policy as a guide to standardizing procedures. The prescribed forms are an addendum to this policy and do

Commented [RF20]: From introduction of CH

not form part of the policy. Department Managers may use, amend, or substitute standard forms to suit specific procurement needs. The intent of standard forms is to secure the integrity of the procurement process and act as a guide to the requisitioning or procuring departments.

Procurement Call means a procedure for generating competing offers from different bidders looking to obtain an award of business activity in works, supply, or service contracts.

Commented [RF21]: From wikipedia

Procurement Process means the process by which goods and/or services are obtained.

Commented [RF22]: From CH

Professional/Consultant/Consulting Services means a person or firm, who by virtue of a particular expertise, is hired by the Corporation to undertake a specific task or assignment and includes architects, auditors, engineers, designers, planners, surveyors, management and financial consultants, brokers, legal services, and any other professional and consulting services rendered on behalf of the Township.

Proposal means an offer to provide goods or services to the Township where the requirements cannot be definitely specified and may be subject to further negotiation.

Commented [RF23]: From CH

Quotation means prices on specified goods and/or services from selected vendors, which are submitted verbally or in writing, as required by the policy.

Commented [RF24]: From CH

Real Property means land and buildings affixed to the land.

Request for Information (RFI) is a standard business process whose purpose is to collect written information about the capabilities of various suppliers. The information gathered is used to help make a decision on next steps and often a request of proposal, request for quotation and or a request of tender will follow.

Commented [RF25]: Wikipedia – checked under www.source-and-procure.com website as well

Request for Proposal (RFP) means a formally publicly released document outlining a need and inviting vendors to submit plans to fulfill that need. In general, the Request for Proposal encourages different solutions from vendors and actively searches for better and more creative ideas for supply of goods and services. It provides a process whereby the negotiation and its reward are based on demonstrated competence, qualifications and the technical merits of the Proposal at a fair price.

Commented [RF26]: Yourdictionary.com revised

Request for Quotation (RPQ) is a standard business process whose purpose is to invite suppliers into a bidding process to bid on specific products or services.

Commented [RF27]: Wikipedia definition

Request for Tender (RFT) is a structured invitation to suppliers for the supply of products and/or services. The RFT normally includes specifications and contract terms in such a degree that there is no prospect of negotiations between the parties.

Commented [RF28]: First sentence from <http://tenders.hellotrade.com> Second sentence from 6.4 of this policy

Requisitioning or Procuring Department means the department that initiates the procurement process. i.e. the department that requires the goods or services to be procured.

Commented [RF29]: From CH

Revenue Generating Contracts means a legal agreement between the Township and a third party that yields a financial return for the Township. Revenue Generating Contracts include, but are not limited to Service Revenue Contracts, Profit Sharing Contracts, Mixed Revenue Contracts and advertising Contracts.

Sealed Bid means a bid submitted in a sealed envelope to a specified location, by a specified date, at a specified time.

Commented [RF30]: From PS

Services means all professional, consulting, construction or maintenance services, as well as any other services described in a Contract or in a Request For Quotation, Request For Tender or Request For Proposal.

Service Revenue Contracts means the sale of Goods and Services by the Township to a third party.

Single or Sole Sourcing means a non-competitive acquisition from a specific supplier, even though there may be more than one supplier capable of delivering the same goods or services, or a non-competitive acquisition where there is only one supplier for the source of the goods or services, due to reasons set out in Section 8 Non-Competitive Procurement in this policy.

Commented [RF31]: From PS – check section reference for PE Policy – checked section to PE – section 9 for PE

Surplus Goods means any items no longer having any use to the Township or in excess of the needs of the Township, inclusive but not limited to obsolete supplies, scrap materials and vehicles, but excluding real property.

Commented [RF32]: From PS

Total Acquisition Cost means the sum of all costs, including such matters as purchase price, all taxes after rebates, delivery costs, warranties, local service facilities, life cycle costs, inventory carrying costs, operating and disposal costs incurred for determining the most cost effective acceptable bid meeting specifications.

Commented [RF33]: Added "after rebates:

Commented [RF34]: Glenn – changed lowest to cost effective

Treasurer means the person responsible for direction and operation of the Finance Department for the Township of Perth East.

Commented [RF35]: From CH

Commented [RF36]: From PS

Vendor means any person or enterprise supplying goods or services to the Township of Perth East.

Commented [RF37]: From PS

Workplace Safety and Insurance Board Certificate (WSIB) means a certificate issued by an authorized official of the Workplace Safety and Insurance Board certifying that the Board waives its rights under subsection 9(3) of the Work Place Safety and Insurance Act, R.S.O. 1997, Chapter 16, Schedule A, Section 141.

2.2 Interpretations

In this Policy, unless the context requires otherwise, words importing the singular shall include the plural and words importing the masculine gender, shall include the feminine.

Commented [RF38]: Same as Perth Policies but in different section

2.3 Administration

The Treasurer, in consultation with the CAO and Department Managers, shall conduct a detailed review of this policy on an as-required basis, but no longer than five years following its passage. The review is to take into consideration current and future professional practices, industry standards, market conditions, Federal/Provincial Government directions/policies, technological developments and advancements and the impact that any recommended changes may have on potential suppliers to the Municipality.

Commented [RF39]: Same as perth policies but in different section

Commented [RF40]: Donna Chaffe – changed procedure to policy – wording change

Purchasing procedures developed by Department Managers and approved by the CAO, are to be used as a guideline and for information on Procurement in compliance with this procedure and any related legislation.

Conflict of Interest Guidelines will be included in all competitive bidding documents.

Commented [RF41]: Added statement to Forms 300,305,306,310,200

A Privacy Statement, as required under *The Municipal Freedom of Information and Protection of Privacy Act*, will be included in all competitive bidding documents.

Commented [RF42]: Added statement to Forms 300, 305,306,310,200

SECTION 3: POLICY PRINCIPLES

Commented [RF43]: From CH

3.1 Policy Statement

To establish purchasing policies to ensure the most cost-effective methods are used to purchase goods and services for the Township and to ensure the prices paid for goods and services make optimum use of Municipal resources. It is also to establish the authority of the Municipal departments as it relates to this policy.

3.2 Purchasing Principles

To delegate the appropriate level of authority to enable Municipal departments to meet service requirements. To ensure that employees who are responsible for requisitioning and purchasing goods and services are accountable for their actions and decisions.

Commented [RF44]: From CH

To ensure that the acquisition of goods and services is carried out by the requesting department or by the appropriate department for certain purposes.

To participate with the Perth Administrators Collaborative Team (PACT) as outlined in the approved PACT Terms of Reference and refer budgeted procurement over \$20,000

Commented [RF45]: From PACT Terms of Reference – more specific/current than Section 5.5 of Perth Policies

to PACT for discussion, excluding emergency procurement whereby PACT can explore opportunities for efficiencies through joint purchasing and shared services.

To participate with other publicly funded bodies in co-operative purchasing activities where they are in the best interest of the Township.

To encourage open competitive bidding for the acquisition or disposal of all goods and services where practicable.

Commented [RF46]: Moved from Section 2 – goals and objectives – deleting section 2 as redundant

To ensure the procurement process is fair, such that no action is undertaken by any Employee or Elected Official to allow any given bidder an unfair advantage or disadvantage.

Commented [RF47]: Moved from Section 2 – goals and objectives – deleting section 2 as redundant

To commit to providing equal treatment to people with disabilities with respect to the use and benefit of Municipality services, programs and goods in a manner that respects their dignity and that is equitable in relation to the broader public. In order to meet this commitment and comply with procurement requirements outlined in the Accessibility for Ontarians with Disabilities Act, 2005, O. Reg. 191/11, all departments shall review their purchasing orders, contracts and tender specifications for goods and services to ensure that specifications include accessibility criteria and features.

Commented [RF48]: Moved from Section 2 – goals and objectives – deleting section 2 as redundant

3.3 Access to Information

The disclosure of information received relevant to the issue of bid solicitations or the award of contracts emanating from bid solicitations shall be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended.

Commented [RF49]: Same as Perth Policies

All records and information pertaining to quotations tenders, proposals and other sealed bids, which reveal a trade secret or scientific, technical, commercial, financial or other labour relations information, supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:

- Prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organizations
- Result in similar information no longer being supplied to the Municipality where it is in the public interest that similar information continue to be supplied;
- Result in undue loss or gain to any person, group, committee or financial institution or agency; or result in information whose disclosure could reasonably be expected to be injurious to the financial interests of the Municipality.
- All original documentation must be distributed electronically to the Clerk's Department for records management.

SECTION 4: GENERAL PROCUREMENT PROCESS

4.1 Authority

4.1.1 Council

Unless otherwise approved by Township Council, all purchases of goods and services must be approved in the annual budgets. Formal approval of the budget constitutes financial approval to proceed with the procurement process. The ability to incur the actual expenditures is delegated to Township staff based on the following approval levels: (final acceptance of a procurement offer listed in this policy, such as a quotation or tender constitutes expenditure incurrence)

Commented [RF50]: CH 1.5 – very similar to Perth policies under Section 3 Authority

4.1.2 CAO and Department Managers

Department Managers may procure as authorized under approval authority levels within this policy. Notwithstanding the above, the CAO may instruct the Department Manager not to award a contract and direct staff to submit recommendations to Council for approval and may provide additional restrictions concerning procurement where such action is considered by the CAO necessary and in the best interests of the Township.

Commented [RF51]: PS 3.2

Commented [RF52]:

4.1.3 Delegation of Procurement Authority

Department Managers may delegate procurement authority to a designated employee or a consultant retained by the Township, using Form 102, Delegation of Procurement Authority as authorized by the Chief Administration Officer. Form 102, Delegation of Procurement Authority shall be filed in the personnel file of the designated employee or vendor file of the retained Township consultant.

Commented [RF53]: Designate listed throughout policy – this section gives process on when/how to use a designate. Purchases are made by PW Foremen as an example

Commented [RF54]: Removed level 9 employee – removed dollar amount and added consultant – per Bill Wilson and Glenn Schwendinger

4.2 Approval Levels

ESTIMATED PROCUREMENT VALUE (\$ Canadian Funds, before taxes)	APPROVAL AUTHORITY	PROCUREMENT METHOD	FORMAL BID OPENING
Up to \$4,999.99	Department Manager	Direct – See Section 5.1	No Formal Public Opening – Negotiation by Department Manager
\$5,000 to \$19,999.99	Department Manager	Informal Request for Quotations (RPQ) – See Section 5.2	No Formal Public Opening – Minimum 2 quotes reviewed by Department Manager
\$20,000 to \$49,999.99	CAO	Formal Request for Quotations (RFQ) – See Section 5.3	No Formal Public Opening– Minimum 3 quotes reviewed by Department Manager
\$50,000 and over	Council	Request for Tender - See Section 5.4	Yes – Formal Public Opening attended by Department Manager and Clerk or Treasurer
Proposals – Any Value	Up to \$19,999.99 Department Manager Up to \$49,999.99 CAO \$50,000 & over - Council	Request for Proposal – See Section 5.5	No Formal Public Opening – Staff Opening attended by Department Manager and Clerk or Treasurer
Emergency Purchases	CAO or Council	Refer to Section 10.1 Emergency Purchases	No
Non-Competitive/Single Source Under \$20,000	CAO	Refer to Section 8.1 Non-Competitive Procurement	No
Non-Competitive/Single Source Over \$20,000	Council	Refer to Section 8.1 Non-Competitive Procurement	No

Commented [RF56]: Did level comparisons – used highest level from Perth Policies

Commented [RF55]: Changed exclusive of taxes to before taxes.

Commented [RF57]: Table style based on Hamilton

No requisition, purchase, or contract shall be divided in order to avoid the requirements of the spending limits of this section. See Section 4.8 Splitting of Purchases Prohibited.

4.3 Revenue Generating Contracts

The estimated gross revenue for a Revenue Generating Contracts shall be the estimated procurement value and are aligned with the procurement approval authorities and procurement methods in this policy.

Commented [RF58]: Not in Perth Policies – used some wording from Hamilton policy

4.4 Service Revenue Contracts

Service Revenue Contracts of any value are aligned with the procurement approval authorities but exempt from the procurement methods in this policy.

Commented [RF59]: Not in Perth Policies – used some wording from Hamilton policy

4.5 Pre-Qualification and Request for Information

A Department Manager may issue a Request for Pre-Qualification on Prescribed Form 101, Vender Pre Qualification Report, to select a number of bidders prior to the competitive sealed bid process. The purpose of the pre-qualification is to ensure that each bidder can demonstrate they have the ability to provide the necessary expertise and resources to satisfactorily complete the work required. Pre-qualification would only be considered in the following circumstances:

Commented [RF60]: Same as Perth Policies – added template 101

- The work is considered “high risk” with respect to Regulations governed under the “Occupational Health and Safety Act”;
- The work is such that contract administration costs (i.e. work inspection, follow up, extra fee negotiations) could result in a substantial cost to the Township if the work is not satisfactorily performed the first time;
- The goods or equipment to be purchased must meet national, or provincial safety standards, or if no standard has been established, has demonstrated an acceptable level of performance; or
- The work involves complex, multi-disciplinary activities, specialized expertise, equipment, materials, or financial requirements.

This is a two-step process, where either a Request for Tender/Quotation or Request for Proposals will follow. Pre-qualification is the first step and would set out the criteria requiring bidders to provide information, such as, but not limited to:

- Experience on similar work (firm and staff assigned);
- References provided from other customers for similar work;
- Verification of applicable licenses and certificates;
- Health and safety policies and staff training; and
- Financial capability.

The initiating Department Manager will evaluate and rank the submissions received and then recommend a short list of acceptable bidders who will be invited to participate in the subsequent Request for Tender/Quotation or Request for Proposals. A reply to the Request for Pre-Qualification is required by a designated

date and time to the Department Manager who initiated the request, and signed by an officer authorized to legally bind the Corporation. Any resulting bid document will be processed and advertised in accordance with this procedure.

Alternatively, the Township may issue a Request for Information. A Request for Information can be used to build supplier interest and to see if there are enough suppliers to justify a full Request for Proposal competition. The Request for Information would request detailed information such as, but not limited to, company background, who the interested parties are, what they can offer and what they can do for the Township. A reply to the Request for Information is required by a designated date and time to the Department Manager who initiated the request, and signed by an Officer authorized to legally bind the Corporation. Any resulting bid document will be processed and advertised in accordance with this procedure.

4.6 Confidentiality

There shall be no informal contact between municipal staff or elected officials involved in the procurement process with potential suppliers during the evaluation period.

Commented [RF61]: Same as perth policies

4.7 Open Market Purchasing

Except as otherwise stipulated, any Procurement shall be made on a competitive basis, in keeping with accepted public purchasing practices and in accordance with the applicable federal, provincial and municipal laws.

Commented [RF62]: Same as perth policies

4.8 Splitting of Purchase Prohibited

Where Goods and Services are required in connection with one project, all of those Goods and Services shall be included in determining the total cost for the purposes of this procedure and no requirement for Goods and Services shall be divided to avoid any provision of this procedure.

Commented [RF63]: Same as perth policies

Commented [RF64R63]:

Deleted: ¶

4.9 Risk Management

The Department Manager and the Treasurer shall select the appropriate means to guarantee execution and performance of a contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments, and holdbacks. Appropriate guarantees will be set out in the bid specifications or bid solicitation as required.

Commented [RF65]: Same as perth policies

Prior to commencement of work and where deemed appropriate, evidence of insurance coverage satisfactory to the Treasurer, must be obtained, ensuring indemnification of the Township of Perth East from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under a contract. A certificate of insurance must be submitted to the Treasurer for approval, prior to commencement of any service or work.

4.10 Vendor Performance Evaluation

The Township will oversee vendor performance through monitoring, evaluating, applying corrective measures (if necessary) and reporting on whether performance objectives were met. Vendor performance is the action taken by a vendor to meet its contractual obligations in delivering goods or providing services. Taking a management approach to vendor performance holds vendors accountable for their contribution to satisfying operational requirements of the Township and helps achieve best value for the Township.

Each Department Manager will annually (minimum) evaluate vendors, excluding consultants, engineers, architects and trainers, providing good and/or services annually valued at \$20,000 and over to the Township based on the criteria outlined in Form 100, Vendor Performance Report. Refer to Section 9, Procedure for Engaging Consultants, Engineers, Architects and Trainers for performance evaluation of professional consultants. A copy of Form 100, Vendor Performance Report will be filed in the current individual vendor accounts payable file.

4.11 Corporate Accessibility

The Township Accessibility Policy CA.01.28.01(A) states that whenever possible, Township of Perth East staff will take into account the accessibility features and criteria of goods, services, and facilities procured, purchased, or acquired. When not practicable to incorporate accessibility criteria and features when procuring goods, services or facilities, staff shall provide, upon request, an explanation.

The procuring Department Manager will ensure that all contractors sign Appendix C, Form A to Township Policy CA.01.28.01(A), Contractor Accessibility Agreement, to ensure that the contractor has received training on the accessible provision of its goods and services to persons with disabilities. The signed Accessibility Agreement will be filed in the vendor accounts payable file.

4.12 WSIB Certificates of Clearance

WSIB Certificates of Clearance must be submitted to the Township by all contractors prior to the commencement of any contractual service, to protect the Township from a payment liability that a contractor may incur. Payment certificates are required, prior to processing payment certificates and prior to the expiration date of WSIB clearance certificates during the period under contractual service. Prior to final payment to a supplier, a WSIB Certificate of Clearance shall be obtained ensuring all premiums or levies have been paid to WSIB to date. WSIB Clearance certificates shall be filed in the vendor accounts payable file.

4.13 Harmonized Sales Tax (HST)

All vendor invoices and payment certificates that include a charge for HST must include a valid Canada Revenue Agency Business Number.

Commented [RF66]: First paragraph from Govt of Canada Office of the Procurement Ombudsman then Same as North Perth except put minimum of \$20K and dealt with consultants in Section 10 Added instructions of where to file form.

Commented [RF67]: Added – per Glenn

Commented [RF68]: G Schwendinger – added to with each payment certificate.

SECTION 5: PROCUREMENT METHODS

5.1 Direct Procurement – Up to \$4,999.99

This method of purchase refers to the direct ordering and purchase of goods and services from a supplier with or without negotiation. Employees are encouraged to use their own judgment to promote the principles of this policy in any direct purchase.

Commented [RF69]: CH 4.1.1 & 2.1.2 (Process and method)

5.1.1 Procurement Value

Purchases with an estimated value before taxes up to \$4,999.99

Commented [RF70]: Bill Wilson – add before taxes

5.1.2 Competitive Process

The requisitioning or procuring department may negotiate with one or more vendors to acquire goods or services without using the Competitive Process. This method of purchase refers to the direct procurement or negotiation of an agreement for the purchase of goods and services from a supplier where there is no open competition.

5.1.3 Forms and Advertising

Advertising and procurement forms are not required.

5.2 Informal Quotation Process - From \$5,000, Not Exceeding \$19,999.99

This method of purchase is a competitive method. The specifications for the goods and services and terms to purchase will be established with sufficient particularity to permit comparable quotations to be made by suppliers. A sufficient number of suppliers shall be requested to submit quotations on the specifications and terms to purchase so that at least two responsive quotations are received, where practical. In the event less than two responses are received, it is at the discretion of the CAO or Council whether another purchasing method will be utilized or the purchasing process will begin again.

Commented [RF71]: CH 4.1.3 & 2.1.3 (Process and method)– used two quotes same as current PE Policy

Commented [RF72]: Added if we don't get enough responses what happens – same as our old policy

In general, there are two procedures differentiating the Request for Informal Quotation from the Formal Quotation process.

- The first difference is that the Informal Quotation process does not involve advertising and receipt of sealed bids or the preparation of formal quotation documents whereby the Formal Quotation does.
- The second difference is that the Informal Quotation process requires minimum of two responsive quotations where practical and the Formal Quotation process requires a minimum of three responsive quotations where practical.

Commented [RF73]: From current PE Policy

Commented [RF74]: Glenn – added where practical so can use negotiated if only get one

5.2.1 Procurement Value

Procurement with an estimated value from \$5,000 and not exceeding \$19,999.99, before taxes, shall be obtained using a competitive process.

5.2.2 Forms and Advertising

The requisitioning or procuring department will obtain written quotes and may use Prescribed Form 200, Request for Quotation, from suppliers without formal

advertising or receipt of sealed bids. At least two (2) written quotes, where practical, shall be obtained from those vendors able to supply the goods or services in a responsible and responsive manner.

5.2.3 Evaluation

Form 201, Quotation Rating Report, along with the written quotes will be completed by the requisitioning or procuring department Manager. Notwithstanding the provision of this policy, the Township shall have the right to reject any bid in its absolute discretion.

Commented [RF75]: Bill Wilson - Removed typo – report in 2X

5.2.4 Competitive Process

The requirements of the competitive process may be waived under authority of the CAO. In this case, the competitive process will be replaced by the negotiated method. The circumstances in which the negotiated method would be appropriate and the associated procedures are detailed in Section 8, Non Competitive Procurement. The reasons for using the negotiated method will be documented by the requisitioning or procuring department on Prescribed Form 202, Negotiated or Non Competitive Method Checklist, to the Treasurer for review.

5.2.5 Bid Opening

There is no formal opening of informal quotations. Bids are opened by the Department Manager.

5.3 Formal Quotation Process - From \$20,000, Not Exceeding \$49,999.99

This method of purchase is a competitive method. The specifications for the goods and services and terms to purchase will be established with sufficient particularity to permit comparable quotations to be made by suppliers. A sufficient number of suppliers shall be requested to submit quotations on the specifications and terms to purchase so that at least three responsive quotations are received, where practical. In the event less than three responses are received, it is at the discretion of the CAO or Council whether another purchasing method will be utilized or the purchasing process will begin again.

Commented [RF76]: Repeated Informal but changed 2 quotes to 3 & formal opening

Commented [RF77]: Added if we don't get enough responses what happens – same as our old policy

In general, there are two procedures differentiating the Request for Informal Quotation from the Formal Quotation process.

- The first difference is that the Informal Quotation process does not involve advertising and receipt of sealed bids or the preparation of formal quotation documents whereby the Formal Quotation does.
- The second difference is that the Informal Quotation process requires a minimum of two responsive quotations where practical and the Formal Quotation process requires a minimum of three responsive quotations where practical.

Commented [RF78]: From current PE Policy

5.3.1 Procurement Value

Procurement with an estimated value from \$20,000 and not exceeding \$49,999.99, before taxes, shall be obtained using a competitive process.

5.3.2 Forms and Advertising

The requisitioning or procuring department will obtain written quotes from supplier and may use Prescribed Form 200, Request for Quotation.

At least three (3) written quotes, where practical, shall be obtained from those vendors able to supply the goods or services in a responsible and responsive manner. The Quotation Rating Report, Prescribed Form 201, along with the written quotes will be forwarded to the Treasurer for review.

The requisitioning or procuring department shall give notice of the Request for Quotation on the Perth East website www.pertheast.ca under Bids and Tenders, and may advertise according to the publications listed under the Township of Perth East Notice By-law 69-2002. Requests for Quotation may also be sent directly to vendors.

Commented [RF79]: Added website – web sites included in other Perth Policies

Commented [RF80]: Glenn – took our specific newspapers

5.3.3 Bid Opening

There is no formal opening of quotations. Bids will be opened by the Department Manager.

All quotations with specification shall submit two (2) separate, sealed envelopes. Envelope #1 will include documentation and Envelope #2 will include pricing. See Section 5.3.4 Receiving of Quotations and Forms 312 and 313.

If any of the quotation documents have not been met, the quotation shall be considered to be an improper bid and dealt with as set out in Section 6 entitled Acceptance or Rejection of Improper Bids.

Commented [RF81]: From CH 2.1.4v New policy draft has no formal opening process up to \$49,999.99 as using quotations rather than tenders (old Policy had tenders starting at \$20K with formal opening process)

5.3.4 Receiving of Quotations

Submission Envelope

A submission envelope #1 using format under Form 312, Quotation Documentation shall be provided to the bidder with the following information:

- Clearly Marked "Quotation Documentation"
- Project Name
- Bidder Information: Name of Firm, Address, Signature
- Received Information: Received by, Date, Time

Commented [RF82]: Same as current PE policy

Required Envelope Contents for Envelope #1:

- Quoted Unit Specifications Sheets (supplied sheets, completed by bidder and signed by bidder)
- Manufacturer's literature for tendered units
- Signed copies of Quotation Addendum(s) issued (if applicable)

The first envelope is evaluated and bids ranked before the financial offer (second envelope) is opened, to ensure that price does not influence the technical evaluation of the bid. If the quoted unit specifications are not met as included in envelope #1, envelope #2 is not opened.

A submission envelope #2 using format under Form 313, Quotation Pricing may be provided to the bidder with the following information:

- Clearly Marked "Quotation Price"
- Project Name
- Bidder Information: Name of Firm, Address, Signature
- Received Information: Received by, Date, Time
- Quote enclosed in this envelope

Commented [RF83]: Same as current PE policy

Required Envelope Contents for Envelope #2:

- Form of Tender (supplied sheets, completed by bidder and signed by bidder)
- Schedule of Prices - Provisional Items (if applicable)

5.3.5 Evaluation

All quotations will be evaluated by the requisitioning department and, where necessary, in consultation with other affected departments. Should additional financial analysis be required, a staff person from Finance should be involved. If the quotations exceed the amount budgeted for the goods/services, a staff person from Finance shall be involved. Prescribed Form 201, Quotation Rating Report, will be prepared indicating the selected vendor. If the purchase is for construction it shall be confirmed by executed contract or letter of award. In this case, all payments will be authorized by stamped invoice approved by Department Manager. Notwithstanding the provision of this policy, the Township shall have the right to reject any bid in its absolute discretion.

5.3.6 Competitive Process

The requirements of the competitive process may be waived under authority of the CAO. In this case, the competitive process will be replaced by the negotiated method. The circumstances in which the negotiated method would be appropriate and the associated procedures are detailed in Section 8, Non-Competitive Procurement. The reasons for using the negotiated method will be documented by the requisitioning or procuring department on Prescribed Form 202, Negotiated or Non Competitive Method Checklist, to the Treasurer for review.

5.4 Request for Tender – From \$50,000 and Over

This is a competitive method of purchase. The specifications and contract terms are detailed within the tender documents in such a degree that there is no prospect of negotiations between the parties. It is intended to accept the highest ranked compliant bid, as all the terms, conditions and specifications must be met by the bidders.

Commented [RF84]: CH 4.1.4

Commented [RF85]: Changed lowest to highest – as the higher ranks have the lower prices

In all cases, tenders shall be coordinated by the requisitioning or procuring department. Tenders may be prepared and released on the Perth East website www.pertheast.ca using the Bids and Tenders module or prepared manually. The Clerk's Department is responsible for receiving and collecting all manual tender forms. The receipt and collection of on-line forms are the responsibility of the Department Manager or delegate.

Commented [RF86]: Glenn – added delegate to cover engineers

The Department Manager will ensure:

- Completeness of documentation
- Advertisements are arranged
- Closing dates and tender opening are scheduled with-in business hours
- Vendor contact for information is appropriate

5.4.1 Tender Documentation Preparation

The specifications contained within the tender documents are the responsibility of the Department Manager. Prescribed Form 300, General Request for Tender, Prescribed Form 305, Gravel Application Tender, or Prescribed Form 306, Tender for Vehicles and Equipment may be used as a guideline for all tenders.

It is important to ensure that the principles of Section 3, Policy Principles are adhered to. In the case of construction contracts the entire tender document will be the responsibility of the relevant Department Manager and standard bidding documents of the construction industry will be employed wherever possible to ensure that all requirements of this section are met.

5.4.2 Contents of the Tender Document

The tender document, will consist of a number of sections. They are described below. When considered in its entirety, the document must contain the appropriate information so that staff evaluating the bids can determine that:

- The bidder understands the full scope of the tender for which bids have been invited, and
- The bidder is capable and willing to perform all of the required work or provide all of the required goods/service, and
- The bidder is capable and willing to enter into a legal agreement with the Township for the provision of the required goods/services, and
- The bidder offers financial guarantees that a formal agreement will be executed and that all goods/services will be provided following the terms of the executed agreement

Tender documents will contain at least the following sections:

- A cover letter
- Information to bidders
- Performance Guarantee/Financial Guarantee
- Specifications
- Form of Tender
- Tender envelope. A standardized tender envelope or envelopes are provided to all bidders where appropriate
- Tenders must be numbered under the format Department Code – Current Year – Tender Number. Example: Public Works Landfill Tender for 2013, being the third tender document to be circulated by the Township (not department) PW-2013-03

Commented [RF87]: Agrees with Perth East current instructions – except added Guarantee section.

5.4.3 Advertising

Unless Pre-Qualification or a Request for Information is deemed necessary under the criteria listed in Section 4.5 of this Policy, the requisitioning department shall advertise for tenders estimated to be or exceed \$50,000.00 before taxes, on the Perth East website www.pertheast.ca and may advertise according to the publications listed under the Township of Perth East Notice By-law 69-2002

Commented [RF88]: Added website – web sites included in other Perth Policies

5.4.4 Release of Information to Prospective Bidders

Upon the request of a prospective bidder or to pre-qualified bidders, and payment of applicable fee, the Department Manager or designate shall supply the following material for each contract:

Commented [RF89]: Glenn – took our specific newspapers

- One copy of the official Tender Form
- One standard tender envelope, if applicable
- Tender materials, including specifications, plans, etc.

A Plan Takers Report will be prepared by the relevant Department Manager using the report available on the Township website www.pertheast.ca under the Bids and Tender Module or Prescribed Form 311, List of Plan Takers for tenders not posted under the Township Bids and Tender Module. The Plan Takers Report will be provided to the Clerk's Department.

5.4.5 Preparation of Addenda

Addenda will be issued under the following circumstances:

Commented [RF90]: Addenda silent in Perth policies – used CH

- Interpretation of tender documents as a result of queries from prospective bidders
- Revisions, deletions, additions or substitutions of any portion of the tender documents

The Department Manager or designate shall approve the issuance of any addenda issued manually or under the Perth East website www.pertheast.ca using the Bids and Tenders Module.

5.4.6 Notification of Addenda to Prospective Bidders

A copy of all addenda shall be sent by regular mail, electronic mail, or by fax to each prospective bidder who obtained tender documents. All remaining tender documents not yet distributed shall have the addenda appended.

Commented [RF91]: Amended – per Bill Wilson – clarified use of email and excluded follow up telephone call

Where an addendum must be issued later than two business days prior to the specified closing date, the closing date may be extended to allow four business days between the issuance of the addendum and the revised closing date. This extension is optional and shall be used as required.

5.4.7 Closing Date Extension or Tender Cancellation

When it becomes necessary to extend the closing date or to cancel the tender, all prospective bidders who received tender documents shall be notified of the cancellation using the method for notification of addenda detailed above.

Commented [RF92]: Perth policies silent – used CH

When the closing date for receiving tenders has been extended, tenders already received shall be handled as follows:

- If the extension of time is two weeks or less, the bidder shall be advised that the tender shall be returned unopened upon request
- If the extension of time is greater than two weeks, all tenders shall be returned unopened

When a tender is cancelled, no bid will be accepted. All bids shall be returned unopened to the bidders by hand or by regular mail with a covering letter signed by the Department Manager or designate.

5.4.8 Submission Requirements

All tenders shall be received at the office of the Clerk. Submissions will be time and date stamped and placed in a locked container or filing cabinet until after the tender closing time. Any tenders received after the closing time and date will not be received and will be returned unopened to the submitting vendor.

Commented [RF93]: Perth Policies silent – used CH

Tenders are required to conform to the conditions listed below:

- The correct Tender Form as supplied by the Requisitioning or procuring department must be used and in the possession of the Department Manager, or designate, on or before the tender closing date and time.

- The tender must be legible, completed in a non-erasable form and all items must be bid, unless the tender specifically permits otherwise, with the unit price on every item and other entries clearly shown.
- Adjustments by telephone, letter, facsimile, or electronic mail to a tender already submitted will not be considered. A bidder desiring to make adjustments to a tender must withdraw the tender. See Section 5.4.10 Withdrawal of Tender Bids for the relevant procedures.
- The Tender Form shall be signed in the space provided on the form. All specified signatures and company seals or specified signatures duly witnessed must be provided. A seal need not be provided if the signer indicates authority to bind the corporation in writing and the signature must be witnessed. If a joint bid is submitted, it must be signed on behalf of each of the bidders and if the signing authority for both bidders is vested in one individual, he/she shall sign separately on behalf of each bidder.
- Overwriting or strike-outs must be initialed by the person signing on behalf of the bidder.
- All bids with specification shall submit two (2) separate, sealed envelopes. Envelope #1 will include documentation and Envelope #2 will include pricing. See Section 5.4.9 Receiving of Tender Bids and Forms 312 and 313.

If any of the tender documents have not been met, the tender shall be considered to be an "Improper Bid" and dealt with as set out in Section 6 entitled Acceptance or Rejection of Improper Bids.

5.4.9 Receiving of Tender Bids

Submission Envelope

A submission envelope #1 using format under Form 312, Tender Documentation shall be provided to the bidder with the following information:

- Clearly Marked "TENDER"
- Project Name and Tender Number
- Bidder Information: Name of Firm, Address, Signature
- Received Information: Received by, Date, Time

Required Envelope Contents for Envelope #1:

- Tender Unit Specifications Sheets (supplied sheets, completed by bidder and signed by bidder)
- Manufacturer's literature for tendered units
- Signed copies of Tender Addendum(s) issued (if applicable)

Commented [RF94]: Same as current PE policy

The first envelope is evaluated and bids ranked before the financial offer (second envelope) is opened, to ensure that price does not influence the technical evaluation of the bid. If the quoted unit specifications are not met as included in envelope #1, envelope #2 is not opened.

A submission envelope #2 using format under Form 313, Tender Pricing may be provided to the bidder with the following information:

- Clearly Marked "TENDER"
- Project Name and Tender Number
- Bidder Information: Name of Firm, Address, Signature
- Received Information: Received by, Date, Time
- Price enclosed in this envelope

Commented [RF95]: Same as current PE policy

Required Envelope Contents for Envelope #2:

- Form of Tender (supplied sheets, completed by bidder and signed by bidder)
- Schedule of Prices - Provisional Items (if applicable)

Tenders received shall be under the control of the Clerk's Department. It is the responsibility of the Clerk's Department to ensure that all tenders are placed in the tender folder provided by the Clerk's Department and that they are clearly marked as to the contents and contract number.

Time and Date Stamping and Recording of Tenders

When a tender is received, the sealed envelope shall be marked with the time and date of receipt and be initialed by the person receiving the tender. Receipt of the tender shall be recorded on Prescribed Form 301, Bid Opening Sheet Report, and tenders shall be deposited unopened in the tender folder provided by the Clerk's Department. Hand delivered bids require that the bidders sign Prescribed Form 314, Bid Receipt as proof of receipt at the time of bid submission. In the case where the submission was not hand delivered, bids will be listed on Prescribed Form 314, Bid Receipt without signature.

Late Submissions

Regardless of the time a bid is received, the envelope shall be time and date stamped. If the bid is received after the time of closing, it shall be refused and returned unopened to the bidder. If a tender is to be returned by mail, it shall be accompanied by a covering letter signed by the Clerk, or designate, stating the tender could not be accepted due to late arrival. If a late bid is received without a return address on the envelope, it shall be opened, address obtained and then returned. The covering letter should then state why the envelope could not be returned unopened.

Action on Correspondence pertaining to Adjustments, Corrections or Restrictions to a Tender

Any correspondence pertaining to adjustments, corrections or restrictions to a tender, which is received with a tender but outside the tender envelope or is received after a tender has been submitted but prior to closing time, shall be considered, and the bidder shall be advised by mail or telephone of the withdrawal procedures if possible and practical.

5.4.10 Withdrawal of Tender Bids Prior to Opening

The withdrawal shall be allowed if the request is received before closing time for the tender. The withdrawal request must be directed to the Department Manager by letter, via regular mail, facsimile or electronic mail. Tenders confirmed as withdrawn prior to being placed in a locked filing cabinet shall be returned unopened to the bidder, upon completion of Form 302, Notice of Withdrawal of Bid.

The withdrawal of a tender does not disqualify a bidder from submitting another tender for the proposed contract.

Withdrawal requests received after the tender closing time will not be allowed. The bidder shall be informed that the withdrawal request arrived too late for consideration. However, when the bids are read out at the bid opening, the bidder may then proceed in accordance with the following section entitled "During the Opening".

During the Opening

The procuring Department Manager and Clerk shall be in attendance at the opening of the tenders. Tenders estimated over \$50,000 require the attendance of the Treasurer.

If more than one tender is read out under the same name for the same contract and no withdrawal notice has been received prior to closing, the tender contained in the envelope bearing the latest date and time stamp shall be considered the intended bid. The first tender received shall be considered withdrawn and returned to the bidder in the usual manner using Form 302, Notice of Withdrawal of Bid.

5.4.11 Opening of Tender

Tenders will be opened publicly during business hours by the Clerk, or Treasurer or designate and recorded by a member of the municipal staff.

Action on Correspondence Found Enclosed in Tender Envelope

If correspondence is found enclosed with a tender which, in the opinion of the

Commented [RF96]: Perth policies silent – used CH

Commented [RF97]: Opening attendees same as PE current policy

Commented [RF98]: Becky Westman/Donna Chaffe – removed type – "Department" in twice

Commented [RF99]: Not in current PE policy but separate procedures say tenders must be opened by one of the following, clerk, deputy clerk, treasurer or deputy treasurer

Department Manager, could disqualify the bid in any way, the tender shall initially be considered as an "Improper Bid" and shall be noted in the record of tenders opened and the tender read out in the normal manner. This correspondence and tender shall be referred to the appropriate personnel for a decision as to acceptance or rejection. See Section 6 Acceptance or Rejection of an Improper Bid.

All Tenders Received Must be Accounted For

When tenders have been opened and sorted, the Clerk or designate shall check the listing of tenders received, and the number of tenders opened to ensure that all tenders received are accounted for. If a discrepancy occurs, the tender opening proceeding shall be delayed until all tenders have been accounted for.

Reading Out of Bid Amount and Listing Information

Every tender received within the specified time shall be opened in full view of those attending and each bidder's names and the total tendered amount read aloud by the Clerk, Treasurer or designate, and recorded by municipal staff.

Should the reading aloud of all prices be impractical due to a large number of individual prices or options or for reasons where a total price is not stated on the Form of Tender, only the company names of the bidders will be read out at the time of the tender opening.

More Than One Submission Under the Same Name

During the reading out of the tenders, staff shall check for more than one tender under the same name (without notice of withdrawal). If this situation occurs, it shall be dealt with as detailed in the section 5.4.10 Withdrawal of Tender Bids. If two tenders for the same contract are received in the same tender envelope, the signed copy or, if both are properly executed and prices differ, the lower price shall be considered the intended bid.

5.4.12 Checking Tenders

The tenders will be checked by the Department Manager and Treasurer or designates as soon as possible following the tender opening in order to determine that:

- all tender requirements have been met as stated in the tender documents and this policy, and
- all unit prices have been correctly extended and totaled

Tenders which do not conform to the tender requirements or which require mathematical corrections shall be deemed "Improper Bids" and shall be dealt with as set out in Section 6 Acceptance or Rejection of Improper Bids.

5.4.13 Improper Bids and Evaluation of Bids

Following completion of the checking procedures any bids deemed “Improper Bids” shall be so noted on the Record of Tenders Opened. This notation shall clearly state the reason the bid has been considered improper. The appropriate Department Manager shall then decide on the acceptance or rejection of all tenders noted as improper pursuant to the provisions of Section 6, Acceptance or Rejection of Improper Bids.

Evaluation of the bids may be made using Prescribed Form 303, Bid Evaluation and Recommendation by the Department Manager or designate.

5.4.14 Recommendation to Award

Any recommendation to award may be entered on Prescribed Form 303, Bid Evaluation and Recommendation, and will be in favour of a bidder meeting specifications, terms and conditions and whose tender is the most cost effective considering total acquisition cost and other consideration as outlined specifically in Section 6.8, Evaluation Considerations.

Commented [RF100]: Changed lowest to most cost effective

A written report will be forwarded, to Council for ratification. If the most cost effective bid is not accepted the report must clearly state the reasons why it did not meet the specifications.

Commented [RF101]: Changed from lowest to cost effective

5.4.15 Award

When the necessary approvals have been received, the Department Manager may use the appropriate documents to contract for the supply of the tendered goods and/or services.

The Clerk’s Department will notify each of the bidders thanking them for their participation, in writing, by regular or electronic mail or notification under the Perth East website www.pertheast.ca using the Bids and Tenders Module.

5.4.16 Disposition of Bid Deposits

Following the recommendation to award the contract to a specific bidder, bid deposits of all bidders other than the successful bidder, shall be returned to the applicable bidders by regular mail to the last known place of business. The bid deposit of the successful bidder, as well as the bid from the second ranked bidder, shall be held until the contract is executed.

Commented [RF102]: Changed from lowest to ranked

5.4.17 Action When Successful Bidder Does Not Finalize Contract

If the contract has been awarded and the successful bidder fails to sign the contract or provide the necessary security within the time specified in the tender documents, the Department Manager may grant additional time to fulfill the necessary requirement or may recommend the following:

- That the contract shall be awarded to the seconded ranked bidder
- That the contract be cancelled.

In either case, the Tender Bid Deposit of the successful bidder shall be forfeited and forwarded to the Finance Department for deposit

5.5 Request for Proposal – No Value Restrictions

A Request for Proposal is used when a solution to a problem, requirement or objective in the Township is desired or needed. In general, the Request for Proposals process encourages different solutions from vendors and actively searches for better and more creative ideas for supply of goods and services. It provides a process whereby the negotiation and its reward are based on demonstrated competence, qualifications and the technical merits of the Proposal at a fair price

Commented [RF103]: CH2.1 vi

In all cases, proposals shall be coordinated by the using department and any other affected department. The Department Manager will ensure:

- completeness of documentation
- advertisements are arranged
- closing date is scheduled
- vendor contact for information is appropriate.

5.5.1 Proposal Documentation Preparation

The information contained within the proposal documents are the responsibility of the requisitioning or procuring department.

5.5.2 Contents of the Proposal Document

The proposal document will consist of a number of sections. They are described below. When considered in its entirety, the document must contain the appropriate information so that staff evaluating the proposals using Prescribed Form 304, Request for Proposal Evaluation and Recommendation can determine that:

- the bidder understands the full scope of the proposal for which bids have been invited, and
- the bidder is capable and willing to complete the proposed solution/project, and
- the bidder is capable and willing to enter into a legal agreement with the Township for the proposed solution/project
- the bidder offers financial guarantees that a formal agreement will be executed.

Proposal documents will contain at a minimum, the following sections;

- A cover letter
- Proposals must be numbered under the format Department Code – Current Year – Proposal Number. Example: Public Works Landfill Proposal for 2013, being the third proposal document to be circulated by the Township (not department) PW-2013-03
- Summary and Background providing a high level description of what the request for proposal is for and the purpose of the requirement. It may provide background information of the organization requesting proposals as well.
- Proposal Guidelines providing a description of what each responding organization's proposal should contain. It should also include a timeline within which all proposals must be submitted. Any requirements that must be included in each proposal should be described in detail in this section of the proposal.
- Project Purpose and Description providing the purpose and description of the project or work to be performed in as much detail as possible. In order for companies to submit accurate proposals, they need the details of exactly what work needs to be performed and the purpose of the work. The purpose of the work is important because sometimes bidders may be able to provide different but more effective solutions.
- Project Scope will include detail of what exactly is required for the project as well as what is not included as part of the project. In addition to the description of the project, this section should detail any additional work required to achieve the desired result (i.e. research, coding, etc.).
- Project Timeline providing known information about the timeline for the RFP process as well as the project itself. Much of the project timeline will be determined in the project initiation and planning phases once the winning bidder is chosen. However, any known deadlines or timeframes should be listed in this section.
- Budget explaining what bidders include in their proposals regarding budget items. May ask bidders to list pricing a certain way or describe what exactly should be included in the pricing for the proposal. May describe specific items to include or exclude depending on the project or task.

Commented [RF104]: From Form 310 (Glenn's template)

- Bidder Qualifications describing the criteria that will comprise the successful bidder's organization. May solicit examples of work from bidders, contact information for follow on questioning, company history, executive background, information on company size, organizational charts, or any other number of information to aid in the decision making process.
- Proposal Evaluation Criteria describing exactly how proposals will be evaluated. It should include a list of criteria that will be reviewed and describe what is suitable for each of the criteria. The more detail that can be included, the more thorough and complete the proposals should be. See Section 9.2 Methods for Selection for specific evaluation sections for proposals

5.5.3 Advertising

Unless Pre-Qualification is deemed necessary under the criteria listed in Section 4.5 of this Policy, the requisitioning department shall give notice of Requests for Proposal over \$50,000 on the Perth East website www.pertheast.ca under Bids and Tenders Module, and may advertise any proposal on the Perth East website www.pertheast.ca or may advertise according to the publications listed under the Township of Perth East Notice By-law 69-2002

Commented [RF105]: Same as tender section

Commented [RF106]: Added website – web sites included in other Perth Policies

Commented [RF107]: Glenn – took our specific newspapers

All proposals shall be open for bid by vendors for a minimum period of two weeks unless critical or exceptional time constraints limit the period available for bidding.

5.5.4 Release of Information to Prospective Bidders

Upon the request of a prospective bidder or to pre-qualified bidders, the procuring Department Manager or designate shall supply the following material for each contract:

- one copy of the official Proposal
- standard proposal envelope(s), if applicable
- fees may apply for proposal packages as outlined under Schedule A of the Township of Perth East Fees and Charges By-law

A list of prospective bidders will be listed under the Plan Takers Report on the Perth East website www.pertheast.ca Bids and Tender Module or by using Prescribed Form 311 List of Plan Takers, for manual proposals. The Plan Takers Report will facilitate the distribution of addenda and when necessary to extend or cancel a request for proposal under procurement call. However, where pre-qualification requirement exists and the pre-qualification process is complete, the release of the proposal documents will be to qualified bidders only.

Proposal documents not posted on the Township website www.perthesat.ca Bids and Tender Module will be provided to the Clerk's Department prior to sending out documents

5.5.5 Preparation of Addenda

Addenda will be issued under the following circumstances:

- Interpretation of proposal documents as a result of queries from prospective bidders
- Revisions, deletions, additions or substitutions of any portion of proposal documents

The Department Manager or designate shall approve the issuance of any addenda.

5.5.6 Notification of Addenda to Prospective Bidders

Addenda are uploaded to the Perth East website www.pertheast.ca Bids and Tender Module and emailed to plan takers. A copy of all addenda shall be sent to all plan takers by email, regular mail, or fax for manual proposals. All remaining proposal documents not yet distributed shall have the addenda appended.

Where an addendum must be issued later than two business days prior to the specified closing date, the closing date may be extended to allow four business days between the issuance of the addendum and the revised closing date. This extension is optional and shall be used as required.

5.5.7 Closing Date Extension or Proposal Cancellation

When it becomes necessary to extend the closing date or to cancel the proposal, all prospective bidders who received proposal documents shall be notified of the cancellation using the method for notification of addenda detailed above.

When the closing date for receiving proposals has been extended, proposals already received shall be handled as follows:

- If the extension of time is two weeks or less, the bidder shall be advised that the proposal shall be returned upon request.
- If the extension of time is greater than two weeks, all proposals shall be returned unopened.

When a proposal is cancelled, no bid will be accepted. All proposals shall be returned unopened to the bidders by hand or by regular mail with a covering letter signed by the Department Manager or designate.

Commented [RF108]: Same as tender

Commented [RF109]: Same as tender section

5.5.8 Submission Requirements for Proposals

All proposals shall be submitted to the Office of the Clerk.

Proposals are required to conform to the conditions listed below:

- Proposal on Prescribed Form 310, Request for Proposal (RFP) or substitute, must be in the possession of the Clerk, or designate, on or before the proposal closing date and time.
- The proposal must be legible, completed in a non-erasable form.
- Adjustments by telephone, letter, facsimile, or electronic mail to a proposal already submitted will not be considered. A bidder desiring to make adjustments to a proposal must withdraw the proposal. See Section 5.5.10 Withdrawal of Proposals, for the relevant procedures.
- Proposal on Prescribed Form 310, Request for Proposal (RFP) or substitute shall be signed in the space provided on the form. All specified signatures and company seals or specified signatures duly witnessed must be provided. A seal need not be provided if the signer indicates authority to bind the corporation in writing and the signature must be witnessed. If a joint proposal is submitted, it must be signed on behalf of each of the bidders and if the signing authority for both bidders is vested in one individual, he/she shall sign separately on behalf of each bidder.
- Erasures, overwriting or strike-outs must be initialed by the person signing on behalf of the bidder.

If any of the proposal documents have not been met, the proposal shall be considered to be an "Improper Bid" and dealt with as set out in Section 6 entitled Acceptance or Rejection of Improper Bids.

5.5.9 Receiving of Proposals

Receipt of Proposals

Proposals submitted shall be stamped with the date and time received and initialed by the staff member accepting the Proposal. Hand delivered bids require that the bidders sign Prescribed Form 314, Bid Receipt as proof of receipt at the time of bid submission. In the case where the submission was not hand delivered, bids will be listed on Prescribed Form 314, Bid Receipt without signature. All proposals shall be kept in the Corporate Vault at the close of business until opened.

Late Submissions

Any proposals received after the appointed time and date will be stamped with the

date and time and returned unopened to the bidder with a letter of explanation. If a late bid is received without a return address on the envelope, it shall be opened, address obtained and then returned. The covering letter should then state why the envelope could not be returned unopened.

Action on Correspondence pertaining to Adjustments, Corrections or Restrictions to a Tender or Proposal

Any correspondence pertaining to adjustment, corrections or restrictions to a proposal, which is received with a proposal but outside the proposal envelope or is received after a proposal has been submitted but prior to closing time, shall be considered.

5.5.10 Withdrawal of Proposals

Prior to Opening

The withdrawal shall be allowed if the request is made before closing time for the proposal. The withdrawal request must be directed to the Clerk by letter or email. Telephone or other verbal requests shall not be considered. Proposals confirmed as withdrawn shall be returned unopened to the bidder.

The withdrawal of a proposal does not disqualify a bidder from submitting another proposal for the proposed contract.

Withdrawal requests received after the proposal closing time will not be allowed. The bidder shall be informed that the withdrawal request arrived too late for consideration. However, when the bids are read out at the bid opening, the bidder may then proceed in accordance with the following section entitled "During the Opening".

During the Opening

Proposals are not formally opened in public nor is it necessary for the Township to disclose prices of terms at the time of closing. The requisitioning Department Manager will open proposals up to \$49,999.99, proposals \$50,000 and over will be opened in the presence of the Clerk or Treasurer.

- Commented [RF110]: First sentence same as Perth policies
- Commented [RF111]: Glenn..added for the Township
- Commented [RF112]: \$ limits for opening same as other procurement methods

All Proposals Received Must be Accounted For

When proposals have been opened and sorted, the Clerk shall check the listing of proposals received, and the number of proposals opened to ensure that all proposals received are accounted for. If a discrepancy occurs, the proposal opening shall be delayed until all proposals have been accounted for.

5.5.11 Checking Proposals

The proposals will be checked by the Department Manager or designate as soon as possible following the proposal opening in order to determine that:

- All proposal requirements have been met as stated in the proposal documents and this policy, and
- All unit prices have been correctly extended and totaled.

5.5.12 Improper Bids and Evaluation of Bids

Following completion of the checking procedures any bids deemed “Improper Bids” shall be so noted on the Record of Proposals Opened. This notation shall clearly state the reason the bid has been considered improper. The appropriate Department Manager shall then decide on the acceptance or rejection of all proposals noted as improper pursuant to the provisions of Section 6 Acceptance or Rejection of Improper Bids.

Evaluation of the bids may be made using Prescribed Form 304, Proposal Evaluation and Recommendation by the Department Manager or designate.

5.5.13 Recommendation to Award

Any recommendation to award will be entered on Prescribed Form 304, Proposal Evaluation and Recommendation, and will be in favour of a proposal that is the most cost effective considering total acquisition cost as per Section 1, Mission, Vision and Values and other consideration as outlined specifically in Section 6.8 Evaluation Considerations.

Commented [RF113]: Amended wording – per Bill Wilson

Commented [RF114]: Changed from lowest to most cost effective

5.5.14 Award

Proposals up to \$19,999.99 are approved by the Department Manager, proposals up to \$49,999.99 are approved by the CAO and proposals \$50,000 and over are approved by Council. When the necessary approvals have been received, the Department Manager may use the appropriate documents to contract for the proposal.

The Clerk’s Department will also notify, in writing, each of the unsuccessful bidders thanking them for their participation.

5.5.15 Disposition of Bid Deposits

Following the recommendation to award the contract to a specific bidder, bid deposits of all bidders other than the successful bidder, shall be returned to the applicable bidders by regular mail to the last known place of business. The bid deposit of the successful bidder, as well as the bid deposit from the second ranked bidder, shall be held until the contract is executed.

Commented [RF115]: Changed lowest to ranked

5.5.16 Action When Successful Bidder Does Not Finalize Contract

If the contract has been awarded and the successful bidder fails to sign the contract or provide the necessary security within the time specified in the proposal

documents, the Department Manager may grant additional time to fulfill the necessary requirement or may recommend the following:

- That the contract shall be awarded to the next ranked bidder
- That the contract be cancelled.

In either case, the Proposal Bid Deposit of the successful bidder shall be forfeited and forwarded to the Finance Department for deposit.

SECTION 6: ACCEPTANCE OR REJECTION OF IMPROPER BIDS

6.1 Handling of Bids

Extreme care shall be exercised to ensure that Improper Bids are handled in a manner which is fair to the other bidders as well as the public.

The decision as to whether an Improper Bid shall be accepted or rejected shall be based upon the following considerations:

- Is the intention of the bidder clear?
- Has the bidder made a conscientious attempt to comply with the submission requirements?

The following are guidelines only and are intended to illustrate some of the discretion allowed. The Department Manager will review each case.

	IRREGULARITY	RESPONSE
1	Late bids	Automatic rejection
2	Unsealed envelopes	Automatic rejection
3	Not completed in a non-erasable form	Automatic rejection
4	Incomplete bids – part bids – all items no bid	Automatic rejection <i>except</i> where the procurement form clearly states that an award may be made for individual items or where in the opinion of the Department Manager the incomplete nature is trivial or insignificant
5	Qualified bids – qualified or restricted by an attached statement	Automatic rejection <i>except</i> where the change is requested by the Township or where, in the opinion of the Department Manager, the change is trivial or insignificant
6	Financial security not submitted or insufficient	Automatic rejection
7	Bid not properly signed	Automatic rejection
8	Mathematical errors	May be accepted if corrected in the checking procedure. Unit prices shall ordinarily be used to correct extensions
9	Agreement to bond insufficient or not submitted	Automatic rejection
10	Bids received on documents other than those provided by the Township	Automatic rejection unless, in the opinion of the Department Manager, the matter is trivial or insignificant
11	Changes which are minor i.e. address	May be accepted, time limit given to initial
12	Unit prices have been changed but not initialed and the contract totals are consistent with the unit price as amended	May be accepted, time limit given to initial
13	Unit prices have been changed but not initialed and the contract totals are not consistent with the unit prices as amended	Automatic rejection
14	Minor clerical errors	May be accepted, time limit given to correct and initial

15	Documents, in which all necessary addenda, which have financial implications, have not been acknowledged	May be accepted, only if omission of the acknowledgement is insignificant. The Department Manager and the Treasurer or Finance staff person shall determine if the omission is insignificant
16	Other minor irregularities	May be accepted. If the irregularities are a minor irregularity, the Department Manager shall have authority to waive the irregularity.

6.2 Decisions on Improper Bids

When an Improper Bid must be rejected as outlined above, the amount of the bid shall be recorded on the Bid Opening Sheet Report using Prescribed Form 301 for under disqualified bids. Bids will not be reported when the two (2) envelope system is used. All tenders will be then be reviewed by the Department Manager in order to recommend an award. The report shall recommend acceptance or rejection of any Improper Bids and shall recommend the award of the contract.

6.3 Conflict of Interest

No elected official or Employee, nor any corporation of which an elected official or Employee has an interest, shall offer any bid, or otherwise sell any goods or services to the Municipality, unless such interest is disclosed and they do not participate in the purchasing process in any way.

No elected official or employee, nor any corporation of which an elected official or employee has an interest, shall discuss a bid solicitation with a person, or any officer, employee or agent of the person who has submitted a bid to the Municipality, unless the procurement call has been awarded or for the purpose of receiving clarification.

No elected official or employee shall purchase or offer to purchase, on behalf of the Municipality, any Goods and Services, except in accordance with this Policy.

All consultants (e.g.: architects, engineers, etc.) retained by the Municipality shall disclose to the Municipality prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Municipality as directed by the Department Manager may, at its discretion, withhold the assignment from the consultant until the matter is resolved. Furthermore, if during the conduct of a Municipality assignment, a consultant is retained by another client giving rise to a potential conflict of interest then the consultant shall so inform the Municipality

Commented [RF116]: Same as Perth Policies

6.4 Local Preference

In accordance with the Discriminatory Business Practices Act, RSO, 1990, Chapter D.12, as amended, there will be no local preferences for purchases. All else being equal, preference will be given to purchase goods/services firstly from Perth East based businesses, secondly from businesses located in the south west region of Ontario, and thirdly from Canadian owned businesses.

Commented [RF117]: Same as Perth policies

6.5 Specifications

The Department Manager, whose budget provides for the subject Procurement, shall be responsible for the preparation of the specifications for a quotation or tender. These specifications may require the assistance of professional and/or Consulting Service Providers in order to satisfy legal and liability issues.

Commented [RF118]: Same as Perth Policies

Specifications should be detailed, may be brand specific, but shall leave room where possible for potential vendors to provide alternatives in the event an equal or better-proven product or method is available and shall not deter a competitive process. The Township will decide if an alternative is acceptable. In such cases where the specifications will result in a Single Source Procurement (Section 8.2 Single or Sole Sourcing), it shall be at the discretion of CAO to require the department to bring forward a report for Council approval.

Commented [RF119]: Glenn – added where possible"

Commented [RF120]: Glenn – added sentence. The Township will decide if an alternative is acceptable.

Suppliers or potential suppliers should not be requested to expend time, money, or effort to design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected.

In the event that such extraordinary services be required:

- The contracted supplier will be considered as a consultant and therefore be unable to make an offer for the supply of the goods and services, unless approved by the Department Manager and the CAO;
- A fee shall be paid; and
- Detailed specifications shall be approved by the Department Manager of the initiating department and shall become the property of the Municipality for use in obtaining competitive bids.

6.6 Compliance with Legislation

Procurement activities shall be subject to all applicable Municipality policies and by-laws and specific provisions of the Municipal Act, S.O. 2001 and all other relevant Federal and Provincial legislation.

Commented [RF121]: SAME AS PERTH POLICIES

6.7 Legal Claims

No tender, proposal or quotation will be accepted from any company or subsidiaries or sub-contractors who have a claim or instituted a legal proceeding against the

Municipality or against whom the Municipality has a claim or instituted a legal proceeding with respect to any previous contract, without prior approval by Council.

6.8 Evaluation Considerations

In addition to acquisition, maintenance and lifecycle costs, consideration may be given to the following in determining the successful bidder:

- The ability of, capacity, and skill of the bidder to provide the goods or services requested,
- The ability of the bidder to perform the contract or provide the services promptly or at the time specified without delay or interference,
- The character, integrity, reputation, judgment, experience and efficiency of the bidder,
- The quality and performance of previous contracts, goods or services,
- The sufficiency of financial resources and ability of the bidder to perform the contract or provide the goods or service,
- The quality, quantity, availability and adaptability of the goods or contractual services to the particular use required,
- The ability of the bidder to provide future warranty, maintenance and services for the items acquired, and,
- The number and scope of conditions attached to the bid, including payment terms,
- Any specifications are met,
- Any terms and conditions are met,
- Acquisition cost,
- Maintenance cost,
- Lifecycle cost for future replacement,

Requests for Proposal, excluding Requests for Proposals for Consultants, Engineers, Architects, and Trainers, are evaluated taking into consideration to the following in determining the successful bidder:

- Overall proposal suitability: proposed solution(s) must meet the scope and needs included herein and be presented in a clear and organized manner
- Organizational Experience: Bidders will be evaluated on their experience as it pertains to the scope of this project
- Previous work: Bidders will be evaluated on examples of their work pertaining to this project as well as client testimonials and references
- Value and cost: Bidders will be evaluated on the cost of their solution(s) based on the work to be performed in accordance with the scope of this project
- Technical expertise and experience: Bidders must provide descriptions and documentation of staff technical expertise and experience

SECTION 7: EXEMPTION FROM PROCUREMENT POLICIES

The purchasing methods described in this policy do not apply to the following Goods and Services:

Commented [RF122]: Same as Perth Policies

7.1 Municipality Staff Training and Education

- Registration, accommodation and tuition fees for conferences, conventions, courses and seminars
- Magazines, books and periodicals
- Memberships
- Staff development or workshops

7.2 Refundable Employee/Councilor Expenses

- Advances
- Meal allowances
- Travel
- Miscellaneous Expenses

7.3 Employer's General Expenses

- Payroll Deduction and Employer Remittances
- Employee Salaries and Wages
- Petty Cash Items
- Licenses
- Debenture Payments
- Grants to Agencies
- Damage Claims
- Tax Remittances
- Insurance Premiums

7.4 Professional and Special Services

- Committee fees
- County/School Boards/ Conservation Authority fees
- Realty services regarding acquisition, disposal or appraisal of land

- Advertising services required by the Municipality on or in radio, television, newspaper or magazines
- Utility Relocations
- Bailiff or collection agencies
- Freight charges
- Utilities
- Provision of professional and skilled services to individuals as a part of approved budgets
- Postal Charges

7.5 Real Property

The disposal or sale of real property shall be governed under Township Corporate Policy #CL-1.06, Sale of Corporate Property.

Commented [RF123]: Same as perth policies but put in exceptions rather than a separate part of policy

7.6 Other

Any payments required to be made by the Municipality under statutory authority.

SECTION 8: NON-COMPETITIVE PROCUREMENT

Commented [RF124]:

8.1 Negotiated Procurement

Notwithstanding the requirements of Section 4 General Procurement Process, Section 5 Procurement Methods and Section 6 Acceptance or Rejection of Improper Bids herein, the Department Manager may, under the following conditions, negotiate with one or more bidders and in such cases the requirement for inviting tenders or quotations is waived:

Commented [RF125]: Same as Perth Policies

- When in the judgment of the Department Manager, goods are judged to be in short supply due to market conditions;
- When compatibility with an existing product, facility or service is required or to avoid violating warranty/guarantee requirements when service is required;
- Where two or more identical bids have been received;
- Where the most cost effective tender or quotation meeting specifications and the terms and conditions exceed the approved budget of the goods and services and it is impractical to re-bid;
- When all bids received fail to meet the specifications or tender terms and conditions and it is impractical to recall tenders or quotations;
- When no bids are received in competitive process;
- When only one bid is received in a tender or quotation;
- When work is required at a location where a contractor has already been secured through a tender process, with established unit prices and it is

Commented [RF126]: Changed from lowest to cost effective

considered to be beneficial and cost effective to extend the unit prices for the work to be completed;

- When the required item is covered by an exclusive right, such as a patent, copyright or exclusive license;
- When the procurement is already covered by a lease-purchase agreement where payments are partially or totally credited to the purchase;
- When construction or renovation work on a leased building may be performed only by the lessor of the building;
- For the extension of a contract which has expired and unforeseeable circumstances have caused a delay in issuing a new tender/proposal document;
- The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience;
- If there is imminent danger to life or property where time does not permit a competitive bidding process.
- The CAO may permit the purchase of goods or services for specialized products or services when changing a supplier will result in additional costs or operational problems. The procurement must meet the principles established in this policy ensuring the most cost-effective methods are used to purchase goods and services for the Township and to ensure the prices paid for goods and services make optimum use of Municipal resources.

When negotiations are deemed necessary, they shall be carried out by the Department Manager, subject to approval by the CAO upon completing Prescribed Form 202, Negotiated or Non Competitive Checklist and the remaining provisions of this procedure shall apply. Form 202, shall be filed in the vendor accounts payable file.

8.2 Single or Sole Sourcing

In circumstances set out in Section 8.1, Negotiated Procurement of this procedure and where the expenditure will exceed \$20,000, approval must be obtained from Council prior to negotiations with the single source. The Department Manager shall be responsible for submitting a report detailing the rationale supporting the use of the Single Source.

Commented [RF127]: Same as perth policies. Changed the value from \$10K to \$20 to current PE policy and omitted last paragraph

SECTION 9: PROCEDURE FOR ENGAGING CONSULTANTS, ENGINEERS, ARCHITECTS, AND TRAINERS

9.1 Criteria for Selection

Procurement costs are not indicative of which procurement method is chosen for the selection of consultants. The Department Manager may choose either the Direct Method or Request for Proposal at his or her discretion. The following criteria will be considered in the selection of consultants:

- Competence and experience on similar projects;
- Previous experience and satisfactory performance in carrying out similar and related work in the Township, including ability to complete work within the required time frame and project budget;

Commented [RF128]:

Commented [RF129]: Section 6.5 in Perth Policies under Performance Evaluation – used CH policy here + some of Perth policies to give more direction

9.2 Methods for Selection

9.2.1 Direct Appointment - Annual Fees \$20,000 and Under

Direct appointment is beneficial and cost-effective for the Township and consultant for the small size and routine projects.

A list of consultants that wish to perform services for the Township and have completed previous projects satisfactorily at fair and reasonable prices will be prepared and updated annually using Prescribed Form 104, List of Approved Consultants. The CAO will review and approve the consultant listing annually.

The projects will be distributed equitably among the qualified local consultants who have demonstrated initiative, competence, responsibility and cooperation in carrying out past services for the Township and are familiar with Municipal standards and specifications. After meeting with staff, the consultant will submit a proposal outlining the services to be provided, personnel to be assigned, proposed schedule and estimated fees. If the proposal is acceptable, then staff will prepare a report recommending the retention of the consultant. This method

Commented [RF130]: Different than Perth Policies – added two levels of selection rather than just RFP's – can use direct for smaller jobs. Did not include the requirement to have the CAO prepare a report to each new Council on performance levels of consultants.

applies to repetitive, routine and small size projects with fees under \$20,000, before taxes. Typical projects include road construction or rehabilitation, minor renovations, feasibility studies, research studies, etc.

9.2.2 Request for Proposal – Annual Fees Over \$20,000

Staff defines the project and the scope of the services required. Qualified consultants will be invited to submit proposals. Terms of Reference outlined below are guidelines to be considered for use in this process using Form 307, Evaluation of Consultants, Engineers, Architects, and Trainers.

- Objectives of the project
- Scope of services and Township insurance requirements
- Budget for the project
- Schedule and timing
- Deliverables including contract documents and approvals
- Type, size and general content of the proposal
- Factors and weighting for the evaluation of the submission.

Staff will then evaluate the proposals submitted, conduct interviews and check references, if warranted, prior to preparing a recommendation for approval of Council. The following criteria may be used in the evaluation:

- Qualifications and expertise of the key personnel assigned to the project
- Previous experience and performance in carrying out similar projects
- Availability of key personnel locally
- Understanding of the project objectives
- Proposed approach and methodology
- Proposed schedule
- Proposed fees.

This method applies to complex, specialized and large size projects.

SECTION 10: SPECIAL TYPES OF PROCUREMENT

10.1 Emergency Purchases

Where a situation arises requiring immediate procurement of goods or services essential to prevent serious delays in the work of any department or which might involve danger to life, health or safety of employees or the public, or to prevent damage to property, Township of Perth East may purchase the required goods or services notwithstanding any other provision in this policy. The CAO must be informed of this situation.

Commented [RF131]: Section 6.4 of Perth Policies

Emergency purchases will have regard to the provisions of this policy and the purchasing procedures, and will be handled as swiftly and cost effectively as possible.

Commented [RF132]: Same as Perth Policies

All such authorizations to purchase services, work or goods shall be reported on Prescribed Form 203, Emergency Purchase Report and those exceeding \$25,000 before taxes shall be reported to Council after the emergency is over by the Department Manager responsible for the purchase.

Commented [w133]: Same as Perth policies except only report to Council over \$25K and use Form 203 - took inclusive of all taxes out and replaced with before taxes

Commented [RF134]: Same as Perth policies except only report to Council over \$25K and use Form 203

10.2 Disposal of Surplus Goods

Surplus goods means any items no longer having any use to the Township or in excess of the needs of the Township, inclusive but not limited to obsolete supplies, scrap materials and vehicles, but excluding real property. Where any goods are considered to be surplus, the Department Manager shall issue a report for Council to declare the item(s) to be surplus, except where the replacement of goods has already been approved or discussed by Council in open session, such as through budget deliberations.

Commented [RF135]: Changed the first sentence of surplus definition but then used Perth policies

Commented [RF136]: Post Mgmt Review – added value of \$1,000 to alleviate administrative work for surplus goods of little or no value

Surplus items may be disposed of through formal auction, internet auction, tender or quotation or trade-in, whichever is in the best interest of the Corporation at the discretion of the Department Manager. All assets shall be accepted as is or where is and without warranty or guarantee. The new owner shall assume all risk and expense associated with these assets. An information report shall be submitted to Council listing all surplus items and the value obtained for each.

Where the Department Manager determines that the item has limited market value, the Department Manager may, to the benefit of the Corporation, dispose of the item in a manner other than the ones listed above.

Commented [RF137]: Added that the Dept Mgr determines limited market value

The Department Manager shall complete Form 105, Surplus Goods Disposal Form for all goods disposed. Any revenue from the sale of surplus goods shall be credited to the appropriate revenue account.

Commented [RF138]: Post Mgmt Review – Bill Hunter request – added form to dispose surplus goods.

10.3 Purchase of Used Fleet Equipment

Department Managers may purchase used fleet equipment that is sold by other municipalities by private sale or public auction, sold through a vendor licensed to sell used equipment, sold by sealed bid or by negotiation provided that:

Commented [RF139]: Same as Perth Policies

- The equipment meets or exceeds the departmental equipment requirements, and the purchase is part of the approved annual budget;
- It is documented that it is fiscally responsible to purchase a used piece of equipment rather than purchase new;
- If the total expenditure per piece of equipment exceeds \$25,000, a report will be forwarded to Council detailing purchase information and expenses for approval prior purchase.

10.4 Leasing

In certain circumstances, it may be economically advisable for the Municipality to enter into a financing lease to acquire the rights to use capital property and equipment rather than an outright purchase. In such cases, the Municipality will follow the Municipal Act, 2001, Regulation 46/94 as amended by 401/02. Regulation 46/94 requires the passing of a Township Leasing Policy.

For any lease, a report initiated by the Treasurer shall be issued to Council for its approval.

Commented [RF140]: Same as Perth Policies but added conditions in regulation that being that a lease policy must be passed

SECTION 11: STATEMENT OF ETHICS FOR PUBLIC PROCUREMENT

All employees who are authorized to purchase goods and services on behalf of the Township of Perth East are to adhere to the following code of ethics:

Commented [RF141]: Used same ethics as all Perth policies – a schedule in their policies

- **Purchasing Process:** Dealings with those involved in the procurement process must be open and honest. This includes all businesses with which this Township contracts or from which it purchases goods and services, as well as all members of staff and of the public who utilize the services of the Township.
- **Award Recommendations:** Award recommendations for all contracts and tenders must be fair and impartial. This means that preferential treatment shall not be extended to any vendor. Not only is it against the law, it is not good business practice, since it limits fair and open competition for all vendors and is, therefore, a detriment to obtaining the best possible value.
- **Personal Integrity:** An irreproachable standard of personal integrity on part of all those designated as purchasing representatives for the Township must be met. Business gifts, other than items of small intrinsic value should not be accepted. The frequency and nature of gifts or hospitality accepted should not be allowed whereby the recipient might be or deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality or gifts.

Commented [RF142]: Took out "for each tax dollar" – stopped at value.

Commented [RF143]: Took out However, reasonable hospitality with a value not exceeding \$50 is an accepted courtesies of a business relationship.

Also, the purchasing representatives of this Township do not publicly endorse one company in order to give that company an advantage over others.