



Purchasing Policy

November 2025

The Corporation of the County of Lennox and Addington Purchasing Policy

Section 1 Definitions

1.1 For the purposes of this policy the definitions as set out in this section shall apply:

Approved Budget - means the total budget as approved by County Council for the current fiscal year.

Bid Bond - means the form of security as required in the bid solicitation documentation to guarantee that the successful bidder enters into a contract with the County.

Blanket Order - means a written contract to purchase goods on a recurring basis without the use of individual purchase orders.

Contract - means any agreement, written or oral, including leases and rentals between the County of Lennox & Addington and some other party or parties for the supply of goods or services at a specified price.

County Council - means the Council of the County of Lennox & Addington.

Department Head - means the Departmental Director or the designate authorized by the Departmental Director to be responsible for the directional and operational control of a department, including its budget.

Immediate Family - means an employee, spouse, partner, parent, child, or sibling.

Normal Operating Expenditure - means expenditures of an operational recurring nature and does not include one-time special or capital expenditures.

Purchase Order - means a written contract to purchase goods and services on a form approved by the Director, Financial Services.

Senior Leadership Team - means the Chief Administrative Officer (CAO) and the Directors.

Section 2

Purpose of this Purchasing Policy

- 2.1 The purpose of this policy is to set out guidelines for the County to ensure that all materials, supplies and services are purchased on an open and fair basis, while providing the lowest costs consistent with the required quality and service.
- 2.2 This purchasing policy shall apply to the purchase of all goods and services made on behalf of the County of Lennox & Addington.

Section 3

General Conditions

- 3.1 No expenditure or commitment shall be incurred or made and no account shall be paid by the County for goods and services except as approved by County Council or as otherwise authorized in accordance with this policy.
- 3.2 The Department Head has responsibility for procurement activities within their department and is accountable for determining and achieving specific objectives as outlined for each procurement project.
- 3.3 The Department Head shall be satisfied that all goods and services to be purchased are authorized in the approved budgets.
- 3.4 The requirements in the purchasing policy are minimum requirements only. The Department Head has the authority to exceed the minimum requirements if such action is considered necessary and in the best interest of the County. The County dollar limits specified in the policy exclude HST.
- 3.5 The CAO and the Director, Financial Services have the authority to instruct the Department Head not to award a contract and may direct staff to submit recommendations to County Council for approval and may provide additional conditions concerning purchasing where such action is considered necessary and in the best interests of the County.
- 3.6 When goods or services in excess of \$50,000 are to be purchased which would cause the approved departmental budget to be exceeded, the Department Head shall obtain the approval of County Council prior to issuing a purchase order or engaging in a contract. However, prior to the approval of the current budget, a Department may incur normal operating expenditures up to 50% of the previous year's budget.
- 3.7 No requirement for goods and services may be divided into two or more parts to avoid the provisions of this policy.
- 3.8 An employee who intentionally or knowingly acquires or disposes of any goods or services for the County in contravention of this policy shall be subject to

disciplinary actions in accordance with County policy.

- 3.9 Where an employee involved in the Award of any Contract, either on their own behalf, or while acting for, by, with or through another person, has any pecuniary interest, direct or indirect, in the Contract, the employee shall
- immediately disclose the interest in writing to the Department Head (or CAO in case of Department Head) involved in the Award of the Contract and shall describe the general nature thereof;
 - shall not take part in the Award of the Contract; and
 - shall not attempt in any way to influence the Award of the Contract.
- 3.10 An employee has an indirect pecuniary interest in any Contract in which the County is concerned if,
- a) the employee or their immediate family,
- is a shareholder in, or a director or senior officer of, a corporation that does not offer its securities to the public that has a pecuniary interest in the Contract,
 - has a controlling interest in or is a director or senior officer of a corporation that offers its securities to the public that has a pecuniary interest in the Contract, or
 - is a member of an incorporated association or partnership that has a pecuniary interest in the contract.
- b) the employee or their immediate family is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the Contract.
- 3.11 All Council members shall conduct themselves in accordance with the *Municipal Conflict of Interest Act, R.S.O 1990, c. M.50*, as amended.
- 3.12 The Purchasing Policy shall be reviewed by County Council at least once every term of Council.
- 3.13 The disclosure of information related to this Purchasing Policy shall be in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O 1990, c. M.56*, as amended.
- 3.14 In accordance with the *Discriminatory Business Practices Act, R.S.O. 1990, c. D.12*, there will be no local preference for purchases. In a situation where, in the opinion of the Department Head, a competitive bid process has been completed and two or more identical compliant bids are received providing equal quality, service and cost with no documented performance concerns, preference will be given first to:
- purchases of a commodity of local manufacture,
 - second to a commodity offered by a local vendor, and
 - thirdly to a commodity of a Canadian owned company.

- 3.15 Department Heads shall have regard for accessibility criteria and features when procuring or acquiring goods, services or facilities, except where it is not practical to do so. (in which case, if requested, an explanation will be provided)
- 3.16 All bidders, suppliers and contractors who provide goods, services or construction to the County shall comply with the *Accessibility for Ontarians with Disabilities Act, 2005, S.O 2005, c.11*, as amended and all regulations emanating therefrom.
- 3.17 The provisions of any domestic or international trade agreements governing municipal procurement shall prevail to the extent of any conflict with the County's Purchasing Policy.
- 3.18 Department Heads shall endeavor to acquire goods and/or services that minimize impacts on the environment and that perform efficiently and effectively. While evaluating potential purchases the following environmental factors shall be considered in addition to the specific requirements of the good and/or service.

The County shall make attempts to preserve the environment, reduce greenhouse gas emissions and encourage the procurement of Goods and Services with due regard to sustainable practices and the preservation of the natural environment. Vendors may be selected, as identified in a procurement process, to supply goods made by methods resulting in the least damage to the environment, and/or to supply goods incorporating recycled materials where practicable. It is to be understood that lifecycle cost or other such analysis may be required to ensure that these goods and services are financially viable and available at competitive prices.

- 3.19 Department Heads to consider all costs, including acquisition, operating and disposal costs, by evaluating bid submissions from qualified, responsive and responsible vendors, rather than basing a decision solely on the lowest bids.
- 3.20 Department Heads shall give full consideration to the annual aggregate value or consider the total project cost of specific goods and services that will be required by each Department and by the County as a whole prior to determining the appropriate acquisition method.
- 3.21 Department Heads shall encourage innovation and the use of technology which meet County specifications and industry standards in order to ensure the utilization of the most efficient and effective processes and practices.
- 3.22 Wherever practical, specifications should be considered that are not detailed and leave room for potential suppliers to provide alternatives in the event of equal or better proven product or method is available. Suppliers or potential suppliers shall not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from suppliers. Procurement documentation shall avoid use of specific products or brand names whenever possible. A

Department Head may, with the approval of the Director, Financial Services, specify a specific product or brand name for essential functionality purposes, to avoid unacceptable risk or for some other valid purpose. In such instances, the Department Head shall manage the procurement to achieve a competitive situation if possible.

Section 4

Procedure for the Selection of Suppliers

4.1 The procedure for the selection of suppliers is set out below and summarized in Schedule A.

4.2 **Petty Cash**

Petty cash funds can be used for purchases under \$500. All petty cash fund disbursements shall be evidenced by receipts which shall be submitted to the Finance Department, when the petty cash fund is being replenished.

4.3 **Informal Quotations**

The Department Head shall be authorized to make purchases of goods and services up to an amount of \$25,000 from such vendor and upon such terms as the Department Head deems appropriate and in accordance with the Purchasing Policy. Purchases shall be made from the competitive marketplace where possible and practicable.

4.4 **Request for Supplier Pre-Qualification**

A Request for Supplier Pre-Qualification may be used and precede a request for Tenders, Quotations or Proposals in order to identify and pre-select bidders, where it is deemed that the nature and complexity of the work involved warrants the time and effort to pre-select the most experienced and qualified bidders. The Request for Supplier Pre-Qualification enables the County to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions. Terms and conditions of the Request for Supplier Pre-Qualification document must contain language that disclaims any obligation of the County to call on any supplier to provide goods or services as a result of pre-qualification.

4.5 **Written Quotations**

Orders or blanket orders for goods or services with a value between \$25,000 and \$50,000 should not be placed until at least three (3) written quotations are obtained. A written specification (Request for Quotation) should accompany the request to all potential suppliers for goods or services ordered with a value greater than \$50,000, but less than \$200,000. The Request for Quotation should be circulated to suppliers and advertised on media, including the County's website, as deemed necessary by the Department Head. The written quotations must be summarized on the Quotation Summary Form (Schedule F) or similar form and attached to the County's copy of

the purchase order where applicable. In the absence of three suppliers willing to provide a written quotation for the goods and services requested, an explanation on the Summary Form and approval from the applicable Director is required. If the lowest quotation is not selected, the Director must report to and secure the approval of the Director, Financial Services or the CAO, prior to the purchase of the goods or services.

4.6 Tenders/RFP/Joint Purchases

All goods or services to be purchased with a value exceeding \$200,000 must be tendered in writing, and are subject to the tender procedures set out in Schedule C. All tenders that are above the approved budgeted amount or are not the low bid require the approval of County Council prior to award.

Section 5

Exceptions to Procedures for Selection of Suppliers

5.1 Exempt Supplies

Competitive bids are not required for the services listed in Schedule B because the goods and services are not available elsewhere. However, the purchase of goods and services listed in Schedule B must be approved within the annual budget.

5.2 Non-Competitive Procurement

Prior to commencement of non-competitive procurement, supporting documentation must be completed and approved by an appropriate authority within the County. A non-competitive procurement process shall only be used if one or more of the following conditions apply and a process of negotiation is undertaken to obtain the best value in the circumstances for the County:

- the goods and services are only available from one source or supplier because there is:
 - a statutory or market based monopoly;
 - scarcity of supply in the market;
 - existence of exclusive rights (patent, copyright or license);
 - a need for compatibility with goods and services previously acquired and there are no reasonable alternatives, substitutes or accommodations; or
 - a need to avoid violating warranties and guarantees where service is required.

5.3 Sole Source Procurement

Sole sourcing is the procurement of a good or service that is unique to a particular vendor and cannot be obtained from another source. Purchase by negotiation may be adopted if, in the judgement of the Director, Financial Services and in consultation with the requisitioning Department Head, any of the following conditions apply:

- goods and services are in short supply due to market conditions;

- the sources of supply are restricted to the extent that there is not effective price competition or consideration of substitutes is precluded due to any of the following:
 - components or replacement parts for which there is no substitute;
 - there is only one vendor who can provide the commodity by the specified date required; or
 - specific standards are adopted by County Council.
- work is required at a location where a contractor has already been secured through a tender process, with established unit prices by another party and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed for the County.

5.4 **Emergency Purchases**

This method of purchasing may be used when the circumstances warrant immediate action or when the health and safety and the public interest are in jeopardy. Where this method of purchasing would result in an over-expenditure or an unbudgeted expenditure of \$100,000 or more, the purchase must be approved by the Warden or designate and reported to County Council. All emergency purchases also require the approval of the applicable Director and the CAO or the Director, Financial Services prior to the purchase of goods and services.

5.5 **Qualified Suppliers**

Qualified suppliers are defined as suppliers of goods or services of a specified nature, which due to the nature of the goods or services, make it impractical and inefficient to change suppliers frequently. Banking, legal, audit, retained engineering and specialized technicians are examples of services which could be considered as qualified suppliers. It will be the responsibility of the Senior Leadership Team to assess the appropriateness of using qualified suppliers. Ongoing contracts with qualified suppliers, where annual expenditures exceed \$200,000 will be reviewed by County Council at least once per term of Council. Senior Leadership Team will be responsible for preparing this review.

5.6 **Proposal Method of Purchasing**

This method of purchasing shall be used where the expertise for developing proper specifications lies in the hands of the suppliers, or where additional information is required and it is impractical to call for tenders, such as the retention of consulting services or the purchase of goods of a specialized nature. For purchases under \$50,000, a minimum of three proposals should be documented on the Quotation Summary Form or a similar form. For purchases in excess of \$50,000, a written specification (Request for Proposal) must accompany the request to all potential suppliers. The Request for Proposal may be advertised on the County's web site and other media as deemed necessary by the Department Head. In advance of a solicitation, the Department Head or designate, shall develop terms of reference and evaluation criteria to be applied in accessing the proposals submitted. The Department Head must report to County Council recommending a preferred supplier if the recommended proposal exceeds \$200,000.

5.7 Joint/Co-operative Purchasing

The County will, where appropriate, engage in co-operative purchasing arrangements from time to time. The County may participate with other government agencies or public authorities in co-operative purchasing, where it is in the best interests of the County to do so. The procurement policies of the government agencies or public authorities calling the co-operative tender are to be the accepted policies for that particular tender. It will be the responsibility of Senior Leadership Team to assess the appropriateness of using a joint/cooperative purchasing arrangement. Contracts will be reviewed at least once per term of County Council where annual expenditures exceed \$200,000, in order to assess the continued suitability of these arrangements. Senior Leadership Team will be responsible for preparing this review.

5.8 Contract Extensions

Current contracts may be extended with the agreement of both the County and the contractor. Extensions can only be granted for a total of two additional terms or five years from the commencement date of the original contract. All terms and unit prices shall be agreed to in writing by the County and the contractor in order for the contract extension to take place. Contract extensions with a value in excess of \$200,000 also require the approval of County Council.

Section 6

Contract Performance and Insurance

6.1 The Department Head may require that a Bid be accompanied by a Bid Bond or other similar security to guarantee entry into a Contract. Unless otherwise specified, in circumstances where a Bid Bond or other security is required, the deposit requirements shall be based on the following schedule.

\$25,000	- \$50,000	\$1,000
\$50,000	- \$100,000	\$2,000
\$100,000	- \$250,000	\$5,000
\$250,000	- \$500,000	\$20,000
\$500,000	- \$1,000,000	\$40,000
\$1,000,000	- \$2,000,000	\$75,000
\$2,000,000	- and over	\$150,000

6.2 The Department Head shall select the appropriate means of deposit to guarantee execution and performance of the Contract. Means may include one or more of, but are not limited to, certified cheque, bank draft, irrevocable letter of credit, money order and where appropriate, a bid bond issued by an approved guarantee company properly licensed in Canada, on bond forms acceptable to the County of Lennox & Addington.

- 6.3 Prior to the commencement of the work, the successful bidder may be required to provide the following security in addition to the security referred to in section 6.1.
- a) A performance bond to guarantee the performance of a Contract, and
 - b) A payment bond to guarantee the payment for labour and materials to be supplied in connection with a Contract.
- 6.4 Prior to the commencement of work for tenders, requests for proposal and other contracts where deemed necessary by the Department Head, evidence of insurance coverage must be obtained, ensuring indemnification of the County of Lennox & Addington from any and all claims, demands, losses, costs or damages resulting from the performance of a Bidder's obligations under the Contract and from any other risk determined by the Department Head as requiring coverage.
- 6.5 Prior to the commencement of work related to services being performed on County property, a Certificate of Clearance from the Workplace Safety & Insurance Board shall be obtained ensuring all premiums or levies have been paid to the Workplace Safety and Insurance Board.
- 6.6 Where the original Contract contains an option to renew or a renewal clause stipulating the provisions of what is acceptable for a renewal, the Department Head may authorize the renewal without Council approval through by-law provided that:
- a) The supplier's performance in supplying the goods, services or construction, is considered to have met the requirements of the Contract;
 - b) The Department Head agrees that the renewal option is in the best interest of the County; and
 - c) Funds are available in appropriate accounts within the Council approved budget, including authorized revisions, to meet the proposed expenditure.

Where a Contract contains an option for renewal, the authorization from the Department Head shall include a written explanation to the Director, Financial Services or CAO as to why the renewal is in the best interest of the County, which shall include comment on the market situation and trend. The renewal information shall be reported to County Council.

- 6.7 If a Contract has been awarded and the successful bidder fails to sign the contract or fails to provide any required documents (e.g. bonds) within the specified time, the Department Head may grant additional time to fulfill the necessary requirements or recommend that either:
- a) The contract be awarded to the next highest bidder; or
 - b) The contract is cancelled.

In either case, the deposit of the originally awarded bidder is forfeited to the County.

- 6.8 The Department Head shall document evidence and advise the CAO and Director, Financial Services 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 violations. The CAO may, in consultation with the Department Head and the County Solicitor, prohibit an unsatisfactory supplier from bidding on future contracts.

Section 7

Purchasing Procedures

- 7.1 Purchase orders, if applicable, must be authorized by a Department Head or their designate. The purchase order must clearly state price, quantity, description, any other conditions, and applicable taxes.
- 7.2 The purchase order will have a minimum of two (2) copies. Copy one will be sent to the supplier, copy two will be kept by the initiator and attached to the Quotation Summary Form, if applicable.
- 7.3 Upon receipt of the appropriate invoice, the initiator of the purchase order will check & initial the approval stamp to ensure that the price, goods and all other conditions conform to the original purchase request.
- 7.4 The invoice, along with all accompanying documentation, will be forwarded to the Department Head for approval for payment. Approval by the Department Head indicates that all documentation is in good order and that departmental spending is within approved budgetary levels as prescribed by County Council.
- 7.5 If an original invoice is not available, a copy marked with certified true copy must be used in substitution.
- 7.6 The approved invoice and Quotation Summary Form, if applicable, will be submitted to the Finance Department for payment. All other documentation will be kept at the originator's location.
- 7.7 An approval stamp must be clearly placed on each invoice submitted to the Finance Department for payment. Failure to completely fill out the approval stamp will delay payment until the invoice is satisfactorily approved.
- 7.8 Any invoices in excess of \$200,000 will be reviewed and approved by the Warden and the Director, Financial Services, prior to processing by the Accounting Clerk.
- 7.9 The Accounting Clerk will post the invoices to the accounting system and prepare the cheque/electronic funds transfer (EFT)/Preauthorized Payment (PAP) register. All invoices will be scanned to the accounting system for inquiry by Department Heads. Any changes to the Vendor master file including banking information for EFT payments will be completed by the Accounting Clerk and

reviewed and approved by the Accounting Coordinator. Vendors will also be contacted by phone to confirm changes to banking information.

- 7.10 The Accounting Coordinator will review and approve the cheque/EFT/PAP registers to ensure that all cheques/EFT/PAPs are supported by approved invoices in accordance with the Purchasing Policy. Cheques will be mechanically signed with the CAO and Director, Financial Services signatures.
- 7.11 The Director, Financial Services will review and approve the cheque/EFT/PAP registers and review any supporting documentation as deemed necessary.
- 7.12 A cheque listing will be sent electronically to the County's Bank by the Manager, Financial Services or designate to allow the Bank to match the cheques cashed by the Bank to the cheques issued by the County. The submission requires the entry of a password which changes with each transaction using a key fob supplied by the County's Bank.
- 7.13 When the cheque register has been approved, the cheques will be mailed by the Accounting Clerk.
- 7.14 When the EFT register has been approved, it will be submitted electronically for payment to the County's Bank by the Manager, Financial Services or designate.
- 7.15 The EFT payment confirmation report from the County's Bank will be matched to the EFT register and approved electronically by the Director, Financial Services or designate. Both the submission and approval of the EFT require separate entry of passwords which change with each transaction using a key fob supplied by the County's bank.
- 7.16 The Accounting Clerk will send an email payment confirmation to each EFT vendor.
- 7.17 The County's bank accounts will be reviewed online by the Manager Financial Services on a regular basis for any unusual entries.
- 7.18 Bank reconciliations will be completed monthly by the Accounting Coordinator and reviewed and approved by the Director, Financial Services.
- 7.19 Cheques that have not been cashed within six months of issue will be reviewed for reissuance or cancellation by the Accounting Coordinator.
- 7.20 As part of the monthly report to the regular meeting of County Council, the Director, Financial Services will provide a summary of the accounts paid during the last month. The detailed breakdown of accounts paid will be available for review by Councillors upon request.
- 7.21 For reporting and auditing purposes, all procurement documentation, as well

as any other pertinent information, must be retained in a recoverable form for a period of seven years.

Section 8

Management of Tariffs and Trade Restrictions

Purpose

To provide direction on how the County will address tariffs, duties, and trade restrictions that may affect the cost, availability, or delivery of goods and services purchased under this policy.

General Principles

- 8.1 The County recognizes that tariffs and trade restrictions may be imposed by federal or international authorities and can impact procurement costs and supplier availability.
- 8.2 All purchasing activities affected by tariffs shall continue to comply with applicable laws, including:
- The **Municipal Act, 2001**;
 - **Ontario Regulation 332/12** (*Procurement by Municipalities, Local Boards and Certain Public Bodies*);
 - The **Canadian Free Trade Agreement (CFTA)**;
 - The **Canada-European Union Comprehensive Economic and Trade Agreement (CETA)**; and
 - Other applicable trade or procurement agreements.
- 8.3 The County will ensure fair, open, and transparent competition while managing the financial and operational impacts of tariffs.

Evaluation and Pricing Adjustments

- 8.4 **Supplier Pricing:** When issuing solicitations, the County shall require suppliers to clearly identify whether tariffs, duties, or trade restrictions are included in quoted prices.
- 8.5 **Tariff Changes During Contract Term:** If tariffs are imposed, amended, or removed after a contract award, the County may:
- Review the impact on contract pricing and delivery;

- Negotiate equitable adjustments to reflect verified cost increases or decreases directly attributable to tariff changes; or
- Terminate and re-tender the contract if continuation is no longer economically or operationally feasible.

8.6 **Verification:** Any supplier request for price adjustment due to tariffs must include verifiable documentation from official customs or trade authorities demonstrating the tariff's direct impact on cost.

Strategic Purchasing Responses

8.7 **Alternative Sourcing:** Where tariffs materially increase costs, the County will consider alternative sources of supply, including domestic or regional suppliers, provided these options comply with trade agreement obligations.

8.8 **Collaborative Procurement:** The County may participate in cooperative purchasing with other municipalities or public sector entities to mitigate tariff impacts and secure volume-based cost advantages.

8.9 **Inventory and Timing:** Departments are encouraged to plan purchases strategically (e.g., advance ordering or delaying procurement) when tariff changes are anticipated, provided such actions are fiscally prudent and operationally justified.

Reporting and Oversight

8.10 The Treasurer or designate shall monitor tariff developments that may affect municipal purchasing and report significant impacts to Council as part of regular procurement updates or financial reports.

8.11 Where tariffs materially affect a capital project or multi-year contract, staff shall bring forward a report to Council identifying the financial impact, options, and recommended mitigation strategies.

Documentation

8.12 All tariff-related considerations, communications, and decisions shall be documented in the procurement file to ensure transparency, accountability, and audit compliance.

Section 9

Procedure for Disposal of County Equipment, Supplies & Materials

9.1 Periodically, equipment, supplies, and materials will be deemed to be surplus and of no potential use for County purposes. In these circumstances, it will be

the responsibility of the appropriate Department Head, in consultation with the Director, Financial Services, to recommend which County property is surplus.

- 9.2 When no other use can be found for the surplus property, including its use by other County departments, the Department Head will submit a detailed list of such designated property to the Senior Leadership Team for approval to dispose and the manner to be disposed. Dispositions with a value in excess of \$100,000 require the approval of County Council.
- 9.3 Prior to the disposal of any electronic technology equipment, the Department Head will ensure that the equipment is sanitized by information technology staff/consultants by permanently erasing and/or disabling any data storage devices.
- 9.4 A written work order requisition will be completed by the Department Head and submitted to the Manager, Property Services who will arrange for the disposal of the material and equipment at the appropriate waste management facilities in accordance with the requirements for the disposal of that particular material and/or equipment, including electronic waste. The Department Head will ensure that the material and equipment are packed and ready for disposal by Property Services. Property Services staff will dispose of materials and equipment at recycling facilities, where practical.
- 9.5 If capital assets are disposed of, the Department Heads shall complete a capital asset disposal form and submit it to the Accounting Coordinator who will update the tangible capital asset accounting records.

Section 10

Lease Financing

- 10.1 The County may choose to finance the purchase of goods and services by lease. Lease financing is governed by the policies and procedures set out in Schedule D.

Section 11

Credit Card Purchases

- 11.1 Purchases made using a County approved credit card are governed by the Policies and Procedures set out in Schedule E.

Schedule A - Purchasing Summary Template

METHOD OF PROCUREMENT	TYPE OF QUOTATION	SOURCE OF BIDS	TYPE OF CONTRACT	APPROVAL REQUIREMENTS
1. GOODS AND SERVICES				
under \$25,000	verbal quotation	purchases made from the competitive marketplace where possible and practicable	direct acquisition	approved by Department Head
\$25,000 - \$50,000	written quotation	3 written quotes to be obtained where possible	purchase order or agreement	approved by Department Head
\$50,000 - \$200,000	written quotation acquired by REQUEST FOR QUOTATION (RFQ)	circulated to suppliers and advertised on website and other media as deemed necessary by Department Head	purchase order or executed agreement	approved by Department Head
over \$200,000	written quotation acquired by REQUEST FOR TENDER	circulated to suppliers and advertised on website and other media as deemed necessary by Department Head	agreement	approved by Council or Department Head (refer to Section 4.6)
2. EMERGENCY PURCHASES				
under \$100,000	verbal quotation	purchases made from competitive marketplace where possible or practicable	purchase order	approved by Department Head and CAO or Director Financial Services
over \$100,000	written quotation	purchases made from competitive marketplace where possible or practicable	purchase order	approved by Warden

METHOD OF PROCUREMENT	TYPE OF QUOTATION	SOURCE OF BIDS	TYPE OF CONTRACT	APPROVAL REQUIREMENTS
3. QUALIFIED SUPPLIERS				
under \$200,000	written quotation	negotiation	purchase order or agreement	approved by Senior Leadership Team
over \$200,000	written quotation	negotiation	purchase order or agreement	approved by Council or Department Head (refer to Section 4.6)
4. REQUESTS FOR PROPOSALS				
under \$50,000	written quotation	3 written quotes to be obtained where possible	purchase order or agreement	approved by Department Head
\$50,000 - \$200,000	written quotations through REQUEST FOR PROPOSAL	circulated to suppliers and advertised on website and other media as deemed necessary by Dept. Head	purchase order or agreement	approved by Department Head
over \$200,000	written quotations through REQUEST FOR PROPOSAL	circulated to suppliers and advertised on website and other media as deemed necessary by Dept. Head	agreement	approved by Council or Department Head (refer to Section 4.6)
5. JOINT/COOPERATIVE PURCHASING				
under \$200,000	written quotation	existing agreement	purchase order or agreement	approved by Senior Leadership Team
over \$200,000	written quotation	existing agreement	purchase order or agreement	approved by Council or Department Head (refer to Section 4.6)

Schedule B – Exempt Goods & Services

Competitive bids shall not be required for goods and services when such goods and services are not available elsewhere, including, but not limited to:

1. Training and Education
 1. Staff Training & Conventions
 2. Memberships
 3. Periodicals and Subscriptions

2. Council & Employee Expenses
 1. Council & employee remuneration
 2. Travel, Meals and Hotel accommodation
 3. Other Miscellaneous employee expenses

3. Employer's General Expenses
 1. Payroll deduction remittances
 2. Licences (vehicle, elevators, radios, etc...)
 3. Debenture/mortgage payments
 4. Payments to agencies
 5. Payment of damages
 6. Property taxes
 7. Charges to/from other municipalities, Government or Crown Corporations
 8. Advertising

4. Professional and Special Services
 1. Court Reporting, interpreters, witness fees and judicial costs
 2. Arbitrators, Mediators and Legal Settlements
 3. Entrance and other permit refunds
 4. Museum Collection acquisitions

5. Utilities
 1. Postage
 2. Water and sewer charges
 3. Heat & Hydro
 4. Gasoline & other fuel

6. Social Services
 1. Payments to Social Service recipients and rent support payments
 2. Housing rent supplements & other housing support initiatives
 3. Non-Profit Housing Corporation payments
 4. Child Care service payments to providers

Schedule C – Tender Procedures

1. Tenders will be sought for all work, material and equipment with an expected value exceeding \$200,000.
2. All tenders will be publicly advertised on the County of Lennox & Addington's website and other media as deemed necessary by the Department Head. In-House bids may be sought where the CAO considers it appropriate to do so.
3. Soliciting Bids
 - a) The County will accept Bids submitted by electronic means, from Bidders who have created vendor accounts on the County's electronic bidding system;
 - b) The County receives Bids in Competitive Bidding procurements directly into the County's electronic bidding system and leaves them sealed until the closing date and time indicated in the electronic bidding system;
 - c) The County reserves the right, to change to a paper-based bidding system, at any time, for any bid solicited,
 - d) The Bid solicitation document will specify whether the County will accept electronic, emailed, faxed or written Bids in sealed envelopes, or any combination of such forms of Bids;
 - e) Paper submissions will be submitted in sealed envelopes, plainly marked as to contents and must be received prior to closing time. Paper submissions will be dated and time stamped when received.
4. The closing date is usually 14 calendar days after date of issue. A tender may be closed in a shorter or longer time period depending on the urgency or complexity of the items being tendered. Tenders received after the closing time either electronically or by paper submission will be automatically rejected.
5. In some instances, the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes the screening of potential bidders in which such factors as financial capability, reputation, qualified staff, and product quality are considered. Only those contractors who are pre-qualified are allowed to submit tenders.
6. Each tender is reviewed to determine whether any bid irregularities exist. Depending on the significance of the irregularity, the bid will be automatically rejected, or 48 hours given to correct and initial, or the bid may be accepted with the irregularities at the discretion of the Department Head, in consultation with the Director, Financial Services.
7. Tenders are tabulated and evaluated by the Department Head. All tenders that are above the approved budgeted amount and/or are not the low bid require the approval of County Council prior to award. Council is to be notified of all successful tenders that are within budgeted amount and awarded to the low bid to be communicated in the department's activity report.

8. County Council reserves the right to reject any or all tenders or to accept any tender for any reason whatsoever.

Schedule D – Lease Financing Policies and Procedures

Purpose

This policy shall be considered the County of Lennox & Addington’s statement of lease financing policies and goals and will outline the procedures to be followed to ensure the financial and other risks associated with a financing lease are evaluated and reported to County Council as set out in the policy.

Lease financing may be considered by County Council as an economically feasible alternative to purchasing or debt financing when acquiring the rights to use capital property and equipment under the County’s purchasing procedures.

Definitions

Financing Lease	A lease allowing for the provision of municipal capital facilities if the lease may or will require payment by the municipality beyond the term for which the Council was elected. A financing lease includes both material and non-material leases but does not include any internal financing arrangements between County departments.
Material Lease	A financing lease which would have a material impact on the County.
Non-Material Lease	A financing lease which would not have a material impact on the County.
Material Impact	An individual financing lease with payments exceeding \$100,000 over the course of the lease, or \$50,000 in any particular year.
Combined Material Impact	The cost or risks of a proposed non-material lease which, when combined with all other non-material leases entered into or proposed to be entered into in a particular year by the County, would result in an amount of payment exceeding 20% of the annual repayment limit as prescribed under O.Reg.799/94.
Municipal Capital Facilities	Land, works, buildings, equipment, machinery and related systems and infrastructure.

Requirements

Financing leases require the following:

1. A schedule of all fixed amounts of payment, if any, required under the lease and payments that may be required under any possible extensions or renewals of the lease.
2. A review by the Director, Financial Services for classification, compliance with this policy and a calculation of total annual lease payment obligation.
3. Signature of the CAO and Warden on approval and execution of the lease for all material leases.

Approval Process

The Director, Financial Services and/or Department Head shall prepare a report to County Council with recommendations, assessing, in the opinion of the Director, Financial Services and Department Head, the costs and financial and other risks associated with a material financing lease, including:

1. A summary of all fixed amounts of payment, if any, required under the lease and payments that may be required under any possible extensions or renewals of the lease.
2. A comparison between the fixed and estimated costs and the risks associated with the proposed lease and those associated with other methods of financing.
3. A statement summarizing, as may be applicable, the effective rate or rates of financing for the lease, the ability for lease payment amounts to vary, and the methods of calculations, including possible financing rate charges, that may be used to establish that variance under the lease.
4. A statement summarizing any contingent payment obligations under the lease that in the opinion of the Director, Financial Services, would result in a material impact for the County, including lease termination provisions, equipment loss, equipment replacement options and guarantees and indemnities.
5. A summary of the assumptions applicable to any possible variations in the lease payment and contingent payment obligations and,
6. Any other matters the Director, Financial Services or County Council considers advisable.

County Council is responsible for:

1. Assessing the staff report and determining whether the costs of financing for the proposed financing lease are lower than other methods of financing available to the County and whether the risks associated with the financing lease are reasonable.
2. Determining whether the scope of the proposed lease warrants further legal or financial advice from an independent source.

Schedule E – Credit Card Purchases Policies and Procedures

Purpose

The purpose of the County of Lennox & Addington Credit Card Policy is to ensure that:

- credit cards are used to make only authorized purchases on behalf of the County of Lennox & Addington,
- only duly authorized employees obtain credit cards,
- appropriate documentation supports expenses; and
- adequate security exists over cards and card numbers

Requirements

Credit cards are assigned to assist staff in obtaining goods and services in an expedient manner. It provides a cost effective and timely payment method compared to the use of electronic funds transfers or cheque issuance. It is the intent to use credit cards only to augment the County of Lennox & Addington's Policies and Procedures. The use of credit cards in no way supersedes the requirements set forth in the Purchasing Policy.

How to Obtain a County of Lennox & Addington Credit Card

The steps involved in obtaining a credit card are as follows:

- The Departmental Director communicates to the Manager, Financial Services requesting a credit card for a particular employee or vehicle. This must state the rationale for the request along with the credit card limit, and any other card restrictions and / or limitations on card transactions. An example of the limits may include, but are not limited to, transaction restrictions for fuel purchases only. The CAO is responsible for requesting credit cards for Departmental Directors.
- The Manager, Financial Services requests the card from the credit card company.
- The future card holder must sign a letter (see Appendix A) from the Financial Services Department acknowledging that they have read, understand and will abide by the County of Lennox & Addington's Credit Card Policy, have physically received the noted credit card and acknowledge the noted specific credit limits. This letter will also require the signature of the appropriate Department Director acknowledging the credit card issuance to the employee.
- The Financial Services Department will maintain a master list of card holders.
- The Financial Services Department will circulate a list of card holders and credit limits to Departmental Directors to review and authorize once each year.

Eligible uses of the County of Lennox & Addington Credit Card

The County of Lennox & Addington's Credit Card Policy is meant to augment the approved Purchasing Policies and Procedures. Before purchases are made with credit cards, staff must ensure that they abide by corporate purchasing requirements concerning eligible expenses, authorization limits, and all other requirements outlined in the Purchasing Policies and Procedures.

For those individuals who hold credit cards, pre-authorized travel expenses may be paid for by using the County of Lennox & Addington's credit card. All **detailed** receipts must be kept by the card holder and attached to the monthly credit card statement. It is the card holder's sole responsibility to ensure that the monthly credit card statement is forwarded to Financial Services and includes all supporting documentation and account charges, is appropriately matched and reconciled and has the Department Head's authorizing signature. For those credit cards that are assigned to a specific vehicle, it is the responsibility of Department Heads to ensure that staff members have been assigned the task to perform the documentation requirements indicated in the preceding sentence.

Ineligible uses of the County of Lennox & Addington's Credit Card

The credit card must not be used for:

- personal use,
- cash advances,
- payment of salary and wages, and
- for the purpose of circumventing the County of Lennox & Addington's Purchasing Policies and Procedures

Under no circumstances will the card be loaned out to co-workers, colleagues or any other associates.

Credit card companies often have reward programs, which offer points that can be redeemed for merchandise. Credit card holders shall not collect or redeem points under any circumstances for personal benefit in any way from these programs.

Expense Authorization Procedures

Each month, cardholders will receive their credit card statements. Cardholders must attach detailed receipts and credit card slips to the statement. All statements or vendor receipts must be properly authorized—this includes confirming that goods or services were received, verifying invoice calculations, noting the payable amount and account code, and obtaining the signature of an authorized approver.

The credit card monthly statement and attached authorized original documents must be returned to the Financial Services department within **14 calendar days** of receipt.

The Financial Services department audits the credit card transactions, and monitors card holder's statements. Card holders and Departmental Heads will be notified of any disputed charges, or policy and contractual violations.

Returns and Exchanges

Returns and exchanges for purchases made on the credit card must be reversed on the credit card as opposed to receiving a cheque or cash. The reversing credit card slip along with any other documentation must be attached to the monthly credit card statement and submitted to the Financial Services department.

Physical Security

If the credit card is issued in the name of the employee, the card holder is completely responsible for the card. If the credit card is issued in the name of a vehicle, the employee driving the vehicle is responsible for the card. It must be held in a secure location at all times. If a card is lost or missing, the card holder must notify the credit card company immediately and subsequently notify the Departmental Head and the Financial Services department as soon as possible thereafter.

It is the responsibility of the card holder to ensure that credit card account numbers do not appear on any unnecessary documentation to limit exposure to theft.

Consequence of Misuse

Fraud or misuse of County of Lennox & Addington's credit cards may result in administrative action including disciplinary measures up to and including termination of employment. Individuals will be held responsible for any losses to the County of Lennox & Addington resulting from fraud or misuse and appropriate action will be taken to recover these losses.

Failure to provide authorized receipts may result in the card holder being held responsible for the purchases along with appropriate action being taken to recover these amounts from the card holder.

Departing Employees

It is the responsibility of the Departmental Heads to obtain County of Lennox & Addington's credit cards from employees prior to their last day of work. The cards must be returned to the Financial Services department who will be responsible for the destruction of the card. The Financial Services department will update their list of credit cards outstanding and confirm with the credit card company that the card has been cancelled.

Appendix A to Schedule E

The County of Lennox and Addington

I _____ acknowledge receipt of the County of Lennox & Addington's Credit Card. I have read, understand and will abide by County of Lennox & Addington's Credit Card Policy.

Account # _____

Expiry Date: _____

Credit Limit _____

Restrictions/Limitations:

Card Holder Signature

Date

Department Director/CAO Signature

Date

Director, Financial Services Signature

Date

Schedule F – Quotation Summary Form

Department _____

Type of Quotation _____

Good or Service requested _____

Supplier	Price	Remarks
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

This document must be filled out for the above noted quotations and attached to the appropriate purchase order. If less than three quotations are obtained or if the recommended quotation is higher than the lowest quotation, an explanation must be provided and be approved by the Department Director. Approval from the Director, Financial Services or the CAO is required prior to purchase if the amount of the purchase is greater than \$50,000 and the recommended quotation is higher than the lowest quotation.

RECOMMENDATION:

Signature _____ Date _____
Department Head

Signature _____ Date _____
Department Director

Signature _____ Date _____
CAO or
Director, Financial Services
(if applicable)