THE CORPORATION OF THE COUNTY OF PRINCE EDWARD

By-law No. 3204-2013

A BY-LAW TO REGULATE THE ACQUISITION OF GOOD AND SERVICES AND THE DISPOSAL OF SURPLUS EQUIPMENT FOR THE CORPORATION OF THE COUNTY OF PRINCE EDWARD

WHEREAS Section 270(1) of the Municipal Act, 2001, S.O. 2001, c.25 as amended, a municipality shall adopt and maintain policies with respect to it procurement of goods and services;

AND WHEREAS The Corporation of the County of Prince Edward desires to adopt policies and procedures for the acquisition of goods and services and for the disposal of surplus equipment in accordance with the terms and conditions as set out in the Purchasing By-law attached to this By-law as Schedule ‘A’.

NOW THEREFORE the Council of the Corporation of the County of Prince Edward enacts as follows;

1. THAT the Purchasing By-law substantially in the form attached hereto as Schedule ‘A’ to this by-law be and the same is hereby approved.

2. THAT By-law 1636-2005 is hereby rescinded.

3. THAT the provisions of this by-law shall come into force and effect on the day of final passing thereof.

Read a first, second and third time and finally passed this 5th day of March, 2013.

Victoria Leskie, CLERK

Peter A. Mertens, MAYOR
PURCHASING BY-LAW 3204-2013

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SCHEDULE "B" - COMPETITIVE BID PROCEDURES/PROCESSES

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Revised: January 2013
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SCHEDULE “A”

PURCHASING POLICY
1. PURPOSE & DEFINITIONS

1.1. Purpose

The purposes, goals and objectives of this By-law and of each of the methods of procurement authorized herein are:

i. to obtain the best value for the County when procuring Goods, Services and Construction, considering the total cost, quality, service, availability, and other matters relevant to the County;

ii. to encourage competition among suppliers;

iii. to make Goods, Services and Construction providers accountable to the Municipality and the public;

iv. to ensure fairness between bidders, as determined by the County;

v. to ensure objectivity in the procurement process, where feasible;

vi. to the extent possible, ensure openness, accountability and transparency while protecting the financial best interests of the Municipality;

vii. to avoid conflicts between the interests of the County and those of the County’s employees and members of Council;

viii. to minimize risk to the County.

1.2. Definitions

In this By-law,

"Award" means authorization to proceed with the purchase of Goods, Services and Construction from a chosen supplier;

"Bid" means an offer or submission from a supplier in response to a Request for Quotation, Tender, or Request for Proposal;

"Bidder" means any proponent, bidder, tenderer, or proposed supplier responding to any Bid;

"Bid Bond" means the form of security required by the terms and conditions of Bid Solicitation documentation to guarantee that the successful bidder enters into a contract with the County;
"Bid Deposit" means a deposit of funds required by the terms and conditions of Bid Solicitation documentation to guarantee that the successful bidder enters into a contract with the County;

"Bid Solicitation" means a formal request for bids that may be in the form of a Request for Quotation, Request for Tender, or Request for Proposal;

"Blanket Purchase Order" means an agreement between the County and a supplier under which the supplier will sell certain "like" small dollar value item(s) to the County;

"Chief Administrative Officer" means the County's appointed Chief Administrative Officer (C.A.O.), or Designate;

"Commissioner" means a person appointed by the Chief Administrative Officer with administrative responsibilities for a group of departments, or Designate;

"Conflict of Interest" means a situation where a personal or business interest of a Councillor, officer or employee of the County is in conflict with the best interests of the County, and includes:

i. the giving or receiving of a direct or indirect personal gain or benefit, or a direct or indirect advantage or privilege, by any business or individual that provides advice, Goods, Services or Construction to the County or a family member of such business that provides Goods, Services or Construction;

ii. employment by the County; and

iii. a direct or indirect interest in any business that provides Goods, Services or Construction to the County;

"Construction" means services and materials relating to construction of buildings, roads, underground services and other facilities and structures;

"Contract" means a binding agreement between two or more parties that creates an obligation to do or provide a particular Good, Service, or Construction;

"County" means THE CORPORATION OF THE COUNTY OF PRINCE EDWARD and its local boards;

"Council" means the Council of the County;

"Department" means any department of the County, the operation of which a Department Head and/or Commissioner is responsible for;
"Department Head" means a Director, Administrator or Manager of the County who is responsible for the operation of a Department, or Designate;

"Designate" means a person authorized by the Chief Administrative Officer, a Commissioner, Director of Finance or Department Head to act on his/her behalf, for the purpose of this By-law;

"Director of Finance" means the Director of Finance, or designate who is responsible for the operation of the Purchasing Division;

"Expression of Interest" means a written detailed proposal submitted in response to a Request for Expression of Interest;

"Emergency" means a situation where the immediate purchase of Goods and/or Services is essential to prevent a threat to health, welfare, safety of people, or any further damage to property, or to restore, or prevent serious delays in the delivery or restoration of, municipal services;

"Fair Market Value" means the price that would be paid, in an open and unrestricted market, by a knowledgeable and willing purchaser to a knowledgeable and willing vendor, both of whom are dealing at arm's length, are fully informed and are not under any compulsion to transact with one another;

"Goods" means moveable property including,

i. the costs of installing, operating, maintaining or manufacturing such moveable property, and

ii. raw materials, products, supplies, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a Construction Contract;

"Holdback" means an amount withheld under the terms of a Contract to be used as security for the completion or performance of the Contract, and to avoid overpayment in relation to the progress of work;

"Highest Scoring Bid" means the Bid that would provide the County with the desired Goods, Services and Construction at the optimal value, considering all parameters relevant to the Bid and having the highest score using the evaluation criteria determined by the County;

"HST" means the Harmonized Sales Tax in Ontario;
“Invitational Bid” means that a specific number of suppliers will be requested in writing to submit bids;

"Municipality" means the geographic limits of the Municipality of The County of Prince Edward;

"Payment Security" means the form of security required by the terms and conditions of Bid Solicitation documentation to guarantee the payment of labour and materials to be supplied in connection with a Contract, which may include a labour and materials bond;

"Performance Security" means the form of security required by the terms and conditions of Bid Solicitation documentation to guarantee the faithful performance of the Contract by a supplier, which may include a performance bond;

"Price Agreement" means an agreement between the County and the supplier of a Good, Service or Construction arrived at following a competitive tender or proposal process, whereby the supplier commits to the County to provide Goods, Services or Construction, as and when needed by the County, at a pre-determined price, for a pre-determined period of time, upon pre-determined terms and conditions;

"Pre-qualification Submission" means a detailed written proposal submitted in response to a Request for Pre-qualification but which does not create any contractual obligation between the party submitting the Pre-qualification Submission and the County, but which may be a pre-condition to further procurement Contracts with the County;

"Progress Payment" means a payment made under the terms of a Contract after the performance of the part of the Contract in respect of which payment is made but before the performance of the whole contract;

"Proposal" means an offer submitted in response to a Request for Proposal, acceptance of which may be subject to further negotiation;

"Purchase" means to acquire Goods, Services or Construction by purchase, rental, lease or trade;

"Purchase Order" means a written order to a supplier formally stating all terms and conditions for the purchase of Goods, Services or Construction or a written acceptance of an offer received in accordance with this By-law;

“Purchasing Clerk” means the person so designated by the County;
"Purchasing Division" means the County's Department responsible for purchasing Goods, Services and Construction for the County in accordance with the requirements of this By-law;

"Quotation" means a binding offer submitted in response to a Request for Quotation;

"Request for Expressions of Interest" means a request made by the County to the market place for the purposes of compiling a list of persons or corporations who may be interested in providing Goods, Services or Construction to the County from time to time;

"Request for Information" means a general market research tool used to determine what products and services are available, scope out business requirements, and/or estimate project costs before a competitive process;

"Request for Pre-qualification" means a request for the detailed submission of the experience, financial strength, education, background and personnel of persons, firms or corporations who may, from time to time, qualify to supply Goods, Services and Construction for the County;

"Request for Proposal" means a request for proposals which may or may not result in further negotiation, or the creation of contractual obligations between the parties, depending on the terms of the Request for Proposal;

"Request for Quotation" means a request for Quotations for the provisions of Goods, Services or Construction to the County;

"Restricted Parties" includes any person who would be defined to be in a conflict of interest under the provisions of the Municipal Act or any other applicable legislation or under the County's Conflict of Interest Policy and any parties who have had direct, recent or current involvement in any selection process in respect of the purchase in question;

"Service" means services provided to the County, generally by individuals or organizations who possess specific knowledge, technical skills or unique abilities, but excludes services relating to a Construction Contract unless otherwise stated;

"Single Sourcing" means the procurement of a good or service from a particular vendor rather than through the solicitation of bids from other vendors who can provide the same item;
"Sole Sourcing" means the procurement of a good or service that is unique to a particular vendor and cannot be obtained from another source;

"Substantive Objection" means a written objection provided to the Purchasing Division or the Commissioner by an interested party giving specific reasons for the objection, which after legal review, is determined not to be trivial, unsubstantiated, or vexatious;

"Successful Bid" means the Bid that would provide the County with the best product or Service as measured by the evaluation criteria and which is compliant;

"Tender" means a written detailed offer from a vendor or Service provider, to supply Goods, Services or Construction to the County.

2. GENERAL PROVISIONS

2.1 This By-law shall apply to all departments and committees of the County.

2.2 The policies and procedures prescribed in this By-law, including all of the purposes, goals and objectives of section 1 hereof, shall be followed for the procurement of all Goods, Services and Construction and for the awarding of any Contract for such items by the County or any of its officers, servants and employees.

2.3 This By-law shall not apply to the procurement of items listed in Schedule "C" Excluded Items.

2.4 Total Project Cost: Where this By-law prescribes financial limits on purchases that may be Awarded on the authority of staff approval authority, or provides for financial limits on purchases required to be reported to Council, for the purpose of determining whether a purchase falls within these prescribed limits, the purchase amount shall be the sum of all costs to be paid to the supplier for that purchase less all taxes and less any rebates.

3. ETHICS & RESTRICTIONS

3.1 No Contract for Goods, Services or Construction may be divided into two or more parts to avoid the application of the provisions of this By-law.

3.2 No personal purchases shall be made by the County for members of Council or any appointed member of a local board
or commission or for County employees or their immediate families.

3.3 No employee of the County having responsibility for declaring Goods surplus or sending items to a public auction, members of their immediate family, or member of Council may bid on any of the County’s surplus goods.

3.4 No employee or Council member shall purchase, on behalf of the County, any Goods, Services or Construction, except in accordance with this By-law.

3.5 Restricted Parties are not eligible to participate as an employee, advisor, consultant, investor, member, shareholder, director, officer, or in any other capacity with any Bidder, proponent, or proposed supplier of Goods, Services, or Construction under any Bid. The County may, in its sole discretion, disqualify any Bidder or terminate any Contract awarded to any Bidder, who uses a Restricted Party as part of any Bid, or who is affiliated with any Restricted Party.

3.6 No Councillor, officer or employee or member of an employee’s family of the County shall accept, directly or indirectly, from any person, company, firm or corporation to which any purchase order or contract is, or might be awarded, any rebate or gift or money that could be construed to be of sufficient value to influence the actions of the Councillor, officer or employee.

3.7 All procurement undertaken by the County shall be undertaken in accordance with the County’s codes of conduct, policies and procedures manual and in accordance with the Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50.

3.8 Where an applicable national or international trade agreement is in conflict with this By-law, the trade agreement shall take precedence.

3.9 Where applicable, each of the procurement procedures set out in this By-law shall be undertaken in compliance with the following steps:

i. the scope of the Goods, Services and Construction shall be clearly and extensively defined by the Bid Solicitation documentation;

ii. the form of Bid Solicitation documentation shall be, to the extent possible, standardized using common forms and processes.
4. RESPONSIBILITIES

4.1 The Director of Finance is hereby given the responsibility of operating a Purchasing Division on behalf of the County in accordance with the requirements of this By-law including ensuring compliance with this By-law. The Director of Finance will be responsible for conducting periodic internal audits to ensure compliance.

4.2 Commissioners and/or Department Heads shall be responsible for and shall have authority for all procurement activity and decisions within their Department, subject to all of the following:

i. all of the purposes, goals and objectives of section 1 of this By-law shall be complied with;

ii. all procurement activities and decisions must be authorized by this By-law and must be carried out within the financial and other limits set out herein; and

iii. no procurement activity or decision shall be contrary to any specific direction of the Chief Administrative Officer, Director of Finance, or Council.

4.3 The Purchasing Division, under the direction of the Director of Finance, shall be responsible for:

i. providing procurement advice and support, including all forms, Contracts, Bonds and all other Bid Solicitation documentation required by each department, the Chief Administrative Officer and Council for the purposes of fulfilling the procurement needs of the County;

ii. the development of co-operative purchasing plans with other levels of government, other governments and local boards, agencies or commissions, where same is found to be in the financial best interest of the County;

iii. the standardization of all Goods, Services and Construction, where possible;

iv. the disposal of Goods and salvage which has been declared surplus by a Commissioner.

4.4 Periodically, due to the nature of the proposed project, a consultant may be retained to facilitate the procurement process. Notwithstanding the foregoing, it shall be the responsibility of the appropriate Commissioner and/or Department Head in concert with the Purchasing Division, to ensure that the provisions of this By-law are adhered to by the consultant.
4.5 The Chief Administrative Officer has the authority to:

i. instruct Commissioners not to award Contracts and to submit recommendations to Council for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interest of the County;

ii. to award and execute contracts as a result of a Bid or Bid Solicitation provided the award meets the following criteria:

   a. the award is within the Chief Administrative Officer’s Approval Authority;

   b. the award is to the lowest responsive and responsible Bidder or the award is to the highest evaluated responsive and responsible Proponent;

   c. no challenges to the Bid process were made;

iii. award contracts during the time that regular Council meetings are suspended, during a period of recess, or for an emergency, the Chief Administrative Officer shall be authorized to award contracts as a result of a Bid or Bid Solicitation that normally would require Council approval, provided that a report is submitted to Council, as soon as reasonably possible, setting out the details of any contract awarded pursuant to this authority;

iv. delegate spending authority limits to staff in accordance with this By-law and all applicable policies.

4.6 This purchasing policy may be overridden through specific direction by Council in the event Council determines it to be appropriate and in the best interests of the County.

4.7 The exercise of all authority to award a Contract is subject to the identification and availability of sufficient funds in accordance with Approval Authorities.

5. **PRESCRIBED COUNCIL APPROVAL**

5.1 Despite any other provision of this By-law, the following acquisitions are subject to Council approval:

i. any acquisition or contract requiring approval from the Ontario Municipal Board;

ii. any acquisition or Contract prescribed by statute to be made by Council;
iii. where a Substantive Objection emanating from the Bid solicitation has been filed with the Purchasing Division;

iv. where a major irregularity precludes the Award of a Tender to the supplier submitting the Highest Scoring Bid;

v. where authority to approve has not been expressly delegated;

vi. where the purchase amount proposed for acceptance is higher than the Council approved estimates or budgeted amounts and the necessary adjustments cannot be made within Budgeted Goods, Services and Construction Reallocation authorities;

vii. any budgeted purchase over $100,000.00 in value or any non-budgeted purchase over $75,000 in value.

6. APPROVAL AUTHORITY AND REPORTING REQUIREMENTS

6.1 Transitional Budget – Pending Approval: Prior to passing of the annual operating budget, each department shall be allowed an interim appropriation of fifty percent (50%) of the previous year’s approved operating budget, and such interim appropriation shall be deemed to be for routine operating and recurring expenditures or statutory purposes unless otherwise directed by Council.

6.2 Approved Budget: Formal approval of the annual operating budget and capital budget constitutes financial approval to proceed with purchases. No award of Bids will take place prior to the approval of the Budget unless the expenditure has been approved in the previous year’s Budget as a multi-year project or Section 6.1 applies.

6.3 For the purpose of the relationship of price to the pre-authorized expenditure limit, sales taxes, excise taxes, HST and duties shall be excluded for the supply of Goods or Services. The splitting of a project or orders to avoid open competition requirements is prohibited.

6.4 In the case of a multi-year supply and/or service contract, the pre-authorized expenditure limit shall refer to the estimated annual expenditure under the contract.

6.5 Budgeted Goods, Services and Construction: The following employees and Council shall have the respective Approval Authority as set out below (see Summary in Schedule F):
THE CORPORATION OF THE COUNTY OF PRINCE EDWARD  
SCHEDULE "A" TO BY-LAW NO. 3204-2013  
POLICY

<table>
<thead>
<tr>
<th>Dollar Thresholds</th>
<th>Approved By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $5,000*</td>
<td>Department Designate</td>
</tr>
<tr>
<td>Up to $25,000*</td>
<td>Department Head</td>
</tr>
<tr>
<td>Up to $50,000</td>
<td>Commissioner</td>
</tr>
<tr>
<td>Up to $100,000</td>
<td>Chief Administrative Officer</td>
</tr>
<tr>
<td>Over $100,000</td>
<td>Council</td>
</tr>
</tbody>
</table>

* Commissioner to delegate Approval Authority, delegated authority shall not exceed dollar threshold.

6.6 Budgeted Goods, Services and Construction Reallocation

6.6.1. The Chief Administrative Officer has the authority to reallocate funds for specific line item Goods, Services and Construction as approved in the Annual Budget up to a maximum of 25% of the budgeted amount or $50,000, whichever is greater. When a reallocation occurs a report to include the reason for the reallocation is to be provided to Council;

6.6.2. Unless otherwise approved by the Chief Administrative Officer, Commissioners have the authority to reallocate funds for specific line item Goods, Services and Construction as approved in the Annual Budget up to a maximum of $10,000.

6.6.3. A specific line item means a budgeted category, such as materials and supplies, professional and contracted services, etc. in a Departments annual budget.

6.7 Non-Budgeted Goods, Services and Construction: It is recognized that unforeseen events arise and there will be requirements for the purchase of non-budgeted Goods, Services and Construction.

6.7.1. The following employees and Council shall have the respective Approval Authority for non-budgeted purchases as set out below (see Summary in Schedule F):

<table>
<thead>
<tr>
<th>Dollar Thresholds</th>
<th>Approved By</th>
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<tbody>
<tr>
<td>Up to $5,000*</td>
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<td>Up to $25,000</td>
<td>Commissioner</td>
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<tr>
<td>Up to $75,000</td>
<td>Chief Administrative Officer</td>
</tr>
<tr>
<td>Over $75,000</td>
<td>Council</td>
</tr>
</tbody>
</table>

* Commissioner to delegate Approval Authority, delegated authority shall not exceed dollar threshold.
6.7.2. When a non-budgeted purchase occurs a report to include the reason for the purchase is to be provided to Council;

6.8 Any awards made through a formal competitive bid process that were not approved by Council will be included in the monthly correspondence listing provided to Council.

7. PROCUREMENT METHODS

The following is a summary of the authorized Procurement Methods for the purchase of goods, services and construction:

<table>
<thead>
<tr>
<th>Procurement Method</th>
<th>Dollar Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td>$250 or less</td>
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<tr>
<td>Comparison Pricing</td>
<td>$1,000 or less</td>
</tr>
<tr>
<td>Informal Quotation</td>
<td>$1,001 to $5,000</td>
</tr>
<tr>
<td>Written Quotation</td>
<td>$5,001 to $25,000</td>
</tr>
<tr>
<td>Request for Quotation</td>
<td>$25,001 to $50,000</td>
</tr>
<tr>
<td>Formal Competitive Bid Process(RFQ, RFP, RFT)</td>
<td>Greater than $50,000</td>
</tr>
</tbody>
</table>

7.1 Petty Cash: Purchases may be made for items of small value by designated employees by way of a petty cash fund. A petty cash fund may be maintained in each department, as needed, and a dollar limit on the purchase of goods for services through petty cash at one time shall not exceed $250. Petty cash vouchers are to be issued for all purchases.

7.2 Comparison Pricing: For purchases up to $1,000 (low dollar value purchases), comparison pricing should be done where practical.

7.3 Informal Quotation: For purchases between $1,001 and $5,000, three (3) informal quotes shall be obtained by telephone, fax email or written request. The supplier shall be selected upon terms and conditions as determined by the Commissioner, Department Head or designate in their sole discretion.

When informal quotes are obtained, whether by telephone, fax, e-mail or written, there is no requirement to follow the formal competitive bid procedure and terms set out in "Schedule B". Negotiations between the Commissioner with the vendors supplying quotes shall be permitted in an attempt to obtain the lowest possible quote.

7.4 Written Quotation: For purchases between $5,001 and $25,000, where possible, three (3) written quotes shall be obtained,
unless otherwise directed the Chief Administrative Officer. Quotations will be obtained using a form created specifically for that purpose outlining specifications and requirements so that there is no question that each vendor is provided with the same information for the purpose of submitting a bid for consideration. The supplier, who in the opinion of the Commissioner offers the product or service in compliance to established evaluation criteria including best price will be selected. A copy of all written quotations obtained shall accompany the Purchase Order when submitted to the Purchasing Clerk.

7.5 **Request for Quotation:** For purchases between $25,001 and $50,000, a Request for Quotation process shall be followed, unless otherwise directed by the Chief Administrative Officer. Quotations will be obtained using a form created specifically for that purpose outlining specifications and requirements so that there is no question that each vendor is provided with the same information for the purpose of submitting a bid for consideration. The supplier, who in the opinion of the Commissioner offers the product or service in compliance to established evaluation criteria including best price will be selected. A copy of all written quotations obtained shall accompany the Purchase Order when submitted to the Purchasing Clerk.

7.6 **Formal Competitive Bid Process:** For purchases in excess of $50,000, a formal competitive bid process shall be used, unless considered a single or sole source procurement. Competitive bids may be issued in conjunction with pre-qualification. Sealed bids shall be obtained using one of the processes described in "Schedule B" under "Calling of Competitive Bids". In the event that a project has direct relevance to a previous project, it must be determined if the previous supplier has a clear advantage in bidding on the next phase. The Commissioner in consultation with the Purchasing Clerk may declare that a formal competition is not appropriate, and they would proceed under the terms of a "single" source project.

7.7 **Notwithstanding** the provisions of Sections 5 and 6 hereof, where an Emergency occurs in the opinion of the Commissioner or their designate, the following provisions shall apply:

i. the appropriate Commissioner shall determine the most feasible acquisition process to secure the lowest price obtainable for the Goods and/or Services required;
ii. for purchases of Goods or Services with the estimated total acquisition cost not exceeding their Approval Authority the appropriate Commissioner shall have authorization to proceed as deemed appropriate and shall record on the applicable receipts and/or invoices for emergency purchase the nature of the emergency; for purchases of Goods or Services with the estimated total acquisition cost exceeding their Approval Authority the appropriate Commissioner shall obtain the approval of the Chief Administrative Officer.

In any event, the appropriate Commissioner shall, within two working days from the date of such purchase, submit a written report concerning the emergency purchase to the Chief Administrative Officer with a copy to the Director of Finance. Such report shall contain the nature of the emergency, the necessity of action taken, and a recommendation on how such an emergency will be prevented in the future.

8. **PRE-QUALIFICATION**

8.1 Request for Pre-qualification is a procurement process used to pre-qualify vendors for subsequent participation in the competitive bid process. The Pre-qualification Submissions from proponents are evaluated against selection criteria, both qualitative and technical, set out in the solicitation, and a list of pre-qualified proponents is generated. The information collected in this process may be used to “short list” potential bidders for supplying goods or services where the timeframe is tight or in the best judgment of the Commissioner and the Purchasing Clerk deems it in the best interest of the County to do so. The information collected will be kept on file by the Purchasing Clerk.

8.2 The Commissioner has delegated authority to select a minimum of three (3) vendors from this list for inclusion in a competitive bid process. When in the opinion of the Commissioner there are less than three qualified vendors, a report will be written detailing the circumstances of that decision and less than three (3) vendors may be contacted with the approval of the Chief Administrative Officer.

8.3 Vendors not participating in the pre-qualification process will be ineligible to compete for contracts to supply goods or services where a prequalification has been performed.

8.4 Selection and evaluation criteria, both qualitative and technical, will be used in determining which of the pre-qualified
components is actually awarded any contract or proposal, notwithstanding pre-qualification.

9. NON COMPETITIVE PURCHASES

When a Commissioner intends to select a supplier to provide Goods or Services pursuant to this section, a written report indicating the compelling rationale that warrants a non-competitive selection will be submitted to the Chief Administrative Officer, and where the purchase exceeds the Commissioner's Approval Authority, to the Chief Administrative Officer for approval prior to the selection.

9.1 **SINGLE Sourcing:** The user department must provide suitable justification for requesting a single source.

9.2 **SOLE Sourcing:** The user department must attach supporting documentation from the manufacturer to support the fact that a particular item cannot be obtained from another source.

9.3 Purchases may be made under Section 9.1 or 9.2 where:

i. due to market conditions goods are in short supply;

ii. there is only one source of supply for the goods or service;

iii. the compatibility of a purchase with existing equipment, facilities or services is of paramount consideration and that purchase must be made from a sole source;

iv. an item or service is purchased for testing or trial use;

v. the County purchases supplies for resale;

vi. a product is leased or rented by the County with or without a credit purchase option, and such purchase option would be beneficial to the County;

vii. the consideration for a purchase is to be paid by a third party and that third party agrees to or designates the contractor;

viii. a situation creates immediate and serious need, which may not be reasonably met by any other procedure;

ix. lack of supplies or services may adversely affect the functioning of the County, threaten public or private property or the environment, or jeopardize the health or safety of the public;

x. it is necessary to arrange interim contractual arrangements following the expiration or breach of a
contract, or the receipt of unacceptable or non-competitive bids;

xi. when no bids were received in a competitive process;

xii. when the required item is covered by an exclusive right such as a patent, copyright or exclusion license;

xiii. where supplies are offered for sale by tender, auction or negotiation, such purchase shall be deemed to be a sole source purchase.

10. **CO-OPERATIVE PURCHASING**

10.1 The County may participate with other government agencies or public authorities in co-operative purchasing where it is in the best interest of the County to do so. In this event, the purchasing policy & procedures of the lead agency shall prevail.

11. **PURCHASE ORDERS**

11.1 A Purchase Order shall be issued for all procurement transactions exceeding $5,000 unless a Contract is to be executed for the transaction or if otherwise stipulated herein.

11.2 Under a Blanket Purchase Order any one purchase shall not exceed $1,000 (in keeping with the requirements of section 7), and the total annual purchases made under a Blanket Purchase Order shall not exceed the issuer's Approval Authority.

12. **RECEIPT OF GOODS**

12.1 The Commissioner shall,

i. arrange for the prompt inspection of Goods on receipt to confirm conformance with the terms of the Contract; and

ii. inform the Purchasing Division, if necessary, of discrepancies.

12.2 The Commissioner through information provided by the Purchasing Division shall coordinate an appropriate course of action for any non-performance or discrepancies.

13. **BRAND NAMES**

13.1 Any manufacturer's names, trade names, brand names or catalogue numbers mentioned are for the purpose of establishing and describing general performance and quality levels, unless specified otherwise. Such references are not intended to be restrictive and bids are invited on approved
generic no-name equals and comparable equipment of any manufacturer. However, if a product other than the one specified is bid, it is the bidder’s responsibility to name such product and prove to the County that said product is equal to the specifications, and to submit brochures, samples and or specifications in detail on the item(s) bid upon request. The County shall be the sole judge concerning the merits of bids submitted.

14. Supplier Performance

14.1 The Commissioner or Department Head shall monitor the performance of all procurement Contracts and shall document evidence related to same and shall advise the Purchasing Division in writing where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety, environmental or other violations.

Past experience, including poor past performance may be a factor in awarding contracts. The Commissioner or Department Head may disqualify parties whose past performance was unsatisfactory.

15. Disposal of Surplus Equipment

15.1 Surplus equipment and vehicles include all items that:

i. are not consumable, (i.e. supplies are consumable);

ii. are owned entirely by the County;

iii. are not partially owned by any Ministry of the Province or Federal governments;

iv. are legally transferable under any applicable standing agreement / license with a third party;

v. are equipment or vehicles with a trade-in value which is considered unreasonably low.

15.2 Are declared as surplus equipment or vehicles by the appropriate Department Head and the appropriate Commissioner. Surplus assets and vehicles shall be disposed of in accordance with the County’s Procedure No: FI-270-A, as amended from time to time.

16. Access to Information

16.1 The disclosure of information received relevant to the issue of Bid solicitations or the Award of Contracts emanating from Bid
THE CORPORATION OF THE COUNTY OF PRINCE EDWARD
SCHEDULE "A" TO BY-LAW NO. 3204-2013
POLICY

Solicitations shall be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

16.2 Contents of tender documents and requests for proposals, with the exception of information read publicly at a competitive bid openings, publicly reported to Council, or contained in the Record of Documents Distributed shall be treated as confidential and protected to the extent permitted by law.

17. REVIEW OF BY-LAW

17.1 This By-law will be reviewed on a periodic basis to evaluate the effectiveness of policy and procedure. It is anticipated that reviews will be conducted every five years or more frequently if required.

End of Schedule "A"
SCHEDULE “B”

COMPETITIVE BID PROCEDURES/PROCESSES
1. CALLING OF COMPETITIVE BIDS

1.1. The calling of competitive bids shall be the responsibility of the Purchasing Clerk in response to a request from a Commissioner or their designate.

1.2. In an effort to facilitate a thorough understanding of the nature of the project, the Purchasing Clerk will be advised in advance of any meeting wherein the scope of the project and the means of evaluation will be discussed and/or determined. Evaluation criteria and the weighting of same must be determined prior to release of the bid document. The criteria will be stated in the bid document.

1.3. To facilitate insurance research and creation of a competitive bid document, the Purchasing Clerk will be given a minimum of two weeks or ten working days, once specifications have been provided to him/her, to prepare the document for release.

1.4. Advertisements should appear in the press at least once. The publication(s) selected shall be based on the nature of the Goods, Services and Construction being procured. Placement of advertisements will be the responsibility of the Purchasing Clerk. All advertisements shall be posted on the County’s website. Advertising is not required for Invitational Bids.

1.5. The Purchasing Clerk or their delegate will be responsible for ensuring the distribution of all bid documents, including those prepared by and/or distributed directly by outside sources.

1.6. A comprehensive numbering and tracking system will be maintained by the Purchasing Clerk for all competitive bids issued by the County.

1.7. The use of standard form Bid documentation is required.

1.8. A list of those persons who take bid documents shall be maintained by the Purchasing Clerk or their designate. This document is titled “Record of Documents Distributed” and shall contain the names, addresses and contact numbers of all parties requesting bid documentation.

1.9. The Purchasing Division shall endeavor to provide inquiring members of the public with the information contained in the Record of Documents Distributed for all competitive bids with an estimated value in excess of $100,000.
2. **BID DOCUMENTS**

2.1 The bid document shall be prepared by the Purchasing Clerk in conjunction with project specific information supplied by the Commissioner, Department Head or Designate. All competitive bid packages must be approved by both the Purchasing Clerk and the Commissioner prior to release to the public.

2.2 All bid documents will clearly define any pre-qualification system if used and any evaluation or scoring system to be used.

2.3 Bid documents prepared by outside sources, i.e. Consultants, must be prepared in accordance with this Purchasing By-law. The Purchasing Clerk will be responsible for ensuring document distribution of all bid documents to include those documents distributed directly by an external source.

2.4 Appropriate levels of Insurance coverage for each project will be determined on an individual basis in consultation with the Director of Finance. Insurance coverage may be waived for small value and low risk projects. Where applicable appropriate levels of insurance shall be based on the guidelines set out in Schedule “D” to this Bylaw.

2.5 All bid documents shall be posted on the County’s website. Anyone downloading a document and wishing to submit a bid must ensure that they have registered with the Purchasing Clerk or their designate. The original paper bid document issued by the Purchasing Clerk of the County shall be understood to be the master document in case of all disputes or questions regarding the exact wording of the bid document. In the event of any disputes regarding wording differences in the signed contract and the originally issued bid document on file in Purchasing, the originally issued bid document will prevail.

3. **HEALTH AND SAFETY**

3.1 Prior to release of a bid document, all health and safety considerations shall be addressed.

3.2 Contractors providing Goods, Construction and Services to the County must comply with and be held accountable for meeting the requirements of the Occupational Health and Safety Act.
4. **WSIB REQUIREMENTS**

4.1. The successful candidate will be required to show proof of registration with WSIB or proof of exemption from WSIB requirements before the final awarding of the contract takes place.

5. **PROOF OF CERTIFICATION**

5.1. The County reserves the right to collect any other proof of licensing or certification as deemed necessary.

6. **ADDENDA**

6.1. When it becomes necessary to revise, delete, substitute or add to the bid documents after release, the Purchasing Clerk will issue an addendum.

6.2. A copy of each addendum shall be forwarded by fax and/or email, by the Purchasing Clerk, to all persons registered on the distribution list, and a copy shall be attached to all undistributed bid documents. Addendum sent by fax is accompanied by a “Verification of Receipt” document to be returned promptly by fax to the Purchasing Clerk.

6.3. All addenda shall be posted to the County website. Those who have downloaded the document will be responsible to check the website for addendum prior to submitting their bid.

6.4. Bidders should also acknowledge addendum in the body of the bid document in the space provided. Failure to do so may result in rejection.

6.5. If the addendum is prepared too late to guarantee sufficient notification prior to the closing time, in addition to faxing the addendum, each prospective bidder shall be contacted by the Purchasing Clerk or their designate, to advise of the addendum and the closing date may be extended.

7. **RETURN RECEIPT OF COMPETITIVE BID DOCUMENTS**

7.1. All bids will be received at the Municipal Office located at 332 Main Street, Picton, Ontario, K0K 2T0, Attention: Clerk’s Department, using the appropriate label or envelope as provided in the bid package.
7.2. Failure to use the return label or envelope may result in rejection of the bid.

7.3. When a bid is received, the envelope shall be date and time stamped in accordance with the clock located in the Clerk’s Department. The person receiving the document on behalf of the County will initial in the appropriate area and ensure that the document remains confidential.

7.4. The Clerk shall keep all bids received in a safe and secure location until bid opening.

7.5. Bids will not be unsealed until the official opening date and time.

7.6. The number of bids received and the names of bidders are confidential, and shall not be divulged prior to the opening.

7.7. Late bids delivered by hand (those received after the tender has closed) shall be rejected. Late bids received by mail or courier shall be date and time stamped and initialed by the receiver. The bid shall then be returned to the bidder unopened. Those bids returned by mail must be accompanied by a covering letter stating that the bid could not be accepted due to late arrival. The return of late bids will be the responsibility of the Purchasing Clerk or their designate.

8. TYPES OF FORMAL COMPETITIVE PROCESSES

8.1 Request for Proposal (RFP) – the goal of which is to implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution. Award is based on the proposal that earns the highest score and meets the requirements specified in the competition based on qualitative, technical and pricing considerations.

8.2 Request for Tender – the goal of which is to implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists. Award is based on the Highest Scoring Bid that meets the requirements specified in the bid documents.

8.3 Request for Expression of Interest – a focused market research tool used to determine vendor interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well
defined and the purchaser has clear expectations for the procurement.

8.4 **Request for Information** – is used prior to issuing a competitive document as a general market research tool to determine what products and services are available, scope out business requirements, and/or estimate project costs.

8.5 **Request for Pre-Qualification** – is used to request a detailed submission of the experience, financial strength, education, background and personnel of persons, firms or corporations who may, from time to time, qualify to supply Goods, Services and Construction for the County.

8.6 **Request for Quotation** – is used to request Quotations for the provisions of Goods, Services or Construction to the County based on specific requirements. Award is typically based on the lowest cost quotation provided.

9. **GUARANTEES OF CONTRACT EXECUTION AND PERFORMANCE**

9.1. The Commissioner and Purchasing Clerk may require that a bid be accompanied by a Bid Deposit or Bid Bond to guarantee entry into a contract.

9.2. Generally, all contracts estimated to be in excess of one hundred thousand ($100,000) require some form of Performance Security and/or Payment Security, as outlined in section 9.3.

9.3. In addition to the security referred to in (section 9.1) the successful supplier may be required to provide the following Performance Security and/or Payment Security:

i. a Performance Bond to guarantee the faithful performance of the contract;

ii. a Labour & Material Bond to guarantee the payment for labour and materials to be supplied in connection with the contract;

iii. an irrevocable letter of credit, in addition to or in lieu of subsections 9.3(i) or 9.3(ii); and/or

iv. a certified cheque or bank draft.

9.4. The Commissioner and the Purchasing Clerk shall select the appropriate means to guarantee execution of and performance of the contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits,
provisions for liquidated damages, progress payments and holdbacks.

9.5. In all circumstances with respect to tenders the Commissioner and the Purchasing Clerk are authorized to determine whether or not a letter of agreement to bond is to be submitted with the bids. If required, the letter of agreement to bond will be in the form prescribed in the bid documents.

9.6. The Director of Finance and the Purchasing Clerk are responsible to hold all securities in safekeeping. Deposits shall be refunded, without interest, and securities shall be returned upon successful completion of the contract.

9.7. Following the tender opening, the Purchasing Clerk shall return any tenders and deposit cheques for tenders that were withdrawn prior to the opening to the bidder by regular mail or by personal delivery, unless otherwise stated. If a tender and deposit cheque is returned by hand, the bidder must sign a letter acknowledging receipt.

10. PARTICIPATION IN THE COMPETITIVE PROCESS

10.1. The integrity of the process is of the utmost importance.

10.2. Inquiries and/or requests for clarifications will be accepted ONLY in writing through the Purchasing Clerk within the timelines as identified in the bid document.

10.3. Responses will be provided in writing through the Purchasing Clerk.

10.4. No verbal interpretation will be effective to modify any component of the tender or any contract.

10.5. Lobbying of staff or politicians is unacceptable. In order to ensure fairness to all Proponents, the County must endeavor to prevent unfair advantage created by lobbying. Therefore, the County reserves the right to disqualify, at any time and at its sole discretion, any Proponent engaging in lobbying in connection with a competitive process between the date the document is issued and the signing of a contract between the County and the successful Proponent(s). Lobbying may include any activity that the County, at its sole discretion determines has or may give an unfair advantage to one Proponent relative to other Proponents. Without limiting the foregoing, lobbying may include:
• Verbal or written approach to any County staff other than those identified as contacts in the document and any consultants involved with the project.

• Verbal or written approaches to any Council member.

• Verbal or written approaches to any expert or other advisor assisting the Evaluation and Selection Committee.

• Verbal or written approaches to any member of an Evaluation or Selection Committee.

• Requests by the Proponent to any organization or group for a letter of support or to provide verbal expression of support to any member of the Evaluation and Selection Team or Council.

• Verbal or written communication with media organizations regarding the project.

11. EXCLUSION OF BIDDERS IN LITIGATION

11.1. The County may, in its absolute discretion, reject a Tender or Proposal submitted by the bidder if the bidder, or any officer or director of the bidder is or has been engaged, either directly or indirectly through another County, in a substantive legal action or other dispute with the County, its elected or appointed officers and employees in relation to:

   i. any other contract or services; or

   ii. any matter arising from the County’s exercising of its powers, duties, or functions.

11.2. In determining whether or not to reject a quotation, tender or proposal under this clause, the County will consider whether the litigation or dispute is likely to affect the bidder’s ability to work with the County, its consultants and representatives, and whether the County’s’ experience with the bidder indicates that the County is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

12. EXCLUSION OF BIDDERS DUE TO PAST POOR PERFORMANCE

12.1. The Commissioner shall monitor the performance of all procurement Contracts and shall document evidence related to same and shall advise the Purchasing Services division in writing where the performance of a supplier has been unsatisfactory in terms of failure to meet Contract specifications, terms and
conditions or for Health and Safety, environmental or other violations.

Past experience, including poor past performance may be a factor in awarding contracts. The County reserves the right to disqualify parties whose past performance was unsatisfactory.

13. WITHDRAWAL OF BIDS

13.1. The bidder who has submitted a response may request that the bid be withdrawn. Adjustments or corrections to a bid already submitted will not be allowed. The withdrawal will be allowed if the request is made by mail, fax or in person, directly to the Purchasing Clerk or their designate, before closing time, and only if verification of source is possible. Telephone requests will not be considered.

13.2. When a withdrawal request is made in person, the requester shall sign a withdrawal form confirming the request. When requests are made by mail or fax, they shall be confirmed by telephone prior to acceptance.

13.3. Bids confirmed as withdrawn prior to closing time shall be returned unopened.

13.4. The withdrawal of a bid does not disqualify a bidder from submitting another bid on the same contract provided it is submitted prior to closing date and time.

13.5. Withdrawal requests received after the tender closing will not be allowed.

14. ONLY ONE BID RECEIVED

14.1. In the event that only one bid is received in response to a competitive bid call, the Purchasing Clerk along with the Commissioner may proceed with the opening. If after evaluation, the bid is found to be unacceptable, they may follow the procedures to cancel the call.

15. BID OPENING

15.1. Bid openings shall take place at 332 Main Street, Picton as soon as practical after the closing time. The information disclosed at the public opening is determined by the type of procurement process used.
15.2. At the closing of a Request for Tender, the names of respondents submitting bids and total bid amounts will be announced, however, no other information will be released at that time. Where sub-totals are required, they may also be read out at the option of the County but line by line pricing will not be made public.

15.3. At the closing of a Request for Proposal, only the names of those submitting proposals will be released. No further information is made available until such time as a complete comprehensive evaluation has been performed by the evaluation committee and a final ranking determined, and then only such information as the County determines in its sole discretion could be released.

15.4. Mandatory attendance requirement at an opening shall be: The Clerk or their designate, Commissioner and the Purchasing Clerk or their designate.

15.5. It is the responsibility of the Purchasing Clerk to arrange attendance of the appropriate representatives.

15.6. When two or more tenders for different items are to be opened at the same time, they will be opened in numerical order.

15.7. When all submissions for a tender have been read out and the Purchasing Clerk has recorded the information, he/she shall close off the Record of Tenders Opened by drawing a diagonal line in the unused spaces under the information listed and then sign the form.

16. PRELIMINARY CHECKING OF TENDERS/PROPOSALS

16.1. Following the opening, the Purchasing Clerk will prepare the preliminary evaluation to determine compliance to all mandatory criteria. This report will be forwarded to the Commissioner or his/her designate for further consideration by the evaluation committee.

16.2. If a bid is late or contains irregularities, the bid shall be dealt with in accordance with Schedule "E" attached to this By-law.

16.3. Subject to 16.2, if there is an error or incomplete material on any other portion of the bid, then the decision as to whether or not to accept or reject the submission shall be at the discretion of the Commissioner or his/her designate and the Purchasing Supervisor. That decision will be based upon the following considerations:
i. is the intention of the bidder clear?

ii. has the bidder made a conscientious attempt to comply with the bid requirements?

iii. is it fair to all bidders to accept the tender or has the bidder gained an unfair advantage?

16.4. If the amount bid for a unit price item does not agree with the extension of the estimated quantity and the bid unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly.

16.5. Following completion of preliminary check procedures, (section 15), bidding infractions shall be noted on the Record of Tenders Opened. This notation must clearly state the reason the bid is noted as incomplete or rejected.

16.6. Photocopies of all acceptable submissions will be forwarded to the Commissioner or his/her designate for further consideration by the Evaluation Committee. Original documents will remain in the possession of the Purchasing Coordinator or his/her designate to maintain the integrity of the process.

17. NO ACCEPTABLE BID OR EQUAL SCORES RECEIVED

17.1. Where bids are received in response to a bid solicitation but exceed budget, are not responsive to the requirement, or do not represent fair market value, a revised solicitation may be issued in an effort to obtain an acceptable bid unless Subsection (13.1) applies.

17.2. The Commissioner and the Purchasing Clerk jointly may waive the need for a revised bid solicitation, reject all bids, and enter into negotiations with the highest scoring bidder emanating from a bid solicitation, under the following circumstances:

i. the total cost of the highest scoring bid is in excess of the funds appropriated by Council for the project or the highest scoring bid revenue is less than approved in departmental estimates where the bidder is providing revenue to the County and budgeted revenue amounts exist;

ii. the Commissioner and the Purchasing Clerk agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.
17.3. In the case of building construction contracts, where the total cost of the highest scoring bid is in excess of the appropriation made by Council, all bids may be rejected and negotiations may be made if performed in accordance with the guidelines established by the Canadian Construction Association and published in their CCDC documents.

17.4. In the case of road construction contracts, where the total cost of the highest scoring bid is in excess of the appropriation made by Council, all bids may be rejected and negotiations may be performed if in accordance with the guidelines established by the Ontario Provincial Standards Specifications.

17.5. The County has the right to cease negotiations and reject any offer at any time.

17.6. If two equal scores are received the bidder with the lowest total cost shall be preferred.

18. EVALUATION PROCESS

18.1. All responses to a competitive bid process will first be reviewed by the Purchasing Clerk to ensure compliance to both standard mandatory criteria and project specific mandatory criteria; checking of costs; and verification of extensions, additions etc. All submissions determined to be qualified for further consideration will be forwarded to the appropriate Commissioner for further review in determining a Respondents understanding of and capability of performing the works or services requested. Those found to be non-compliant will be rejected by the Purchasing Clerk at this point.

18.2. Responses to a Request for Proposal will undergo further evaluation incorporating the scoring and weighting criteria as presented in the original RFP document. This scoring will be carried out by the evaluation committee. The evaluation committee will be comprised of staff deemed appropriate by the Commissioner for the project. A minimum of two people will review and score each proposal.

18.3. In the event that it is deemed beneficial to listen to presentations from selected or preferred bidders, individual written invitations, stating time, date and purpose of the presentation, shall be extended to the chosen bidders.

18.4. Responses to a Request for Tender are subject to the standard preliminary evaluation to ensure compliance to both standard mandatory criteria and project specific mandatory criteria;
checking of costs; and verification of extensions, additions etc. All submissions determined to be qualified for further consideration will be forwarded to the appropriate Commissioner for further review in determining a Respondents understanding of and capability of performing the works or services requested in a fully qualified manner.

18.5. A copy of the completed evaluation forms along with committee recommendation will be forwarded to the Purchasing Clerk to be kept in a confidential file and utilized for debriefing and/or dispute resolution if necessary.

18.6. Chief Administrative Officer, A Request for Tender, a Request for Proposal or a Request for Quotation that complies with Schedule A, Section 6 “Approval Authority and Reporting Requirements” and does not require Council Approval as outlined in Schedule A, Section 5 “Prescribed Council Approval” can be awarded by the Chief Administrative Officer or Commissioner without Council approval, the contract to be signed by the Chief Administrative Officer and Clerk. If at the discretion of the Chief Administrative Officer or Commissioner it is deemed appropriate to defer final decision for any award to Council, they may do so.

18.7. Immediately following an evaluation, the Commissioner shall notify the Purchasing Clerk in writing that the highest scoring two bids are in order, and that the bid deposit other than the highest scoring and second highest scoring bidder should be returned.

19. CONTRACT AWARD/CONTRACT EXECUTION AND PERFORMANCE

19.1. Upon receiving the decision to award the contract, the Purchasing Clerk shall without undue delay send a “Notification of Intent” to the successful bidder advising that their bid has been accepted for award consideration.

19.2. The successful bidder has ten (10) working days from official notification to produce evidence of appropriate insurance, performance surety’s if applicable, executed contract or agreement etc. to the Purchasing Clerk.

19.3. If a formal contract other than the agreement in the bid document is required, it shall be prepared by the Purchasing Clerk and submitted to the contractor for execution.

19.4. Where Engineering contracts are required, the engineering firm will be responsible for preparation of the standard MEA/CEO agreement as amended by the County.
19.5. The Mayor and Clerk or the Chief Administrative Officer and Clerk in accordance with Section 18.6 will execute contracts in the name of the County.

19.6. Once the contracts, bonds, et cetera, of the awarded bidder have been signed and found acceptable by the Commissioner and the Purchasing Clerk, the bid deposit if provided of all but the successful bidder shall be returned.

19.7. If the contract has been awarded and the successful bidder fails to provide a contract bond, cash or other acceptable collateral within the specified time, the Commissioner and the Purchasing Clerk may grant additional time to fulfill the necessary requirements or may recommend one of the following:

i. that the contract shall be awarded to the next highest scoring bidder;

ii. that the contract shall be cancelled.

19.8. In either of the above cases, any bid deposit of the successful bidder shall be forfeited. If the contract is to be awarded to the next highest scoring bidder, their deposit shall be retained until he/she has actually completed the contract to the satisfaction of the Commissioner or their designate.

19.9. If the next highest scoring bidder fails, or declines to execute the contract if awarded to him/her, their deposit shall also be forfeited.

20. CONTRACT AMENDMENTS AND REVISIONS

20.1. No amendment or revision to a contract shall be made unless the amendment is in the best interest of the County.

20.2. No amendment that changes the price of a contract shall be agreed to without a corresponding change order describing the change in requirement or scope of work.

20.3. Amendments to a contract are subject to the identification and availability of sufficient funds in appropriate accounts within Council approved budget including authorized revisions.

20.4. Commissioners may authorize minor amendments to contracts provided that the total amended value of the contract is within the approval authority designated.

20.5. Where expenditures for the proposed amendment combined with the price of the original contract exceeds Council approved
budget for the project, a report prepared by the Commissioner shall be submitted to the Treasurer and Council recommending the amendment and proposing the source of financing.

21. EXERCISE OF CONTRACT RENEWAL OPTIONS

21.1. Where a contract contains an option for renewal, the Chief Administrative Officer or Commissioner may exercise such option provided that all of the following apply:

i. the supplier’s performance in supplying the goods, services or construction is considered to have met the requirements of the contract;

ii. the Chief Administrative Officer or Commissioner has determined that the exercise of the option is in the best interest of the County;

iii. funds are available in appropriate accounts within Council approved budget including authorized revisions to meet the proposed expenditure;

iv. the renewal complies with Schedule A, Section 6 “Approval Authority and Reporting Requirements”.

21.2. When a specific timeframe for a renewal option is not written in the original bid document, the renewal period shall not exceed one year.

21.3. The total length of any contract including extensions shall not exceed four years, unless approved by Council.

22. ACCESS TO INFORMATION

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

End of Schedule “B”
SCHEDULE "C"

EXCLUDED ITEMS
The acquisition methods described in this By-law do not apply to the following items:

1. **Training and Education**
   i. Registration, accommodation and tuition fees for conferences, conventions, courses and seminars
   ii. Magazines, subscriptions, books, periodicals
   iii. Memberships
   iv. Staff development or workshops

2. **Refundable Employee & Council Expenses**
   i. Advances
   ii. Meal Allowances or reimbursement
   iii. Travel expenses and mileage
   iv. Miscellaneous – Non-Travel

3. **Employer’s Expenses**
   i. Payroll
   ii. Statutory Payroll Deduction Remittances
   iii. Medicals
   iv. Tax Remittances, WSIB Remittances

4. **General Expenses**
   i. Licenses (Vehicle, Firearms, etc.)
   ii. Debenture Payments
   iii. Insurance Claim Settlements and Adjuster Services
   iv. Grants to Agencies
   v. Building Lease Payments
   vi. Charges to and from Other Municipalities
   vii. Payments to Social Service and Health Agencies that are subject to Service Agreements
   viii. Postage
5. **Professional and Special Services**
   i. Committee Fees
   ii. Appraisal Fees
   iii. Witness fees
   iv. Honorariums
   v. Temporary help
   vi. Utility relocation Ontario Land Surveyors and property appraisers
   vii. Specific payments as authorized by Council for land purchases, expropriations, insurance
   viii. Advertising services required by the County on or in radio, television, newspaper or magazines
   ix. Interpreter Fees and Transcription Fees for POA
   x. Professional Engineering for building assessment purposes
   xi. A consultant hired under Section 4.4 of Schedule A may be excluded

6. **Utilities (monthly charges and utility relocations)**
   i. Water and Waste Water
   ii. Hydro
   iii. Natural Gas and Propane

7. **Acquisitions and Disposal of Real Property**

8. **Petty Cash Items/Replenishment**
   Exempt from any provisions with the exception of Section 7.1 of Schedule A to this Purchasing By-law.

9. **Food or Pharmaceutical Products**
   Foods or pharmaceutical products required for the Home for the Aged. Any other food products purchases for activities such as catering or vending/concession type services must follow the provisions of this By-law.

10. **Purchases required through the Municipal Emergency Plan.**

    End of Schedule "C"
SCHEDULE “D”

INSURANCE GUIDELINES
Section 2.4 of Schedule B and the following guidelines will set out the various types of insurance, the limits depending on the size of the contracts for which these limits are applicable and also an indication of what contracts require this type of insurance:

<table>
<thead>
<tr>
<th>TYPE OF COVERAGE</th>
<th>AMOUNT OF COVERAGE</th>
<th>SIZE OF CONTRACT</th>
<th>TYPE OF CONTRACT REQUIRED</th>
</tr>
</thead>
</table>
| Comprehensive General Liability (to include Products and Completed Operations Liability) | a) $2 million  
b) $5 million | Up to $50,000  
$50,000 + | All contracts |
| Automobile Liability | a) $2 million  
b) $5 million | Up to $50,000  
$50,000 + | All except professional services |
| Non-owned Automobile | a) $2 million  
b) $5 million | Up to $50,000  
$50,000 + | All except professional services |
| Builder's All Risk (to include Boiler and Pressure Vessel) | Full construction price of the contracts | $50,000 and up | All construction contracts  
(County may waive for sidewalks and roads) |
| All Risk Contractor Equipment | Replacement cost for any contractors' equipment | $50,000+ | All construction contracts |
| Installation Floater Coverage | Replacement cost of supplies on County owned sites valued at $50,000 or higher | $100,000+ | All construction contracts |
| Environmental Impairment Insurance | $2 million | $50,000 and up | Construction contracts or contracts involving any material environmental risk |
| Professional Liability | a) $1 million  
b) $2 million* | $50,000 or less Above $50,000 | All professional services |
| WSIB Coverage or Employers' Liability Coverage | $1 million  
(Employers liability) | $50,000 and up  
(except WSIB all contracts) | All contracts other than professional services |

*Note: Insurance above the amount available through Professional Association may involve extra cost.
Additional Insurance Requirements

County named as additional insured or named insured except on Automobile and Non-Owned Automobile policies. If Builders' All Risk or any replacement costs involved, the County should be named insured; otherwise additional insured.

Waiver of Subrogation

30 days' notice of cancellation

Deductibles

Contractor assumes responsibility for deductible

Certificate of Insurance

A Certificate of Insurance is to be delivered prior to the commencement date of all contracts unless the County waives this requirement.

Duration of Insurance

All insurance policies shall run at least 12 months past the end date of the contract unless the County otherwise waives this requirement.

Special Cases

The County has the right to change these guidelines if it perceives in its opinion there is a significantly different risk or additional or different insurance requirements.

End of Schedule "D"
SCHEDULE "E"

BID IRREGULARITIES
<table>
<thead>
<tr>
<th>IRREGULARITY</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.  Late Bids.</td>
<td>Rejection, not opened or read publicly. Submission to be returned to submitter.</td>
</tr>
<tr>
<td>2.  Unsealed Envelopes.</td>
<td>Rejection, not opened or read publicly. Submission to be returned to submitter.</td>
</tr>
<tr>
<td>3.  Insufficient Financial Security (No Bid Security or agreement to bond or insufficient Bid bond or agreement to bond).</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>5.  Incomplete Bids (Part bids - all items not bid).</td>
<td>Automatic rejection unless, in the opinion of the Commissioner and the Purchasing Services Division, in its sole discretion, the incomplete item is trivial or insignificant.</td>
</tr>
<tr>
<td>6.  Qualified Bids (Bids qualified or restricted by an attached statement).</td>
<td>Automatic rejection unless, in the opinion of the Commissioner and the Purchasing Services Division, in its sole discretion, the qualification or restriction is trivial or not significant.</td>
</tr>
<tr>
<td>7.  Bids received on documents other than those provided by the Corporation.</td>
<td>Automatic rejection unless, in the opinion of the Commissioner and the Purchasing Services Division, in its sole discretion, the matter is trivial or insignificant.</td>
</tr>
<tr>
<td>8.  Bids Containing Minor Obvious Clerical Errors.</td>
<td>Optional rejection by the County if, in the opinion of the Commissioner and the Purchasing Services Division, in its sole discretion, the matter is trivial or insignificant. If not rejected, the County may provide 48 hours to correct and initial errors.</td>
</tr>
<tr>
<td>9.  Failure to execute Agreement to Bond (Performance Security) or Bonding company signature missing from agreement to bond.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>13.</td>
<td>Erasures, Overwriting or Strike-Outs which are not Initialed:</td>
</tr>
<tr>
<td></td>
<td>(a) Un-initialed changes to the Tender documents which are minor (example: the tenderer's address is amended by over-writing but not initialed);</td>
</tr>
<tr>
<td></td>
<td>(b) unit prices in the Schedule of Prices have been changed but not initialed and the Contract totals ARE consistent with the price as amended;</td>
</tr>
<tr>
<td></td>
<td>(c) unit prices in the Schedule of Prices have been changed but not initialed and the Contract totals ARE NOT consistent with the price as amended;</td>
</tr>
<tr>
<td>14.</td>
<td>Documents, in which all necessary Addenda, which have financial implications, have not been acknowledged.</td>
</tr>
<tr>
<td>15.</td>
<td>Failure to attend Mandatory Site Meeting.</td>
</tr>
<tr>
<td>16.</td>
<td>Other Minor Irregularities.</td>
</tr>
<tr>
<td>17.</td>
<td>Any Irregularity.</td>
</tr>
</tbody>
</table>

*End of Schedule “E”*
<table>
<thead>
<tr>
<th>Dollar Value</th>
<th>Procurement Method</th>
<th>Approval Authority</th>
<th>Policy Reference (Schedule A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250 or less</td>
<td>Petty Cash</td>
<td>Department Designate or Department Head or Commissioner or C.A.O.</td>
<td>7.1</td>
</tr>
<tr>
<td>$1,000 or less</td>
<td>Comparison Pricing</td>
<td>Department Designate or Department Head or Commissioner or C.A.O.</td>
<td>7.2, 6.5</td>
</tr>
<tr>
<td>$1,001 to $5,000</td>
<td>Informal Quotation</td>
<td>Department Designate or Department Head or Commissioner or C.A.O.</td>
<td>7.3, 6.5</td>
</tr>
<tr>
<td>$5,001 to $25,000</td>
<td>Written Quotation</td>
<td>Department Head or Commissioner or C.A.O.</td>
<td>7.4, 6.5</td>
</tr>
<tr>
<td>$25,001 to $50,000</td>
<td>Request for Quotation</td>
<td>Commissioner or C.A.O.</td>
<td>7.5, 6.5</td>
</tr>
<tr>
<td>$50,001 to $100,000</td>
<td>Formal Competitive Bid Process (RFQ, RFP, RFT)</td>
<td>C.A.O.</td>
<td>7.6, 6.5, Schedule B</td>
</tr>
<tr>
<td>Greater than $100,000</td>
<td>Formal Competitive Bid Process (RFQ, RFP, RFT)</td>
<td>Council</td>
<td>7.6, 6.5, Schedule B</td>
</tr>
</tbody>
</table>

**Approval of Non-Budgeted Goods, Services and Construction**

<table>
<thead>
<tr>
<th>Dollar Value</th>
<th>Procurement Method</th>
<th>Approval Authority</th>
<th>Policy Reference (Schedule A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000 or less</td>
<td>Comparison Pricing</td>
<td>Department Head or Commissioner or C.A.O.</td>
<td>7.2, 6.7</td>
</tr>
<tr>
<td>$1,001 to $5,000</td>
<td>Informal Quotation</td>
<td>Department Head or Commissioner or C.A.O.</td>
<td>7.3, 6.7</td>
</tr>
<tr>
<td>$5,001 to $25,000</td>
<td>Written Quotation</td>
<td>Commissioner or C.A.O.</td>
<td>7.4, 6.7</td>
</tr>
<tr>
<td>$25,001 to $50,000</td>
<td>Request for Quotation</td>
<td>C.A.O.</td>
<td>7.5, 6.7</td>
</tr>
<tr>
<td>$50,001 to $75,000</td>
<td>Formal Competitive Bid Process (RFQ, RFP, RFT)</td>
<td>C.A.O.</td>
<td>7.6, 6.7, Schedule B</td>
</tr>
<tr>
<td>Greater than $75,000</td>
<td>Formal Competitive Bid Process (RFQ, RFP, RFT)</td>
<td>Council</td>
<td>7.6, 6.7, Schedule B</td>
</tr>
</tbody>
</table>

Note: A Formal Competitive Bid Process may be used for purchases of less than $50,000. The Approval Authority would be based on the dollar value thresholds listed above.