

THE DISTRICT MUNICIPALITY OF MUSKOKA

BY-LAW 2025-45

Being a by-law to adopt a Procurement Policy

WHEREAS pursuant to section 270 (1) of the *Municipal Act, 2001*, municipalities are required to adopt policies with respect to procurement, by the municipality, of goods and services;

AND WHEREAS it is desirable to adopt an updated policy for procurement by the District of Muskoka;

AND WHEREAS it is desirable to establish expenditure limits and signing authorities with respect to procurement by the District of Muskoka;

THEREFORE the Council of The District Municipality of Muskoka ENACTS AS FOLLOWS:

Procurement Policy

1. Policy FI-007-2025 attached hereto as Schedule "A" forms part of the by-law and shall be and is hereby adopted as the Procurement Policy of The District Municipality of Muskoka.
2. Amendments to Schedule "A" shall only be done by way of amendment to this by-law, except for Amendments to Schedule "D" shall be done in accordance with Section 9.1.3 Thresholds for Purchasing.
3. The guiding principle shall be that procurement by or in the name of the District of Muskoka will be using competitive processes that are open, fair and transparent.
4. Subject to any exceptions set out in Schedule "A" hereto, acquisition of goods and/or services by or on behalf of the District of Muskoka is not authorized unless the acquisition is done in compliance with this by-law.

Delegated Procurement Authorities

5. Delegated authorities to award a contract and execute a legal agreement or issue a purchase order evidencing a contract shall be as set out in policy FI-007-2025. Any conditions, restrictions, or requirements for exercising authority detailed in policy FI-007-2025 shall apply.

Implementation and Conflicts

6. By-law 2016-39 and By-law 2020-38, are hereby repealed.
7. The provisions of this by-law apply to any and all procurement initiated by or on behalf of the District of Muskoka after this by-law is passed despite any references to the contrary in any by-laws, regulations or policies or other documentation.

Enacted and Passed this 17th day of November, 2025.

THE DISTRICT MUNICIPALITY OF MUSKOKA

Per:


District Chair J. Lehman


District Clerk A. Back



POLICY

Name: Procurement Policy

Number: FI-007-2025

Administrative Approval Date: October 22, 2025

Council Approval Date: November 17, 2025

Most Recent Amendment Date: October 22, 2025

Effective Date: November 17, 2025

By-law reference:

Supersedes: FI-007-2020

CONTENTS

1. POLICY	1
2. PURPOSE	2
3. APPLICATION	2
4. DEFINITIONS	2
5. PROCUREMENT GOALS AND OBJECTIVES	7
6. GENERAL CONDITIONS	8
7. RESPONSIBILITIES AND AUTHORITIES	12
8. REQUIREMENT FOR APPROVED FUNDS	17
9. METHODS OF PROCUREMENT	18
10. OTHER	30
SCHEDULE "A" – EXCLUSIONS	37
SCHEDULE "B" – SUBMISSION IRREGULARITIES	40
SCHEDULE "C" – ALTERNATE DISPUTE RESOLUTION PROCESS – COMPETITIVE BID PROCESS	45
SCHEDULE "D" – SUMMARY OF THRESHOLDS FOR PURCHASING – WITHIN APPROVED BUDGET	47
SCHEDULE "E" – SUMMARY OF THRESHOLDS FOR PURCHASING – INSUFFICIENT BUDGET	50
SCHEDULE "F" – CONTRACT LENGTH AND EXTENSION AUTHORITY	51
SCHEDULE "G" – PROCUREMENT DECISION MAKING PROCESS FOR GOODS AND SERVICES	52

1. POLICY

This Policy has been developed to comply with Section 270. (1) of the *Municipal Act* S.O. 2001, Chapter 25, which provides that all municipalities and local boards shall adopt and maintain policies with respect to the procurement of goods and services.

2. PURPOSE

The purpose of this Policy is to express The District Municipality of Muskoka's ("District") goals and objectives in relation to the procurement of goods, services and construction and to describe the means by which the District will ensure an open, transparent and fair procurement process.

3. APPLICATION

- 3.1** This Policy applies to all District employees, volunteers and elected officials.
- 3.2** This Policy applies to all departments of the District and will be adopted in principle and, at their own discretion, by affiliate boards, committees and commissions of the District.
- 3.3** This Policy applies to the procurement of all goods, service(s) or construction except for those items set out in Schedule "A". In addition to the items set out in Schedule "A", this Policy does not apply to the purchase, disposal or lease of real property.
- 3.4** Where a proposed Contract provides for the District to receive revenue from a contractor, or the proposed Contract is at no cost to the District, the processes and authority limits set out in this Policy which are applicable to the total cost of a Contract shall be construed as applicable, to the total revenue payable under the Contract.

4. DEFINITIONS

Acquisition

The purchase of Goods, Services and/or Construction.

Agreement

A formal written document that may be executed by the District and the selected Supplier to confirm the commitment of the parties in a Procurement process.

Approval Authority

The authority to approve Procurements including the Award, Contract, and Contract Amendments not exceeding the approved budget, up to the authority levels for the respective body or person(s) set out in Section 7.2.3.

Authorized Delegate

The individual holding a position which has been delegated by Council an Approval Authority and includes any other individuals further delegated such Approval Authority in accordance with the Procurement Policy.

Award

The notification to a Bidder of acceptance of a proposal, quotation or tender that brings a Contract into existence.

Bid

An offer or submission received from a Bidder in response to a Call for Bid, which is subject to acceptance or rejection.

Bidder

A person or entity who submits a Bid in response to a Call for Bids and includes proponents and respondents.

Buying Group / Group Purchasing Organization

A group of two or more members, external to the District, that combines the purchasing requirements and activities of the members of the group into one joint procurement process.

Call for Bid

A formal or informal request for Bid and includes, but is not necessarily limited to, a Request for Quotation, Proposal, Tender, Pre-Qualification or Standing Arrangement.

Chief Administrative Officer or CAO

The person appointed to that position as approved by Council and includes his or her Designate.

Collusion

An activity undertaken by two or more people for the purpose of dividing the market, setting prices, limiting production, or limiting open competition, by deceiving, misleading, or defrauding others of their legal rights, or to obtain an objective forbidden by law, typically by defrauding or gaining an unfair advantage.

Compliant Bid or Compliant Bidder

A responsive and responsible Bid or Bidder that submits a Bid, respectively, that meets all requirements stipulated in the Call for Bid and that possesses the capacity and ability, including financial and technical abilities, to perform as contractually required.

Conflict of Interest

A situation in which, due to financial or other personal considerations, there is a risk that professional judgment, objectivity or actions have the potential to compromise or unduly influence a procurement outcome, whether real or perceived.

Construction

A creation, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work, including site preparation, excavation, drilling, seismic investigations, soil investigations, the supply of products and materials and equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering design or architectural work, but does not include the Consulting and Professional Services related to the construction Contract unless they are included in the specifications for that Procurement.

Consulting and Professional Services

Those services requiring the skills of a specialist for a defined service and includes architects, engineers, designers, surveyors, planners, accountants, auditors, management professionals, marketing professionals, software and information technology experts, financial consultants, lawyers, law firms, real estate agents and brokers, environmental planners and engineers, hydro geologists, transportation planners and engineers, communications consultants and any other consulting or professional services required by the District.

Contingency

An event or circumstance that may give rise to an increase in a Contract price, and which could not have been reasonably anticipated at the time the Call for Bids closed.

Contract

A legal agreement between two or more parties. Agreements can be in the form of a formal legal agreement or Purchase Order.

Contract Administrator

The staff member responsible for overseeing the management of the Contract.

Contract Change Order

A mutually agreed upon addition to, deletion from, or modification of a Contract between the District and the Vendor that could not have been reasonably foreseen and thereby included in the Call for Bid document.

Cooperative Purchasing

The coordination of the District's purchases with purchases from other government agencies or public authorities such as other municipalities, conservation authorities, school boards and hospitals.

Corporate Wide Procurement

The acquisition of Goods and/or Services on a corporate wide basis.

Council

The Council of The District Municipality of Muskoka comprised of the District Chair and elected officials.

Department

The department initiating the acquisition of the Goods and/or Services on behalf of the District.

Department Head

The person(s) responsible for the procurement activities within their Department, which includes the CAO, Commissioners, Directors, Managers and Designates.

Designate

A person authorized to act on the behalf of an Authorized Delegate.

District

The District Municipality of Muskoka.

Electronic Tendering

An internet-based process that provides suppliers with online access to information related to open competitive procurements, including advertising, receiving and submitting Bid related information.

Emergency Purchase

An Acquisition that does not follow the standard methods of Procurement because of a circumstance described in Section 9.3.3 of this Policy.

Essential Service

A service rendered by which the interruption would endanger the life, health or personal safety of those receiving the service. These services may include but are not limited to hospitals, long term care, electricity, water, telephone, police, fire, ambulance and air traffic control.

Goods

Moveable property including the costs of installing, operating, maintaining, or manufacturing such moveable property, and any necessary 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.

Irregularity

A deviation between the requirements (terms, conditions, specifications, special instructions) of a Call for Bid and the information provided in a Bid response.

Low Cost Purchase

A purchase of Goods, Services and/or Construction at the thresholds indicated in this Policy.

Negotiation

The action or process of conferring with one or more Vendors with the goal of reaching an agreement on an Acquisition made pursuant to this Policy.

Non-Management Staff

An employee who has been delegated Approval Authority and is not a Department Head.

Procurement

Purchasing, renting, leasing or otherwise acquiring any Goods, Services and/or Construction, including the description of requirements, solicitation method, selection of sources, preparation and Award of Contract and all phases of the contract administration.

Public Service

A service provided by the government to people living within its jurisdiction. These services may include but are not limited to roads, bridges, parks, waste management, water treatment and distribution, wastewater collection and treatment, housing and community services.

Purchase Order

A written Contract with a successful Bidder that has a unique number, which formalizes the acceptance of an offer received in accordance with this Policy and enables payment through financial system.

Request for Expression of Interest or EOI

A formal, non-binding process where information is requested from Suppliers regarding the feasibility and availability of specific Goods and/or Services in the marketplace and to determine if there are enough suppliers to justify a RFQ, RFP or RFT.

Request for Information or RFI

A formal, non-binding process for gathering information from potential Suppliers of a good or service during the planning phase of a project when product requirements, specifications or purchase options cannot clearly be identified. An RFI is often used as a precursor to a Call for Bid.

Request for Pre-Qualification or RFPQ

A formal, non-binding solicitation document to obtain detailed information from firms and/or individuals that may include their experience, financial strength, education, background and personnel, to prequalify to supply Goods, Services and/or Construction to the District. The RFPQ may be a precondition to a further Call for Bid.

Request for Proposals or RFP

An informal or formal request for prices and details on Goods and/or Services from Suppliers, where the Goods and/or Services may not be able to be fully defined or specified or when alternate methods are being sought to perform a certain function or service, at the time of the request and/or where price is not the primary evaluation factor. RFP's may have provisions for Negotiations and may be in a single or multi-step process.

Request for Quotations or RFQ

An informal or formal request for prices for an Acquisition where comprehensive technical specifications can be developed.

Request for Standing Arrangement or RFSA

A contract under which the District may purchase Goods and/or Services which will be required on an ongoing basis but where the exact types or quantities of goods and services required may not be precisely known or the time period during which the Goods and/or Services are to be delivered may not be precisely determined.

Request for Tender or RFT / Invitation to Tender or ITT

A formal, binding request for prices for an Acquisition where comprehensive technical specifications can be developed.

Service

The services to be provided under a Contract and includes labour and Consulting and Professional Services.

Single Source

A non-competitive Procurement method used when a purchase is made from one source of supply where others may be available, or where a limited number of Suppliers are contacted.

Social Procurement

Using a Procurement process to generate positive social outcomes which may include job creation, training, or apprenticeships for historically disadvantaged communities, or reducing carbon emissions, in addition to the efficient delivery of goods and services and may include other benefits as defined by the local community or the District.

Sole Source

A non-competitive Procurement process to acquire Goods and/or Services where there is only one available or known Supplier for the source of the particular Goods and/or Services in the open market.

Supplier/Vendor

Any individual or organization providing or seeking to provide Goods, Services and/or Construction to the District.

Unsolicited Proposal

An offer or proposal submitted by a Vendor in the absence of a Call for Bid. It may be submitted in response to a perceived need but not in response to a Call for Bid.

Unfair Advantage

A risk that the Bidder or any of its members had access to information related to the bid solicitation that was not available to other Bidders and that would, give or appear to give, the Bidder an unfair advantage.

5. PROCUREMENT GOALS AND OBJECTIVES

- (a) Procure Goods, Services and Construction in an efficient, timely and cost effective manner in accordance with legislative requirements, District Strategic Priorities, as well as the directives and expectations of Council, management and the public at large.
- (b) Ensure an open and competitive Procurement process, treating all Suppliers and submissions in an objective and equitable manner.

- (c) To obtain the best value for the District when procuring Goods, Services or Construction by regularly conducting a competitive bid process, where required in this Policy, to ensure the District is receiving the best possible and current market price.
- (d) To consider all costs and factors over the lifetime of the Acquisition, including but not limited to, Acquisition costs, installation, disposal value, disposal costs, training costs, maintenance costs, reliability and quality of performance.
- (e) To utilize comprehensive and unbiased specifications.
- (f) To promote respect for and ensure compliance with all applicable trade agreements, laws and regulations.
- (g) To encourage the procurement of Goods, Services or Construction with due regard to the preservation of the natural environment and the promotion of human rights and fair labour practices.
- (h) To adhere to the highest standards of ethical conduct and avoid any real or perceived conflicts between the interests of the District and those of the District's employees elected officials and committee members.

6. GENERAL CONDITIONS

- 6.1** No District staff, elected official or committee member shall purchase or offer to purchase, on behalf of the District, any Goods, Services or Construction except in accordance with this Policy.
- 6.2** Any employee who intentionally and knowingly acquires or disposes of any Goods or Services for the District in contravention of this Policy may be subject to disciplinary action.
- 6.3** Exceptions to this Policy are identified in Schedule A.
- 6.4** Council approval shall be required where the provisions of the Procurement Policy are being waived.
- 6.5** All purchases must have appropriate pre-approved funding and must be authorized prior to the preparation of a Call for Bid unless Council has otherwise authorized the release of the Call for Bid prior to approval of the funding.
- 6.6** No employee or designated representative for the District shall prepare, design or otherwise structure a Procurement, select a valuation method or divide Procurement requirements into two or more parts in order to circumvent any obligation and/or threshold of this Policy.

6.7 The District shall not enter into any Contract where there would be the establishment of an employee-employer relationship, except as exempted under Schedule A.

6.8 Standardization

It shall be the intent of the District, wherever possible, to standardize the purchase of Goods, Services and Construction to allow for:

- (i) reduced amount of Goods, Services and Construction required;
- (ii) increased volume on common cross departmental items or services;
- (iii) maximizing volume buying opportunities;
- (iv) providing economies of scale;
- (v) reduced handling, training and storage costs;
- (vi) minimizing maintenance costs;
- (vii) Cooperative Purchasing activities;
- (viii) more competitive Bid results; and
- (ix) reduced overall costs.

6.9 Non-Discrimination

The District will practice reciprocal non-discrimination and geographic neutrality with respect to Ontario's trading partners and avoid preferential treatment of local suppliers in accordance with trade treaty obligations, so long as treaty partners are acting in good faith of the trade treaties.

6.10 Records Retention and Access to Information

All Procurement activities must be supported by the appropriate documentation and all records relating to a Procurement process must be retained by the issuing department in accordance with the Records Retention By-Law and Schedules, as amended.

The disclosure of information received in relation to a Call to Bid or the Award shall only be made by the appropriate staff 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.

6.11 Accessibility

When procuring Goods, Services and Construction, the District will incorporate accessibility criteria and features when applicable and practical as may be required from time to time by applicable legislation.

When applicable, Procurement documents will specify the desired accessibility criteria to be met and provide guidelines for the evaluation of proposals in respect of those criteria. When it is not practical for the District to incorporate accessibility criteria and features for Acquisition, the Department Head will provide a written explanation, upon request.

The District will promote and incorporate, whenever possible, accessibility considerations in their Procurement activities.

Suppliers must have the ability to produce deliverables in accessible formats and make sure that all communication, equipment, venues and materials take into account a person's disability so that all in attendance may participate equally.

In accordance with section 6 of Ontario Regulation 429/07, Accessible Standards for Customer Service, the Supplier is responsible for ensuring that all of its employees, volunteers and others for which the Supplier is responsible are adequately trained.

6.12 Sustainable Procurement

In keeping with the District's strategic priority area of our environment, the District acknowledges the responsibility of promoting sustainable objectives in a manner which includes consideration of social, environmental and economic factors.

Department's will endeavour to include specifications in bid solicitations which encourage greater sustainability through considerations of the environmental and social repercussions and long-term impacts of each Acquisition as well as climate change and environmental sustainability in establishing scoring and evaluation for Requests for Proposals.

This will be done where practical and appropriate considering full lifecycle assessments, energy efficient products, reusable products and products that contain maximum recyclable content, accomplished through methods promoting minimum waste, without significantly affecting the intended use of the product or service.

6.13 Social and Community Benefit

To the extent practicable, the District shall endeavor to promote and incorporate Social Procurement opportunities and community benefit approaches into its Procurements, having regard to the requirements of all applicable legislation and trade treaties.

6.14 Legal Claims

The District reserves the right to neither accept nor Award to any Bidder, inclusive of its sub-contractor(s), a Contract with whom the District is in litigation.

6.15 Collusion

Collusion will not be tolerated, and Bids may be rejected without further consideration if Collusion is suspected or present. The District will report any suspected cases of collusion or other bid-rigging offences under the *Competition Act* to the Competition Bureau or to other relevant authorities.

6.16 Code of Ethics and Conduct

All procurement shall be undertaken in accordance with the District's Code of Ethics and Conduct Policy PP: 00, as amended, the Muskoka District Council Procedure By-Law No. 2023-50, as amended and the *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M.50, as amended.

6.17 Lobbying Restrictions

Vendors, their staff, or anyone involved in preparing a Bid shall not engage in any form of political or other lobbying whatsoever or seek to influence the outcome of the procurement process or subsequent Award. This restriction extends to all of the District's elected officials, committee members and staff.

No elected officials, committee members, or employees shall provide information regarding the District's need for a specific Acquisition to prospective Vendors where the provision of the knowledge could provide an unfair advantage whether perceived or actual.

The District may reject any Bid by any Bidder that engages in lobbying, without further consideration, and may terminate that Bidder's right to continue in the Procurement process.

During the Procurement process, all communications shall be made through the Contract Administrator or any staff member otherwise listed in the Bid document. No Vendor or person acting on behalf of a Vendor or group of Vendors shall contact any elected official, committee member or other employee of the District to attempt to seek information. This restriction extends to all the District's elected officials, committee members and staff.

6.18 Elected Officials and Committee Members

In accordance with best practices in municipal procurement, elected officials and committee members recognize the need for a clear separation of political and administrative functions in relation to the District's Procurement operations.

Elected officials and committee members shall separate themselves from the Procurement process. This includes, but is not limited to, obtaining information on any particular Procurement and participating as an evaluation member in any Procurement process.

6.19 Policy Review

The Commissioner of Finance and Corporate Services shall review as appropriate, but no later than every three (3) years, the effectiveness of this

Policy and report to Council, where applicable, recommending any changes to meet the needs and requirements of the District.

7. RESPONSIBILITIES AND AUTHORITIES

7.1 Responsibilities

District staff is accountable for the decisions and actions they take pursuant to this Policy and in the administration of Contracts that have been awarded.

Procurement activities shall be subject to all applicable District policies and any specific provisions of the *Municipal Act*, and all other relevant Federal and Provincial legislation.

Council

Council will be required to review Procurement processes under the circumstances highlighted in Section 7.2.1 (a). Department Heads shall create a report to be included in the Council agenda for consideration for approval. Council may delegate approval of items to all Standing Committees, upon prior notice, pursuant to Section 7.2.1 (b).

Standing Committee

Standing Committees will be required to review Procurement processes under the circumstances highlighted in Section 7.2.1 (c). Department Heads shall create a report to be included in the Committee agenda for consideration for approval.

Chief Administrative Officer

- (a) Ensure that all staff adhere to the Procurement Policy and shall address any non-compliance that the Commissioner of Finance and Corporate Services has brought to their attention.
- (b) Together with the relevant Department Head has the authority to award Emergency Purchases as outlined in Section 9.3.3.
- (c) Together with the Commissioner of Finance and Corporate Services has the authority to approve additional funding for new acquisitions or additions to acquisitions that are over budget but that cumulatively, the project cost variance from budget does not exceed the amounts in accordance with Section 8.
- (d) Where necessary, the CAO is authorized to approve the Contracts normally subject to Council approval during the time that regular Council meetings are suspended, provided that a report is submitted to Council as soon as reasonably possible, setting out the details of any Contract approved pursuant to this authority.

Commissioner of Finance and Corporate Services

- (a) Ensure all purchases are performed in accordance with the Procurement Policy.
- (b) Addresses all instances of non-compliance with this Policy with the appropriate Department Head and continued non-compliance shall be reported to the CAO.
- (c) Delegate Approval Authority to staff within the parameters established within this Policy.
- (d) Together with the Chief Administrative Officer has the authority to approve additional funding for new acquisitions or additions to acquisitions that are over budget but cumulatively the project cost variance from the budget does not exceed the amounts in accordance with Section 8.

Department Head

- (a) Ensure that funds are available and approved in the current budget as approved by Council.
- (b) Responsible for all Procurement activities within their department and ensuring they are carried out in accordance with this Policy.
- (c) Have the authority to Award and execute Contracts based on the requirements of the Policy up to the thresholds as per their signing authority.
- (d) Together with the Chief Administrative Officer has the authority to award Emergency Purchases as outlined in Section 9.3.3.
- (e) Monitor all contract expenditures to ensure compliance with financial limits.

Manager, Procurement

- (a) Responsible for ensuring consistent application of this Policy.
- (b) Provides Procurement advice and related services that may be required by departments for the purpose of fulfilling the Procurement needs of the District.
- (c) Monitors compliance with this Policy and notifies the Commissioner of Finance and Corporate Services of any non-compliance.
- (d) Provides advice and related services that may be required by departments for the purpose of fulfilling the disposal of assets that have been deemed surplus in accordance with the Disposal of Surplus and Obsolete Assets Policy FI-004-2010.

- (e) Acts as the District's representative with other public agencies on initiatives where such involvement is in the best interest of the District.
- (f) Participates as a member of the Bid Review Committee.
- (g) Where applicable, participates in Negotiations.

All Employees

- (a) All District employees are responsible for complying with this Policy. Employees involved in Procurement activities must understand their obligations and responsibilities under this Policy and any applicable procedures.
- (b) Employees should consult with the Manager, Procurement in respect to any questions regarding the application or interpretation of this Policy.

7.2 Approval Authority

7.2.1 General

Any person delegated Approval Authority shall ensure that an approved budget exists for the proposed Procurement and that such Procurement does not violate any of the District's policies or any applicable law. Any such Procurement shall also satisfy any applicable audit requirements of the District.

- (a) Council must approve any Procurement process in the following circumstances.
 - (i) Where the provisions of the Procurement Policy are being waived.
 - (ii) Where an acquisition was not included in the approved budget.
 - (iii) Any contract requiring approval from the Ontario Land Tribunal.
 - (iv) Any contract prescribed by statute to be authorized by Council.
 - (v) Where a substantive Bidder complaint has been filed prior to the Award of a Bid as determined by the Department Head and CAO in accordance with Section 10.11.2.
 - (vi) Where Council has directed staff to provide a report to Council.

- (b) Council may delegate approval of these items to all standing committees, upon prior notice:
 - (i) Where an Acquisition or Contract Change Order exceeds the approved budget in accordance with the amounts outlined in Section 8.
 - (ii) Where the lowest Compliant RFQ or RFT submission is not being recommended for Award.
 - (iii) Where the highest scoring Compliant RFP submission is not being recommended for Award.
- (c) All Standing Committees are delegated the authority to approve any Procurement process in the following circumstances:
 - (i) The value of the contract award is greater than \$800,000 including any Contingency allowance and does not exceed the Council approved budget by the amounts in accordance with Section 8.
 - (ii) A Single Source procurement greater than \$100,000 is being proposed.
 - (iii) An Emergency Purchase greater than \$1,500,000 is being proposed.
 - (iv) Other procurements as delegated by Council pursuant to Section 7.2.1 (b).

7.2.2 Delegation of Spending Authority

Within the expenditure limits and the policies and procedures set out herein, staff shall be and are hereby empowered to procure Goods, Services or Construction, and Award Contracts in the name of the District.

1. Staff will be assigned the appropriate Approval Authority level(s) upon acceptance of the job, as necessary, subject to the limits outlined in Section 7.2.3, unless otherwise determined by the Department Head, in consultation with the Commissioner of Finance and Corporate Services.
2. Limits for staff may vary, may not be assigned to the maximum, and may not be the same for each person in the same Approval Authority level in Section 7.2.3. In determining the expenditure limits to be assigned to a member of staff, the Commissioner of Finance and Corporate Services shall identify:

- (i) the nature of Goods, Services and/or Construction the staff member is permitted to acquire; and
 - (ii) the dollar limits applicable to each type of Acquisition.
3. The Commissioner of Finance and Corporate Services shall keep a current list of all assigned expenditure limits.
4. All standing committees shall be and are hereby delegated authority to Award Contracts subject to:
- (i) the limitations set out in section 7.2.1 (b); and
 - (ii) prior notice to Council on receipt of notice under 4 (ii), Council may, by resolution, require any Award of Contract be done by Council.

7.2.3 Approval Authority Levels

Maximum Procurement Approval Authority Levels*

Total Procurement Amount (\$)	Delegated Purchasing Authority Level
Up to \$25,000	Non-Management Staff
Up to \$50,000	Managers
Up to \$100,000	Directors
Up to \$500,000	Commissioners
Up to \$800,000	CAO
Over \$800,000	Standing Committee Approval

*Maximum limits are subject to Section 7.2.2.

- (a) All procurement Approval Authorities assume that sufficient funding has been previously approved to cover the Procurement amount.
- (b) For the purpose of determining whether a Procurement falls within the prescribed Approval Authority Levels that may be Awarded under the delegated purchasing authority, the amount shall be the sum of all costs to be paid to the Vendor under the Contract, including the non-rebated portion of tax.
- (c) For multi-year Contracts, for the purpose of determining whether a Procurement falls within the prescribed Approval Authority Levels that may be Awarded under the delegated purchasing authority, the amount shall be the sum of all costs to be paid to the Vendor under the initial term of the Contract, as indicated in the Call for Bid, including the non-rebated portion of tax.

7.2.4 Execution of Award

- (a) The person who has the applicable Approval Authority for the Procurement shall also have the authority to execute the Award and sign the Contract, in part, on behalf of the District.
- (b) For all Procurement Contracts that require Committee or Council approval, the District officials named in the resolution shall execute such Contracts on behalf of the District.
- (c) All Procurement Contracts issued by the District that do not require Council approval shall be signed by the person who has the applicable Approval Authority and the Manager, Procurement.

8. REQUIREMENT FOR APPROVED FUNDS

- (a) The beginning of the Procurement process commences with the approval by Council of the operating and capital budgets for the District. Upon approval of these budgets, staff has the authority to purchase Goods, Services and Construction. Council approval will be required to release a Call for Bid prior to approval of the budgets.
- (b) Where certain Goods and Services are routinely purchased on a multi-year basis, the exercise of authority to Award and execute such a Contract is subject to the following:
 - (i) the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved operating budget.

and

 - (ii) the opinion of the Department Head that the requirement for the Goods or Services will continue to exist in subsequent years and the concurrence of the Commissioner of Finance and Corporate Services that the required funding can reasonably be expected to be made available.
- (c) Where Construction projects will expand multiple years, the exercise of authority to Award and execute such a Contract is subject to the total contract value not exceeding the allocated amount in the capital budget and forecast.
- (d) Acquisitions that are deemed by a Department Head to be necessary but that are not in the budget must be approved by Council or Committee, if so delegated, prior to the commencement of the solicitation process.
- (e) Capital budgets for Construction projects with an estimated cost of greater than \$100,000 should include a Contingency allowance of 15%.

Insufficient Budget at Time of Award of Solicitation

In the event that the Bid that is recommended for Award exceeds the approved funds available, the District may pursue any of the following options:

- i. Council may increase the approved budget, provided that there are sufficient funds available to allow the District to Award. Department Heads are required to submit a report to Council seeking approval of the additional funds, as required by AD:51 Capital Budget Preparation, Monitoring and Reporting, as amended unless one of the following conditions outlined in (a) or (b) applies:
 - (a) The total cost of the Acquisition is less than \$500,000 and does not exceed the approved budget by the lessor of \$75,000 or 15%; or
 - (b) The total cost of the Acquisition is greater than \$500,000 and does not exceed the approved budget by the lessor of \$250,000 or 15%.
 - (c) If the conditions in either (a) or (b) applies, the Department Head shall submit a request for additional funding to the CAO, and Commissioner of Finance and Corporate Services. The CAO, and Commissioner of Finance and Corporate Services, shall identify the additional funding sources required for the unfavourable variance and approve the request at their discretion.
- ii. Award part of the Call for Bid;
- iii. Negotiate with the lowest Compliant Bidder;
- iv. Negotiate based on the terms of the Call for Bid;
- v. Cancel the Call for Bid; or
- vi. Materially revise the Call for Bid and issue a revised Call for Bid.

9. METHODS OF PROCUREMENT

9.1 Procurement Process and Thresholds

9.1.1 General

- (a) The dollar values for Procurement limits or thresholds represent the cumulative value spent in one calendar year for a particular Good and/or Service.
- (b) For multi-year contracts, it is the estimated total of the Procurement value over the term of the contract, including any extensions or renewals that will govern which Procurement process applies.

- (c) Sales taxes, excise taxes, goods and services taxes, harmonized sales taxes, duties and shipping shall be excluded in determining the procurement limit and the type of Procurement process to be followed.
- (d) Purchases and/or Contracts shall not be divided to avoid the requirements of the Procurement Policy or to circumvent prescribed spending authority dollar limits.

9.1.2 Corporate Wide and Departmental Procurement

Procurement may be undertaken on a corporate wide or departmental basis in accordance with this section.

- (a) The Commissioner of Finance and Corporate Services shall from time to time, in conjunction with the CAO and Department Heads, establish a list of Goods and/or Services to be acquired on a corporate wide basis.
- (b) The list of Goods and/or Services to be procured on a corporate wide basis shall include designation of the lead department responsible for the Procurement of the items listed.
- (c) Goods and/or Services not acquired on a corporate wide basis may be acquired on a departmental basis.
- (d) The provisions of this Policy shall be complied with regardless of whether the Procurement is done on a corporate wide basis or departmental basis.

9.1.3 Thresholds for Purchasing

- (a) A summary of thresholds for purchasing shall be maintained in Schedule D to this Policy.
- (b) The thresholds included in Schedule D shall be reviewed and adjusted every two years in accordance with the limits set out in the Canadian Free Trade Agreement (CFTA).

9.2 Standard Methods of Procurement

The Acquisition methods described below shall be utilized, unless another section of this Policy applies, as recommended by the Manger, Procurement and shall be advertised, reported, approved and the Contract executed in accordance with the provisions of this Policy.

The thresholds, advertising, approval and purchase execution parameters are outlined in Schedule D.

9.2.1 Low Cost Purchase (LCP)

(a) Conditions of Use

- i. The Goods, Services and/or Construction are not covered under an existing Contract or supply arrangement. The Manager, Procurement will provide access to information on existing corporate Contracts.
- ii. The Goods and/or Services are required on an item-by-item basis.
- iii. Intended for one-off or small, multiple purchases with a cumulative value not exceeding the threshold.
- iv. If the deliverables are required on a frequent or recurring basis, and there is no existing supply arrangement, staff should consult with the Manager, Procurement or their Department Head about the possibility of establishing a Standing Arrangement.
- v. Where practical, soliciting multiple quotes is encouraged to ensure best value is being obtained. Quotations may be obtained through Supplier catalogues or websites or by contacting the potential Supplier(s) by telephone or email.

(b) Evaluation and Award

- i. Best value for the District can be achieved when selection is made on the basis of total lifecycle cost that meets all the requirements.
- ii. Purchases may be made using corporate purchasing card or Purchase Order and Vendor invoice.

9.2.2 Informal Request for Quotation (RFQ)

(a) Conditions of Use

- i. The requirements can be fully defined.
- ii. Solicitation will be issued to a minimum of three (3) Bidders.
- iii. An open competitive process may be conducted in place of an invitational competition.

(b) Evaluation and Award

- i. The RFQ shall be awarded to the lowest priced Compliant Bidder.

- ii. Best value for the District can be achieved by an award selection made on the basis of total lifecycle cost that meets all terms, conditions and specifications.
- iii. A Purchase Order and, where applicable an Agreement will be required.

9.2.3 Formal Request for Quotation (RFQ)

(a) Conditions of Use

- i. The requirements can be fully defined.
- ii. This format is for use in a simplified Procurement of standard Goods, Services, or Construction.
- iii. Solicitation shall be through an Electronic Tendering method.

(b) Evaluation and Award

- i. The RFQ shall be awarded to the Lowest Compliant Bidder.
- ii. Best value for the District can be achieved by an award selection made on the basis of total lifecycle cost that meets all terms, conditions and specifications.
- iii. A Purchase Order and Agreement will be required.

9.2.4 Request for Tender (RFT)

(a) Conditions of Use

- i. The requirements can be fully defined.
- ii. This format is for use for the Procurement of Goods, Services or Construction where there is a need for legally binding, irrevocable Bids.
- iii. Solicitation shall be advertised through an Electronic Tendering method.

(b) Evaluation and Award

- i. The RFT shall be awarded to the Lowest Compliant Bidder.
- ii. Best value for the District can be achieved by an award selection made on the basis of total lifecycle cost that meets all terms, conditions and specifications.
- iii. A Purchase Order and Agreement will be required.

9.2.5 Informal Requests for Proposals (RFP)

(a) Conditions of Use

- i. Comprehensive technical specifications cannot be fully defined or specified; or
- ii. Alternate methods or innovative solutions are being sought to perform a certain function or service.
- iii. Solicitation will be issued to a minimum of three (3) Bidders.
- iv. An open competitive process may be conducted in place of an invitational competition.

(b) Evaluation and Award

- i. Evaluation will be based on the criterion as outlined in the Call for Bid Document of which, price is only one criterion.
- ii. Award of the Contract shall be issued to the highest scoring Compliant Bidder.
- iii. A Purchase Order and, where applicable an Agreement will be required.

9.2.6 Formal Requests for Proposals (RFP)

(a) Conditions of Use

- i. Comprehensive technical specifications cannot be fully defined or specified; or
- ii. Alternate methods or innovative solutions are being sought to perform a certain function or service.
- iii. Solicitation shall be advertised through an Electronic Tendering method.

(b) Evaluation and Award

- i. Evaluation will be based on the criterion as outlined in the Call for Bid Document of which, price is only one criterion.
- ii. Award of the Contract shall be issued to the highest scoring Compliant Bidder.
- iii. A Purchase Order and Agreement will be required.

9.2.7 Request for Standing Arrangements (RFSA)

(a) Conditions of Use

- i. The same Goods and/or Services will be required on a repetitive basis over a period of time, and the actual demand is not known in advance, or
- ii. A need is anticipated for a range of Goods and/or Services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises, or
- iii. There is a need for a list of Vendors for their services that will be provided on an “as needed or required” basis.

(b) Evaluation and Award

- i. More than one Vendor may be selected where it is in the best interests of the District, and the Call for Bid allows for more than one; and
- ii. Selection methodology and evaluation criterion (where required) will be as outlined in the Call for Bid document.
- iii. A Purchase Order and Agreement will be required. Payment may be made using a corporate purchasing card, where applicable.

9.2.8 Request for Information (RFI)

(a) Conditions of Use

- i. There is a need to seek information, clarification, comments, feedback and/or reactions from the marketplace that may assist in compiling a potential future Call for Bid.
- ii. The RFI shall be advertised through an Electronic Tendering method.
- iii. Submissions shall be provided at no cost to the District.

(b) Evaluation and Award

- i. An RFI submission does not create any contractual obligation between the District and the respondent.
- ii. An RFI will not be used as a prequalification tool.

9.2.9 Request for Expression of Interest (RFEOI)

(a) Conditions of Use

- i. There is uncertainty regarding the market availability and interest in providing the Good or Service.
- ii. The submissions received may assist with a potential future Call for Bid.
- iii. The RFEOI shall be advertised through an Electronic Tendering method.
- iv. Submissions shall be provided at no cost to the District.

(b) Evaluation and Award

- i. An RFEOI submission does not create any contractual obligation between the District and the respondent.
- ii. An RFEOI will not be used as a prequalification tool.

9.2.10 Request for Pre-qualification (RFPQ)

(a) Conditions of Use

- i. When work is considered to be complex, high risk or there is a need to develop a short list of qualified Bidders that have the capabilities to meet the District's needs.
- ii. Is the initial phase of a two or more phase solicitation process.
- iii. The RFPQ shall be advertised through an Electronic Tendering method.

(b) Evaluation and Award

- i. An RFPQ submission does not create any contractual obligation between the District and the Bidder.
- ii. Selection methodology and evaluation criterion will be as outlined in the Call for Bid document.
- iii. A subsequent Call for Bid document will be issued as outlined in the RFPQ only to the pre-qualified Bidders.

9.3 Alternative Methods of Procurement

9.3.1 Sole Source

The requirement for a competitive bid process may be waived under the authority of the Department Head with the consent of the Commissioner of Finance and Corporate Services.

Where a Sole Source over \$25,000 is proposed, Department staff will issue a memo to the Department Head, Manager, Procurement and Commissioner, Finance and Corporate Services, outlining the Sole Source procurement and providing proof of one of the valid reasons below.

The Procurement may be conducted using a Sole Source process for the following valid reasons:

- (i) Statutory or market-based monopoly;
- (ii) Competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, license, contract restrictions, technical secrets or controls of raw material; or
- (iii) The complete item, service, or system is unique to one Supplier, and no reasonable and competitive alternative or substitute exists.

Following approval by the Department Head and Commissioner of Finance and Corporate Services, the Department Head may conduct direct Negotiations with the Supplier.

9.3.2 Single Source

The requirement for a competitive Bid process may be waived under the authority of the Department Head with the consent of the Commissioner of Finance and Corporate Services. The Procurement may be conducted using a Single Source process if the Goods and/or Services are available from more than one source, but there are valid and sufficient reasons for selecting one Supplier in particular or requesting Bids from a limited number of Suppliers where open competition would normally be required.

Where a Single Source between \$25,000 and \$100,000 is proposed, department staff will issue a memo to the Department Head, Manager, Procurement and Commissioner, Finance and Corporate Services, outlining the Single Source procurement and providing proof of one of the valid reasons below.

Where a Single Source over \$100,000 is proposed, a written report indicating the rationale for a non-competitive selection shall be submitted to the appropriate Standing Committee for approval prior to the Award of any Contract.

The following are valid reasons for a Single Source purchase, the Standing Committee may approve items or circumstances that are not listed, at their discretion:

- (i) An attempt to acquire the required Goods and/or Services by soliciting competitive submissions has been made in good faith, but has failed to identify any willing and compliant Suppliers;
- (ii) The confidential nature of the requirement is such that it would not be in the public interest to solicit competitive submissions;
- (iii) Construction, renovations, repairs, maintenance etc. in respect of a lease by the District that may only be done by the lessor, in accordance with a lease agreement;
- (iv) A Good or Service is compatible with an existing Good or Service where a substitute is available, however the warranty, maintenance or service will be affected if the substitute is used;
- (v) Standardization on a particular make or model of the required Goods is desirable for the purposes of minimizing inventories of spare parts, minimizing the time and expense associated with operator training, and maximizing operator transferability, etc.;
- (vi) Where due to abnormal market conditions, the Goods, Services or Construction required are in short supply;
- (vii) A Good or Service is being purchased for a defined testing or trial use period, no longer than twelve (12) months;
- (viii) For the Procurement of Goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchase;
- (ix) When the District has a lease with a purchase option and exercising the purchase option would be beneficial;
- (x) A consulting firm which has satisfactorily partially completed a project may be recommended for award of the balance of the project where:
 - 1. The consultant has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected; and
 - 2. There is a financial benefit to the District in awarding the contract.

- (xi) The Procurement is for additional deliveries by the original Supplier of Goods or Services that were not included in the initial Procurement, if a change of Supplier for such additional goods or services:
 - 1. cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and
 - 2. would cause significant inconvenience or substantial duplication of costs for the District.

9.3.3 Emergency Purchases

Where an emergency exists and time does not permit a standard method of Procurement, the Department Head, jointly with the CAO may authorize an Emergency Purchase up to \$1,500,000 when it is required in one of the following circumstances:

- (i) Prevent or alleviate serious delay;
- (ii) Maintain Essential Services or to prevent the disruption of Essential Services;
- (iii) An unexpected interruption of a Public Service;
- (iv) Maintain security and/or order;
- (v) Protect public property;
- (vi) Protect human, animal or plant life;
- (vii) A spill of a pollutant;
- (viii) Comply with official orders issued by a senior level of government;
- (ix) Comply with the Emergency Response Plan or respond to a State of Emergency;
- (x) As required by the provincial *Emergency Management and Civil Protection Act*, 1990 (as amended).

In an Emergency Purchase, the deliverables will be acquired in an expedited manner and the requirement for open competition is waived under this section.

Emergency Purchases should be discussed with the Commissioner of Finance and Corporate Services prior to the Acquisition to ensure that funding is allocated accordingly.

The Emergency Purchase limit of \$1,500,000 is exclusive of the Delegated Purchasing Authority Levels outlined in Section 7.2.3.

The relevant details surrounding the Emergency Purchase shall be included in a report and submitted to the responsible Standing Committee or District Council during the next scheduled meeting.

Situations of urgency resulting from the failure to properly plan for a Procurement do not constitute an emergency.

9.3.4 Cooperative Purchasing and Buying Groups

The District may participate with other government agencies or public authorities in Cooperative Purchasing ventures or utilize Buying Group Contracts when it is in the best interest of the District to do so and in a manner consistent with applicable trade agreements.

The Cooperative Purchasing or Buying Group process may be conducted in accordance with the procurement policies and procedures of the entity that is responsible for coordinating and leading the process, provided that those policies and procedures are consistent with the District's obligations under applicable trade agreements and the Procurement goals and objectives set out in this Policy.

The District may, subject to approval, enter into a Contract or participate in a Procurement process administered by a Cooperative Purchasing venture or Buying Group without undergoing a separate competitive Procurement process. Where the original Procurement process includes a requirement for a second stage selection process or there are multiple awarded vendors, the District may conduct an invitational competitive Procurement.

A Cooperative Purchasing or Buying Group Contract is deemed to be an open competitively awarded Procurement Contract. Approvals to award the Contract must be obtained as set out in this Policy prior to committing the District to purchase any Goods, Services or Construction and are subject to the limits in Section 7.2.3.

Where the Province of Ontario has established a "Vendor of Record" arrangement, the District may use such arrangement in place of any procurement process otherwise required in the Procurement Policy.

The District and each government agency or public authority will issue its own purchase order or enter into their own Contract for their

respective Goods, Services or Construction when purchasing through a cooperative arrangement such as the Muskoka Parry Sound Public Purchasing Group or a joint venture.

Where a form of agreement has been included in the Procurement process for a Cooperative Purchasing venture or a Buying Group, the District will use the form of agreement included in the Procurement process.

The District may issue a purchase order or contract on behalf of local area municipalities or agencies for shared services or other joint ventures. Agreements shall be put in place to outline the obligations of all parties involved in these arrangements.

9.3.5 Unsolicited Proposals

Unsolicited Proposals, including any offers for presentations or product or service trials received by the District shall be reviewed by the Department Head to determine if it is in the best interests of the District to follow a competitive process as outlined in this Policy.

In the absence of a competitive process, a Contract may only be awarded in respect of an Unsolicited Proposal if a Single or Sole Source Procurement is permitted in accordance with this Policy.

9.3.6 Negotiated Purchases

Negotiations during the Procurement process may be used under any of the following circumstances:

- (i) When the Lowest Compliant Bid received exceeds the amount allocated in the budget;
- (ii) When all bids received are non-compliant and it is impractical to reissue the Call for Bid;
- (iii) During a Single, Sole or Emergency purchase;
- (iv) When a competitive bid process has been conducted and an extension of the contract term is available as outlined in the original Call for Bid document;
- (v) When a competitive bid process has been conducted and the Contract has expired or will expire shortly and unforeseeable circumstances have caused a delay in issuing a new call for Bid; in such case, the Contract extension should not extend beyond a one (1) year term;

- (vi) Where a competitive bid process has been conducted and expanded works or coordinated works are appropriate in the circumstances; and
- (vii) Where the Call for Bid includes a process for Negotiation.

10. OTHER

10.1 Term of a Contract

- 10.1.1** The term of a Contract will be determined by the Contract Administrator, in consultation with the Department Head and, where appropriate, the Manager, Procurement.
- 10.1.2** Notwithstanding Section 10.1.4, a Contract will not extend past five (5) years without a bid solicitation process being conducted. Contracts may consist of varying initial terms and renewals but must not exceed a total length of five (5) years.
- 10.1.3** Where a Contract will expire within ninety (90) days and the District has identified a need to extend the Contract past a five (5) year period, the Contract may be extended on the same terms and conditions at the discretion of the Department Head for up to one (1) additional year term. The Contract must be extended prior to the end of the current Contract term. The value of the Contract extension must be within delegated spending authority and approved budget, or the extension will require a staff report to the appropriate Standing Committee for approval.

Circumstances where a Contract can be extended past a five (5) year period may include, but are not limited to, volatile market conditions, supply chain instability, periods of significant inflation and lack of competition.
- 10.1.4** For Contracts, where the development, implementation, costs and/or risk to the District is deemed as being significant, the term of the Contract may be extended up to ten (10) years at the discretion of the Department Head, with approval by the CAO. A Contract over five (5) years in length must be approved by the Department Head and CAO prior to the Call for Bid being issued.
- 10.1.5** Where the District is participating in a Cooperative Purchasing or Buying Group Contract, the term of the Contract will be consistent with the length of the Contract identified in the Procurement process, subject to Vendor Performance. The term of the Contract may be greater than five (5) years in a Cooperative Purchase or Buying Group Acquisition and will not be subject to further approval.

10.1.6 The length of time for each Contract will be determined by factors such as ensuring best value for the District, the nature and complexity of the Procurement, industry, technology advancements, market conditions, competition, sustainability, historical experience and any other factors deemed necessary by the District.

10.1.7 On an annual basis Contract Administrators will complete a review of Contracts currently in place to determine those eligible for renewal and will conduct a bid solicitation process where required to establish new Contracts.

10.2 Exercise of Contract Renewal Options

10.2.1 Where a Contract contains an option for renewal, the Department Head may authorize the exercise of such option provided that all of the following apply:

- (i) the Supplier's performance in supplying the Goods and/or Services or Construction is considered to have met the requirements of the Contract;
- (ii) any price increases are consistent with the prevailing market conditions for the Goods and/or Services being purchased or were previously included in the Call for Bid document;
- (iii) the facts justifying the decision to Award the Supplier previously are still relevant at the time of Contract renewal;
- (iv) the value of the Contract extension is within delegated spending authority, or the renewal of a Contract has previously been authorized by Committee and Council in a staff report at the time of Contract Award;
- (v) funds are available or will be available in appropriate accounts within the approved budget, including authorized revisions, to meet the proposed expenditure; and
- (vi) the Contract is extended prior to the end of the current Contract term.

10.2.2 Where a Contract contains no option for renewal, the Department Head may authorize the extension of the Contract on the same terms and conditions for a period of time no greater than one (1) year from the date of expiration provided that all of the conditions outlined above in Section 10.2.1 are met.

10.3 Contract Amendments and Revisions

10.3.1 No amendment to a Contract shall be made unless the amendment is in the best interest of the District.

- (i) No amendment that changes the price of a Contract shall be agreed to without a corresponding change in requirement or scope of work.
- (ii) Amendments to Contracts are subject to the identification and availability of sufficient funds within approved budgets including authorized amendments.
- (iii) Where a Contract contains an option for renewal, this will not be considered a Contract amendment, and the provisions of Section 10.2 shall apply.
- (iv) Department Heads may authorize amendments to Contracts within their Approval Authority limit, provided that the total amended value of the Contract does not exceed the approved budget.
- (v) The CAO may authorize amendments to Contracts, greater than their Approval Authority limit, provided that the total amended value of the Contract does not exceed the approved budget.
- (vi) Where a Contract Change Order or the cumulative value of the Contract Change Orders plus the original Contract price exceeds the Council approved budget by less than the amounts identified in Section 8, the Department shall obtain the appropriate authorization from the CAO and Commissioner of Finance and Corporate Services prior to executing the Contract Change Order.
- (vii) Where a Contract Change Order or the cumulative value of the Contract Change Orders plus the original Contract price exceeds the Council approved budget by more than the amounts identified in Section 8, Council approval of additional funds is required.
- (viii) Funding should be in place prior to approving the Contract Change Order and prior to the execution of the work.
- (ix) Amendments to a Contract may only be done by way of a Contract Change Orders if:
 - a. the Contract stipulates that a change may be made by way of Contract Change Orders and provides detailed

procedures to establish the nature of the change in the Goods, Services and/or Construction and the determination of the price adjustments applicable to any such change, and

- b. proper documentation is prepared in accordance with the provisions of the Contract.

10.4 Specifications

10.4.1 Contract Administrators are responsible for the preparation of the specifications for the applicable Acquisition method.

10.4.2 The Manager, Procurement may review and recommend amendments to the specifications.

10.4.3 Specifications should be clear and concise. They must not be structured to restrict or limit competition due to brand or other similar requirements. They shall allow for potential Vendors to provide alternatives in the event that an equivalent product or method is available. Biasing of specifications in favour of, or against, a particular Good or Service is prohibited. Nothing in this section restricts the ability to design specifications in unique situations, e.g. standardization or compatibility with existing Goods or Services.

10.4.4 Vendors may be requested to expend time, money and effort on the content or in the development of a specification(s) or otherwise help define a requirement to be contained in the specifications that may be used in a Procurement document. A Vendor who provides such assistance shall be deemed as a consultant of the District and the specifications are deemed the property of the District. Such a Vendor shall be prohibited from submitting a response to a Call for Bid for which those specifications apply.

10.5 Advertising

10.5.1 Where only selected potential Suppliers will be eligible to participate in a Procurement process, invitation should be made through email, phone or with the use of an Electronic Tendering system.

10.5.2 Where a Procurement process will be open to all, advertising will be made using an Electronic Tendering system and any other forms of advertising as determined by the District.

10.5.3 Open competitive Bid opportunities below the thresholds outlined in the Canadian European Economic Trade Agreement (CETA) will be advertised for a minimum of fourteen (14) calendar days.

- 10.5.4** The District will align posting procedures of competitive bid documents to the time periods set out in CETA for opportunities above the thresholds. It is important that District staff plan effectively to allow sufficient time to follow the requirements of the Procurement Policy.

10.6 Corporate Purchasing Card

- 10.6.1** Acquisitions made with the corporate purchasing card must comply with this Policy and the District's Purchasing Card Policy and Procedures.
- 10.6.2** Purchasing cards should be used wherever possible for LCP's and based on the cardholder's limits.
- 10.6.3** No personal purchases may be made with the corporate purchasing cards. District staff shall not use corporate purchases to gain personal points or other similar benefits in any Vendor reward program.

10.7 Bid Review Committee

- 10.7.1** The Manager, Procurement, in collaboration with the Department Head of the related Procurement and Legal Services, where required, make up the Bid Review Committee. This Committee will review Bid Irregularities as required.
- 10.7.2** When a Bid Irregularity is present, action shall be taken in accordance with the attached Bid Irregularity Schedule "B".

10.8 Evaluation Criteria and Committees

- 10.8.1** Call for Bid documents must include all information necessary to allow Suppliers to prepare and submit responsive Bids. Call for Bid documents shall include all pertinent details concerning the evaluation criteria that will be used in the evaluation of Bids, including the methods of weighting and evaluation.
- 10.8.2** Evaluation Committees are used with some Acquisition methods to allot points according to the criteria and submission requirements in the Call for Bid. The committee should consist of a minimum of three (3) individuals and where possible should include a cross section of members from several departments.
- 10.8.3** The highest scoring submission will be the successful Bidder, subject to the terms and conditions of the Call for Bid and this Policy.

10.9 Tie Bids

- 10.9.1** **Quotes or Tenders** - In the case of two or more Bids that are considered absolutely equal in terms of the total acquisition cost,

and where multiple awards are not possible, the names of the tied Bidders shall be placed on equal size pieces of paper and drawn from a receptacle by the Manager, Procurement.

- 10.9.2 Proposals** - In the case of two (2) or more proposals that have an identical total score, and where multiple awards are not possible, the Bidders will be given an opportunity to submit a best and final offer on their financial proposal. Proposals will then be re-scored based on the evaluation process defined in the RFP.

10.10 Vendor Performance and Suspension

- 10.10.1** Contract Administrators are responsible for monitoring and documenting Vendor performance and ensuring compliance with Contracts, in accordance with this Policy and the District's Vendor Performance Evaluation Procedure to ensure both the District and the Vendor fulfil the requirements of the Contract.

This procedure is available to Vendors on the District's website.

- 10.10.2** The District may suspend Vendors from participating in future Procurement opportunities in accordance with the District's Vendor Suspension Procedure. This procedure is available on the District's website.

10.11 Alternative Dispute Resolution – Competitive Bid Process Protest

- 10.11.1** All Vendors dealing with the District or bidding on potential Contracts shall resolve any and all disputes they have specific to the competitive Bid process through the Alternative Dispute Resolution (ADR) process described in Schedule C and shall agree to such process as part of any response to the competitive Bid process.

- 10.11.2** The award of any Contract shall not be rescinded or the progress of any project delayed by a request for the use of the ADR unless recommended by the relevant Department Head and/or CAO.

- 10.11.3** Any Vendor that has asked to participate in the ADR process will be provided with information by the Manager, Procurement to assist them to understand the Bid process and to assist them to improve their future Bid submissions for the District.

10.12 Alternative Dispute Resolution – Contract Disputes

- 10.12.1** Any Contract disputes that arise between the successful Bidder and the District during the term of the Contract shall be handled through the Contract dispute process as outlined within the Call for Bid document or Contract.

10.12.2 All Procurement Contracts shall contain Vendor Performance, Alternative Dispute Resolution and Termination clauses in the best interests of the District.

Related Policies/Procedures:

AD:51 Capital Budget Preparation, Monitoring and Reporting

AD:52 Operating Budget Administration

Delegation of Authorities By-Law No.2018.65, as amended

FI-004-2010 Disposal of Surplus and Obsolete Assets

FI-012-2016 Acquisition, Disposition, Lease and Licence of Occupation and related By-Laws

Muskoka District Council Procedure By-Law No. 2023-50, as amended

PP:00 Code of Ethics and Conduct Policy

Vendor Performance Evaluation Procedure

Vendor Suspension Procedure

SCHEDULE “A” – EXCLUSIONS

Goods and Services Not Subject to the Provisions of the Procurement Policy

Competitive bidding processes are not required for the following categories. The list below is not comprehensive. The CAO and Commissioner Finance and Corporate Services will from time-to-time review and approve new situations or items to determine if they fall within the purview of this schedule, upon recommendation from the Manager, Procurement.

Any Contracts necessary to complete the Purchase of Goods and/or Services outlined in Schedule A shall be signed by the appropriate employee based on their delegated Approval Authority in this Policy, provided that, the Contract has been prepared in a form satisfactory to Legal Services and funding is available in the approved budget.

(1) Employer’s General and Operating Expenses

- (a) Payroll deduction remittances.
- (b) Medicals.
- (c) Tax remittances.
- (d) Debt payments.
- (e) Grants and levies.
- (f) Licenses, certificates and other approval required (for example, regular license fees for vehicles, elevators, radios).
- (g) Insurance claims and adjudications, legal settlements, mediation and arbitration awards.
- (h) Employment contracts and accompanying expenses.
- (i) Refundable expenses, including cash advances, meal allowances, travel expenses and accommodation.
- (j) Temporary help (staffing agency, consultant, etc.) to fill a vacant job position(s), not to exceed \$133,800 for the anticipated length of the contract.
- (k) Other employee related expenses, such as memberships in professional organizations, staff relations, staff development and training, staff attendance of seminars, courses, workshops, conferences, conventions or trade shows. This shall not include any training specifically designed for the District.
- (l) Real property payments including land, buildings, leasehold interests, easements, encroachments and licenses, or the like.

(2) Professional and Special Services

- (a) Additional non-recurring Accounting and Auditing Services.
- (b) Financial services respecting the management of financial assets (investments) and liabilities (sale, redemption, and distribution of public debt, including loans and government bonds, notes and other securities).
- (c) Public Debenture Sales.
- (d) Group Benefits.
- (e) Committee Fees.
- (f) Appraisers of real property for property insurance assessments.
- (g) Medical Professional Services from Doctors, Dentists, Nurses, and Pharmacists.
- (h) Services of expert witnesses or factual witnesses used in court or legal proceedings.
- (i) Confidential Items (Forensic Audits).
- (j) External Legal Services Providers.
- (k) Procurement of social services that are subject to Service Agreements, such as childcare providers.
- (l) Procurement of Goods or Services from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities.

(3) Utilities

- (a) Electricity.
- (b) Postal Services.
- (c) Water.
- (d) Natural Gas.
- (e) Communications infrastructure services such as Bell, Cogeco, Rogers, etc.
- (f) Utility connections and relocations.

(4) Charges to and from other Government Bodies (Federal, Provincial or Municipalities), Crown Corporations, and Government Legislative Bodies.

(5) **Other**

- (a) Antiques and Artifacts (shops, sales, repairs, but not including restoration).
- (b) Acquisition of Art (but not including commissioned works of art).
- (c) Publications (including newspapers, periodicals, magazines or books), CDs, DVDs and all copyrighted material.
- (d) Ongoing maintenance, support and licensing agreements for hardware and software for systems originally acquired in accordance with this Policy.
- (e) Non-legally binding agreements.

SCHEDULE "B" – SUBMISSION IRREGULARITIES

A Bid Irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a Call for Bid and the information provided in a Bid response.

A "**major irregularity**" is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the Bidder could gain an unfair advantage over competitors. The District shall reject any Bid, which contains a major irregularity.

A "**minor irregularity**" is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the Bidder would not gain an unfair advantage over competitors. The District may permit the Bidder to correct a minor irregularity.

Where a Call for Bid contains a rectification notice period, the District will provide the Bidder with an opportunity to rectify deficiencies in accordance with the procedures outlined in the Call for Bid.

MATHEMATICAL ERRORS – RECTIFIED BY STAFF

District staff will correct errors in mathematical extensions and/or taxes, and the unit prices will govern.

ACTION TAKEN:

The Bid Review Committee shall be responsible for all action taken in dealing with bid irregularities, and acts in accordance with the nature of the irregularity:

- ✓ major irregularity (automatic rejection)
- ✓ minor irregularity (Bidder may rectify)
- ✓ mathematical error (additions or extensions) as above

The list of irregularities in this schedule should not be considered all-inclusive. The Bid Review Committee will review minor irregularities not listed and acting in consensus shall have authority to waive other irregularities or grant two (2) business days to correct such irregularities, which they jointly consider to be minor.

In the event that the Vendor withdraws its bid due to the identification of a major irregularity, the District may disqualify such Vendor from participating in District Bid opportunities for a period of up to one year, and where applicable, cash the Vendor's bid deposit.

Where a Vendor has been given notice of a specified time period to correct an irregularity, the Vendor shall be deemed to be in default of the process and, where

applicable, the bid deposit shall be forfeited if the correction is not made. The submission will be given no further consideration for Award.

This Bid Irregularity list shall apply where the Irregularity is with respect to a stated requirement of a formal Call for Bid (RFQ, RFP, RFT, and RFSA) or information gathering Bid (RFEOI, RFI, RFPQ) and where the submission must be received on/before a specified date and time.

GENERAL

ITEM	IRREGULARITY	RESPONSE
1.	Late Submissions	Automatic rejection
2.	Unsealed Envelopes (does not apply to electronic submissions)	At the time of submission the District’s representative will ask the submitter to seal or in the absence of submitter the District representative will seal and initial along the seal
3.	Failure to attend mandatory site visit	Automatic rejection
4.	Partial Submissions (all items not bid on)	Acceptable unless complete submission has been specified in the request
5.	Conditional Submissions (Submissions qualified, based on a Bidder’s condition or restricted by an appended statement)	Rejection unless, in the opinion of the Bid Review Committee, the qualification or restriction is minor and would not adversely affect an award decision and/or the total price
6.	Submissions containing minor obvious clerical errors that do not result in any ambiguity with respect to the overall submission and/or award decision	Two (2) business days to correct and initial errors
7.	Submitter has not been previously qualified under a related pre-qualification process, where applicable	Automatic Rejection
8.	More than one submission from the same submitter and not identified as an alternative or optional submission or, no written withdrawal notice has been received	The submission package bearing the most recent date/time stamp will be considered the intended submission and the previously date/time stamped submissions will be considered withdrawn
9.	Failure to include required supplementary copies of the original at time of submission	Two (2) business days to submit
10.	Other Minor Irregularities	The Bid Review Committee shall have the authority to waive irregularities, which are considered minor
11.	Any Irregularity	Despite the provisions herein contained, Council may waive any irregularity where it considers it to be in the best interest of the District

BID DOCUMENTS

ITEM	IRREGULARITY	RESPONSE
12.	All required sections of the document not completed	Automatic rejection unless, in the consensual opinion of the Bid Review Committee, the incomplete nature is trivial or insignificant and does not affect the total price
13.	Un-initialed changes to the request documents which are minor (e.g. the Bidder's address is amended by overwriting but not initialed)	Two (2) business days to correct and initial errors. The District reserves the right to waive initialing and accept the submission
14.	Incomplete, illegible or obscure submissions or submissions which contain additions not called for, erasures, alterations, or strike-out errors or irregularities of any kind	Automatic rejection, unless the Bid Review Committee deems the irregularity as immaterial and the irregularity is remedied by the Bidder – two (2) business days to correct
15.	Submissions not completed in ink or typewritten (does not apply to electronic submissions)	Automatic rejection
16.	Submissions not completed in English	Automatic rejection
17.	Failure to acknowledge addenda identified as amending e.g.: results in financial implications	Automatic rejection
18.	Failure to acknowledge addenda identified as informational e.g.: closing date extended	Two (2) business days to acknowledge
19.	Submissions received on Call for Bid documents other than those by the District	Automatic rejection, unless in the opinion of the Bid Review Committee, the intention of the Bidder is clear, and the bid submission details do not deviate in any material manner from those provided by the District
20.	Authority to bind the Bidder signature missing	Automatic rejection
21.	Authority to bind the Bidder signature not an original (does not apply to electronic submissions)	Automatic rejection
22.	Alternate items provided in whole or in part	Available for further consideration unless specified otherwise in the request
23.	Pages requiring completion of information by Bidder are missing	Automatic rejection unless, in the consensual opinion of the Bid Review Committee, the nature of the missing information does not impact the ability of the District to conduct a fair, competitive evaluation

BID DEPOSIT

ITEM	IRREGULARITY	RESPONSE
24.	Bid Deposit or Bid Bond not submitted with submission	Automatic rejection
25.	Bid Deposit or Bid Bond not in the acceptable form	Automatic rejection
26.	Certified Cheque not certified	Two (2) business days to rectify
27.	Amount on Bid Deposit or Bid Bond is incorrect and/or insufficient	Two (2) business days to rectify
28.	Surety provider and/or Bidder's authorized signature missing from the Bid Bond	Two (2) business days to rectify
29.	Effective period of Bid Bond is less than the irrevocable period stipulated in the call for bid document	Two (2) business days to rectify

AGREEMENT TO BOND

ITEM	IRREGULARITY	RESPONSE
30.	Agreement to bond with the District not submitted	Automatic rejection
31.	Agreement to bond amount is incorrect and/or insufficient	Two (2) business days to rectify
32.	Surety provider and/or Bidder's authorized signature missing from Agreement to Bond	Two (2) business days to rectify

PRICING

ITEM	IRREGULARITY	RESPONSE
33.	Failure to include the Schedule(s) of Items and Prices, Price Form, or Price Details, as may be applicable, for inclusion with the submission	Automatic rejection
34.	Pricing or signature pages missing	Automatic rejection
35.	Submissions Containing Minor Mathematical Errors	Two (2) business days to correct and initial errors. The District reserves the right to waive initialing and accept submission
36.	Conditions placed by the Bidder on the Total Contract Price	Automatic rejection, unless in the opinion of the Bid Review Committee, the conditions are trivial or insignificant
37.	Unit price has been changed but not initialed and the price extension is consistent with the unit price as amended	Two (2) business days to correct initial errors. The District reserves the right to waive initialing and accept bid

ITEM	IRREGULARITY	RESPONSE
38.	Unit price has been changed but not initialed and the price extension is not consistent with the unit price as amended	Automatic rejection
39.	Unit price extension which is not consistent with the unit price	The District will correct the extension based on the unit price provided. Unit pricing will govern
40.	Other mathematical errors which are not consistent with the unit prices	Two (2) business days to initial corrections. Unit prices will govern. The District reserves the right to waive initialing and accept submission
41.	Pricing appears to be unbalanced to the extent that it would have a significant adverse effect to the District if awarded	Automatic rejection

POST AWARD NOTIFICATION

ITEM	IRREGULARITY	RESPONSE
42.	Failure to execute required bonding or financial security within the prescribed time period	Automatic rejection and Bid Deposit forfeited
43.	Failure to execute a Contract Agreement within the prescribed time period	Automatic rejection and Bid Deposit forfeited
44.	Failure to provide supporting documents, as specified within the bid document and within the prescribed time period	Automatic rejection and Bid Deposit forfeited

**SCHEDULE “C” – ALTERNATE DISPUTE RESOLUTION PROCESS –
COMPETITIVE BID PROCESS**

As part of the Alternative Dispute Resolution Process (ADR) directly related to the competitive bid process, any Bidder who has asked to participate in the ADR process will be provided with information typically in the form of a debrief from a member(s) of the evaluation team where applicable, designed to assist them to both to understand the bid process that occurred and to assist them in improving their future bid submissions to the District. The award of any contract shall not be rescinded, or the progress of any project shall not be delayed by a request for use of the ADR Process, unless recommended by the Department Head and the Chief Administrative Officer.

Note: Any information provided to a Bidder through this process and/or any information provided by the Bidder to the District will remain confidential, wherever requested, provided that it complies with MFIPPA.

The step-by-step procedure to be followed for the ADR process is as follows:

1. A written request for an explanation of the contract award must be received by the District within seven (7) business days of the notification of the award decision. Within fourteen (14) business days of this request, or such later date as may be mutually agreed upon, a bid debriefing will take place with the evaluation team lead. Only details from this Bidder’s submission will be discussed at this meeting.
2. Should the Bidder continue to have concerns following the meeting described above, that Bidder may request in writing, within seven (7) business days of the first meeting, an award debriefing session with the Manager from the Department involved. This meeting shall take place within fourteen (14) business days of the request described above, or such later date as may be mutually agreed upon.

At this meeting, the successful Bidder for the specific contract in dispute shall be identified, and the reasons why the contract was awarded to that Bidder will be discussed at this meeting. However, this would not include any proprietary information respecting any bids.

3. If the Bidder continues to have concerns regarding this specific contract award and the decision made respecting same, the Bidder may then request a meeting with the Manager from the department involved, the Manager, Procurement and the District Solicitor, where applicable. This request must be received in writing within seven (7) business days following the meeting described in Number 2. above, and the meeting shall take place within fourteen (14) business days of that request or at such later date as may be mutually agreed upon.
4. If the Bidder continues to be dissatisfied, the Bidder may then request further review by the CAO and District Solicitor. Such request shall be received within

seven (7) business days of the meeting described in Number 3. above, and this review of the matter shall take place within fourteen (14) business days of the request. At the point that the written request is made, the Bidder shall provide a written summary of its position. As part of their review, the CAO and District Solicitor may request a meeting with the Bidder in advance of reaching their conclusion(s).

5. Following the review described in Number 4. above, the District may recommend, or the unsuccessful Bidder may ask the District to appoint a mediator to assist in trying to resolve any outstanding issues between the parties. This mediator shall not have the authority to make a binding decision but shall make their best efforts to assist the parties to reach a mutually acceptable solution.
6. Alternatively, the District, or the unsuccessful Bidder, may ask for the appointment of an arbitrator to be appointed by the District. Such an arbitrator is to render a final decision in writing within three months following the request. Costs for the mediator and/or arbitrator, as the case may be, shall be equally shared by the parties and a bond for half of the total estimated associated costs shall be posted by the unsuccessful Bidder in advance of the process beginning. Any resolution reached through the mediation or arbitration process shall remain confidential if requested by either of the parties.

SCHEDULE “D” – SUMMARY OF THRESHOLDS FOR PURCHASING – WITHIN APPROVED BUDGET

All Procurement Authorities Assume Sufficient Funding Has Been Approved

Purchase Type	Purchase Threshold	Procurement Method	Solicit By	Authority to Approve the Award of the Contract	Purchase Execution
Low Cost Purchase (LCP)	\$0 - \$25,000	Process facilitated by Department directly soliciting quotes or comparing published prices, where practical	Informal communication	In accordance with delegated Approval Authority	Corporate Purchasing Card or; Purchase Order and Vendor Invoice or; Agreement and Purchase Order, where applicable
Informal Request for Quotation (RFQ)	\$25,001 - *\$139,000	Process facilitated by Department directly Optional: Process facilitated by Procurement Bids are solicited from a minimum of three (3) Vendors	By email or by invitation through Electronic Tendering System Optional: Posted publicly through Electronic Tendering System	In accordance with delegated Approval Authority	Purchase Order and where applicable, Agreement
Formal Request for Quotation (RFQ)	*\$139,000 +	Process facilitated through Procurement or Engineering and Public Works Call For Bid issued to the open market	Electronic Tendering system Optional: Other forms of advertising where desired	In accordance with delegated Approval Authority up to \$800,000 Committee/Council approval required for contracts greater than \$800,000	Agreement and Purchase Order
Request for Tender (RFT)	*\$139,000 +	Process facilitated through Procurement or Engineering and Public Works Call For Bid issued to the open market	Electronic Tendering system Optional: Other forms of advertising where desired	In accordance with delegated Approval Authority up to \$800,000 Committee/Council approval required for contracts greater than \$800,000	Agreement and Purchase Order

Purchase Type	Purchase Threshold	Procurement Method	Solicit By	Authority to Approve the Award of the Contract	Purchase Execution
Informal Request for Proposal (RFP)	\$25,000 – *\$139,000	Process facilitated by Department directly Optional: Process facilitated by Procurement Bids are solicited from a minimum of three (3) Vendors	By email or by invitation through Electronic Tendering System Optional: Posted publicly through Electronic Tendering System	In accordance with delegated Approval Authority	Purchase Order, and where applicable Agreement
Formal Request for Proposal (RFP)	*\$139,001 +	Process facilitated through Procurement or Engineering and Public Works Call For Bid issued to the open market	Electronic Tendering system Optional: Other forms of advertising where desired	In accordance with delegated Approval Authority up to \$800,000 Committee/Council approval required for contracts greater than \$800,000	Agreement and Purchase Order
Establish Standing Arrangement (RFSA)	Any Amount	Process facilitated through Procurement or Engineering and Public Works Call For Bid issued to the open market	Electronic Tendering system Optional: Other forms of advertising where desired	The Department Head shall authorize specific staff to create specifications for the RFSA	Agreement
Order or Call for Work from Standing Arrangement	In accordance with the process outlined in the RFSA document	In accordance with the process outlined in the RFSA document	In accordance with the process outlined in the RFSA document	In accordance with delegated Approval Authority	Purchase Order and Agreement (if required) or: Corporate Purchasing Card
Request for Prequalification (RFPQ)	Any Amount	Process facilitated through Procurement or Engineering and Public Works RFPQ document issued to the open market	Electronic Tendering system Optional: Other forms of advertising where desired	The Department Head shall authorize specific staff to create specifications for the RFPQ	Not Applicable

Purchase Type	Purchase Threshold	Procurement Method	Solicit By	Authority to Approve the Award of the Contract	Purchase Execution
Request for Information (RFI) or Expression of Interest (EOI)	Not Applicable	Process facilitated through Procurement or Engineering and Public Works RFI or EOI documents issued to the open market	Electronic Tendering system Optional: Other forms of advertising where desired	The Department Head shall authorize specific staff to create specifications for the RFI or EOI	Not Applicable
Single Source	\$25,001 +	Process facilitated by Department directly One (1) written quotation required	Email	Department Head and Commissioner of Finance and Corporate Services between \$34,701 - \$100,000 Standing Committee over \$100,001	Agreement and Purchase Order
Sole Source	\$25,001 +	Process facilitated by Department directly One (1) written quotation required	Email	Department Head and Commissioner of Finance and Corporate Services Standing Committee over \$800,000	Agreement and Purchase Order
Emergency Purchase	\$25,001 +	Process facilitated by Department directly One (1) written quotation, where practical and possible, given the circumstance	Email or phone	Department Head and CAO between \$34,701 - \$1,500,000 Standing Committee over \$1,500,001	Agreement, where possible given the circumstance, and Purchase Order
Contract Change Order	Any Amount	Process facilitated by Department directly Written documentation required	Email	In accordance with delegated Approval Authority The CAO may authorize Contract Change Orders greater than \$800,000 within approved budget	Contract Change Order documentation

*The purchase threshold amounts will be adjusted for inflation every 2 years at the start of the year to be consistent with the Canadian Free Trade Agreement. These limits are in effect until December 31, 2028.

SCHEDULE “E” – SUMMARY OF THRESHOLDS FOR PURCHASING – INSUFFICIENT BUDGET

Sufficient Funding Has Not Been Included in the Approved Budget

Purchase Type	Acquisition Amount	Over Approved Budget Amount	Authority to Approve the Additional Funding	Authority to Execute the Contract, Change Order, Contract Extension
Goods, Services and Construction (Operating Budget)	Any Amount	Any Amount	Department Head and Commissioner of Finance and Corporate Services	In accordance with delegated Approval Authority
Goods, Services and Construction (Capital Budget)	Less than \$500,000	The lessor of \$75,000 or 15%	CAO and Commissioner of Finance and Corporate Services	In accordance with delegated Approval Authority
		Greater than the lessor of \$75,000 or 15%	Council	In accordance with Council Resolution
Goods, Services and Construction (Capital Budget)	Greater than \$500,000	The lessor of \$250,000 or 15%	CAO and Commissioner of Finance and Corporate Services	In accordance with delegated Approval Authority
		Greater than the lessor of \$250,000 or 15%	Council	In accordance with Council Resolution

SCHEDULE “F” – CONTRACT LENGTH AND EXTENSION AUTHORITY

Description	Authority
Proposed initial Contract length in the Call for Bid is greater than five (5) years	Department Head and CAO
Contract is expiring and there is a need to extend past five (5) years Contract extension is within approved budget	Department Head in accordance with delegated Approval Authority up to \$800,000 per year Committee/Council approval required for extensions greater than \$800,000 per year
Contract is expiring and there is a need to extend past five (5) years Contract extension is not within approved budget	In accordance with the Authorities listed in Schedule E Committee/Council approval required for extensions greater than \$800,000 per year
Contract contains an extension option and is within approved budget	Department Head in accordance with delegated Approval Authority up to \$800,000 per year Committee/Council approval required for extensions greater than \$800,000 per year, unless the renewal has been previously authorized at the time of Contract Award
Contract contains an extension option and is not within approved budget	In accordance with the Authorities listed in Schedule E Committee/Council approval required for extensions greater than \$800,000 per year, unless the renewal has been previously authorized at the time of Contract Award
Contract does not contain an extension option and is within approved budget. Contract can be extended for one (1) additional year	Department Head in accordance with delegated Approval Authority up to \$800,000 per year Committee/Council approval required for extensions greater than \$800,000 per year
Contract does not contain an extension option and is not within approved budget. Contract can be extended for one (1) additional year	In accordance with the Authorities listed in Schedule E Committee/Council approval required for extensions greater than \$800,000 per year

SCHEDULE “G” – PROCUREMENT DECISION MAKING PROCESS FOR GOODS AND SERVICES

