

	<b>Policy:</b>	Procurement
	<b>No.:</b>	FIN-002
	<b>Effective Date:</b>	27 May 2025
	<b>By-Law No.:</b>	2025-1969
	<b>Review Date:</b>	May 2030

## CONTENTS

1. PURPOSE .....	5
2. DEFINITIONS .....	6
3. APPLICATION .....	10
4. ROLES AND RESPONSIBILITIES.....	10
4.1 Council.....	10
4.2 Department Head.....	11
4.3 CAO and Treasurer.....	11
4.4 Purchasing Designate.....	11
5. GENERAL PROVISIONS.....	12
5.1 Split Purchasing .....	12
5.2 Staff, Council, and Purchasing Designates Ethical Procurement Practices ....	12
5.3 Conflict of Interest.....	12
5.4 Disclosure .....	12
5.5 Gifts, Favours or Gratuities .....	12
6. VENDOR CODE OF CONDUCT.....	13
6.1 Conflict of Interest and Non-Disclosure.....	13
6.2 Disclosure .....	13
6.3 Unethical Procurement Practices.....	13
6.4 Illegality .....	14
6.5 Gifts, Favours or Gratuities .....	14
6.6 Contract Management and Vendor Performance.....	14
6.7 Vendor Exclusion and Disqualification .....	14

6.8	Harassment and Abuse .....	15
6.9	Discrimination / Human Rights.....	15
7.	PROCUREMENT PROCESS.....	15
7.1	Unsolicited Bid .....	15
7.2	Market Research.....	15
7.3	Cooperative Purchasing.....	15
7.4	Competitive Procurement Process.....	16
7.5	TABLE “A”- STANDARD PROCUREMENT PROCESS .....	16
7.6	Risk Management.....	17
7.7	Standing Offers and Prequalified Vendor Lists .....	17
7.8	Advertising and Bid Submissions.....	17
7.9	Bid Evaluation .....	18
7.10	Cancellation .....	18
7.11	Contract Award .....	18
7.12	Vendor Debrief.....	18
7.13	Procurement Protests .....	18
7.14	Non-Competitive Procurements .....	18
7.15	Environmental Procurement.....	18
7.16	Disposal of Surplus Goods.....	19
8.	ACCESSIBILITY .....	19
9.	SCHEDULES .....	19
	SCHEDULE “A” – EXEMPTIONS TO PROCUREMENT .....	20
	SCHEDULE “B” - SPENDING AUTHORITY.....	22
	SCHEDULE “C”– NON-COMPETITIVE PROCUREMENT .....	23
	SCHEDULE “D” – TRADE TREATIES.....	25
	<u>SCHEDULE “E” – BID IRREGULARITIES.....</u>	257
	<u>SCHEDULE “F” – STATEMENT OF ETHICS.....</u>	30

## **1. PURPOSE**

This policy outlines the Township's principles and objectives in relation to its procurement program.

This document describes the roles, responsibilities and authorities of the Township's employees, officers and elected officials in carrying out the Township's procurement operations.

The Chief Administrative Officer (CAO) and/or Treasurer are authorized to implement detailed procurement procedures and protocols that are consistent with this policy and to supplement and amend those procedures and protocols as and when deemed necessary to meet the present and future needs of the Township.

This policy complies with the requirements of Section 270 (1) of the Municipal Act, 2001 as amended.

### **Policy Statement (s)**

Procurement is the process by which the Township acquires goods, services and construction. Effective procurement is a critical function of local governments as they responsibly manage public funds. The objective of this policy is to ensure that the Township conducts procurement processes that conform to the following principles:

- (a) Compliance with applicable laws, regulations, by-laws, policies and procedures;
- (b) Consistency with other Municipal by-laws, policies and procedures;
- (c) Open, fair and transparent procurement that affords equal access to all qualified suppliers. Preference may be given to Canadian suppliers;
- (d) Encourage the procurement of goods and services made by methods resulting in the least damage to the environment and supply goods incorporating recycled materials where practicable.
- (e) Reciprocal non-discrimination and geographic neutrality with respect to Ontario's trading partners and avoidance of preference for local suppliers;
- (f) Achieving best value for the Township for the expenditure of public funds through consideration of the full range of procurement formats and the adoption of commercially reasonable business practices;
- (g) Effective balance between accountability and efficiency; and
- (h) Ensuring adherence to the highest standards of ethical conduct, including compliance with any applicable policies relating to ethics and/or Code of Conduct.

## 2. DEFINITIONS

**Acting in good faith of trade treaties** means that the respective country is honouring the terms of its trade treaty and not applying additional tariffs.

**Agreement** means a legal document that binds the Township of Lanark Highlands and all other parties, subject to the provisions of the contract including terms of reference, terms of payment, respective responsibilities, etc.

**Bid** means the response submitted by a bidder in response to a Call Document.

**Bidder** means any legal entity or individual that submits a bid in response to a Call Document which is subject to acceptance or rejection.

**Bid Irregularity** means a deviation between the requirements (terms, conditions, specifications, special instructions) of a Call Document and the information provided in a bid response (See Schedule “E”)

**Call Document** means the procurement document issued by the Township to solicit bids from bidders and includes, but is not limited to:

- a) Request for Quotation;
- b) Request for Quotation-Invitational;
- c) Request for Tender;
- d) Request for Proposal, and
- e) Request for Pre-Qualification.

**CAO** means the Chief Administrative Officer of the Township of Lanark Highlands.

**Clerk** means the Municipal Clerk of the Township of Lanark Highlands.

**Commodity Market** means traded commodity products.

**Competitive Procurement Process** means the process of soliciting bids from competing bidders using an “Open Competitive” or “Invitational Competitive” procurement process.

**Conflict of Interest** means a situation in which private interests or personal considerations may affect and employee’s judgement in acting in the best interests of the Township. It includes an employee’s position, confidential information or corporate time, material or facilities for private gain or advancement. A conflict may occur when an interest benefits any member of the employee’s family or business associates.

**Construction** means the process of utilizing labour to carry out construction operations to build, alter, repair, improve, partially or fully demolish any structure, building or land.

**Contract** means a legally enforceable agreement between the Township and a vendor for the procurement of goods and services, which may be in the form of a written agreement executed by the parties, or a Purchase Order issued by the Township to a vendor.

**Contract Award** means a formal written notice in acceptance of a bid or proposal to enter a contract for goods or services.

**Consulting Services** means the provision of expertise or strategic advice that is provided by individuals or organizations who possess specific knowledge, technical skills, or unique abilities, and may include architects, engineers, designers, surveyors, geo-technical consultants, planners, technology consultants and any other professional services which may be required by the Township.

**Cooperative Purchasing** means a variety of arrangements whereby two or more public procurement entities combine their requirements in a single procurement process to obtain advantages of volume purchases from the same vendor(s) or contractor(s) using a single competitive process, including but not limited to, Ontario Education Collaborative Marketplace (OECM), Local Authority Service (LAS), Canoe and Ontario Buys.

**Corporate Signing Officer** means the Head of Council and Municipal Clerk, or other individuals designated by Council or this policy.

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

**Council** means the Council for the Township of Lanark Highlands.

**Department** means the Township's department requesting the purchase of goods or services.

**Department Head** means a person responsible for direction and operational control of a department, or an authorized designate.

**Designated Signing Authorization** means members of staff have the authority to execute legally binding contracts on behalf of the Township as follows:

- Purchasing/Requisitions-Treasurer or CAO
- Agreements/Contracts-CAO or Mayor and Clerk

**Direct Appointment** means to directly appoint a consultant on the basis of defined selection criteria, including but not limited to qualifications and experience.

**Disposal** means the removal of materials owned by the Township which are deemed surplus by trade-in, sale, auction, alternative use or destruction.

**Electronic Portal** means an electronic-based system that provides vendors with access to information related to open competitive procurements.

**Emergency** means a situation where a purchase of goods or services requires immediate action and the competitive bidding process is waived, modified or simplified to address any of the following unexpected circumstances:

- An imminent or actual danger to the life, health welfare or safety of Council, Staff or the public.
- An imminent or actual danger of injury to or destruction of real or personal property belonging to the Township, for which the Township would be liable.
- An unexpected interruption or threat of an interruption of an essential public service.
- An emergency as defined by the *Emergency Management Act*.
- A spill of a pollutant or contaminant as identified in the *Environmental Protection Act*.
- An emergency so declared by the Reeve in accordance with the *Emergency Management and Civil Protection Act*.

**Goods** means moveable property, including supplies, equipment, materials, products, software, furniture, structures, and fixtures, and does not include real property.

**Invitational Competitive Process** means a competitive process where the Township invites selected suppliers to submit bids without public advertisement.

**List of Bidders** means a list retained by the respective departments of those vendors who are interested in submitting bids.

**Lowest Responsive Bid** means the lowest price submitted which meets the requirements and specifications as set out in the bid request, minor deviations excepted.

**Non-Competitive Procurement Process** means the goods, services or construction acquired directly from a particular vendor without conducting a competitive process.

**Medium Order Purchases (MO)** means the purchase of goods, services or construction between amounts specified in the procurement policy and when the requirements are clearly defined.

**Open Competitive Procurement Process** means the solicitation of bids by public advertisement on an open electronic portal such as the Township's website or on such other tendering websites established to facilitate compliance with applicable trade agreements.

**Privilege Clause** means the standard clause used in bid documents and advertising that reads "the lowest or any bid may not necessarily be accepted."

**Procurement** means the purchase of goods, services or construction through buying, renting or leasing.

**Purchasing Designate** means a person or agent designated by a Department Head to exercise any or all responsibilities of that Department Head with respect to this policy.

**Real property** means a parcel of land and structures that are permanently attached to the land.

**Request for Expressions of Interest (EOI)** means a document issued by the Township during the very early stage of the procurement planning process to provide potential vendors with an option to register their interest in being involved in a particular project or providing specific goods or services.

**Request for Information (RFI)** means a document issued by the Township during the very early stage of the procurement planning process to solicit useful information or input from potential vendors.

**Request For Quotation (RFQ)** means an open competitive procurement process in which the Township seeks non-binding quotes for goods, services or construction through an open and public procurement process.

**Request For Quotation-Invitational (RFQ-I)** means an invitational competitive procurement process in which the Township seeks quotes for goods, services or construction from at least three (3) vendors by invitation.

**Request for Prequalification (RFPQ)** means a pre-qualification process issued by the Township to obtain information from vendors interested in submitting bids for a particular Project, or to be placed on an “approved vendor” list. Only those successful bidders who meet the qualification criteria will be included in the subsequent procurement process.

**Request for Proposal (RFP)** means the non-binding process used to solicit proposals for the purchase of goods, services or construction where a clearly defined specification is not available or is difficult to develop due to unknown factors or uncertainty of requirements, the expectation is the Award will be made to the highest-ranking vendor (proponent) meeting the requirements of the RFP Call Document. An RFP may include provisions to negotiate terms and price (best and final offer) prior to contract Award.

**Request for Tender (RFT)** means the request for bids where the specifications are clearly defined, and the expectation is the Award will be made to the lowest qualified bidder meeting the requirements of the RFT document.

**Services** means all services, including construction and consulting services, unless otherwise specified.

**Single Source** means there is more than one source in the open market but only for reasons of function or service one vendor is recommended for consideration of the particular good or service.

**Small Order Purchase (SMO)** means the purchase of goods, services or construction up to an amount specified in the procurement policy and when the requirements are clearly defined.

**Staff** means an employee of the Township of Lanark Highlands.

**Standing Offer** means an agreement to purchase goods from a specific vendor over a defined period of time, up to a maximum dollar value. Quantities are specified and shipments are to be made on the delivery dates specified by the Township.

**Surplus Goods** means goods or materials that are obsolete or no longer needed by the Township and are designated for disposal.

**Township** means the Corporation of the Township of Lanark Highlands.

**Treasurer** means the Treasurer of the Township of Lanark Highlands.

**Verbal Quotation** means the requisitioning department will receive pricing via telephone, in person, via websites, etc. and will document the quotes received.

**Vendor** means any person or enterprise supplying goods, services or construction to the Township.

### **3. APPLICATION**

- 3.1 This policy governs the procurement of goods and services, whether by purchase, lease or rent using Township funds from all resources and applies to all Departments and Committees;
- 3.2 This policy does not apply to the items listed in Schedule "A"; and
- 3.3 The CAO has overall responsibility administering this policy.

### **4. ROLES AND RESPONSIBILITIES**

Specific responsibilities pertaining to all stages of a procurement process, from the initial budget approval, identification of requirements through to the management of contracts with vendors, are detailed in this policy and the Township's procurement procedures. In addition to those specific responsibilities, outlined below are the general roles and responsibilities delegated to Township Council, Staff and Purchasing Designates.

#### **4.1 Council**

- 4.1.1 Council has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. The

Treasurer cannot pay for any item that has not been authorized by Council through budget appropriation or specific resolution. Council cannot directly approve or acquire any goods or services on behalf of the Township.

- 4.1.2 Resolutions approving budget amendments, capital expenditures or special appropriations shall reference the purpose of the expenditure, cost estimates or expenditure limitation, as well as the fund in which the appropriation has been provided.

#### 4.2 **Department Head**

Preceding the procurement of any goods, services or construction, it is the responsibility of the Department Head to ensure the budget is approved for such expenditure. The Department Head shall also ensure that:

- 4.2.1 Their authority is exercised for all procurement activity within the prescribed limits of this policy.
- 4.2.2 All staff included in the Procurement process receive adequate training.
- 4.2.3 Procurement plans are established and allow sufficient time to complete the procurement as stipulated in the associated Call Document procedure while considering applicable laws and trade agreements.
- 4.2.4 Unbudgeted capital projects are approved by Council prior to procurement planning.
- 4.2.5 Capital projects that exceed the budgeted amount receive Council approval.
- 4.2.6 All contract expenditures are monitored to ensure compliance with budget limits.
- 4.2.7 Contracts are managed in accordance with this policy and all applicable procedures and protocols to ensure that both the Township and the vendor fulfil their contract requirements.
- 4.2.8 Vendor performances are documented and monitored in accordance with applicable procedures. References are obtained for new vendors.
- 4.2.9 The Treasurer is notified in writing regarding the name of any Purchasing Designate.

#### 4.3 **CAO and Treasurer**

Notwithstanding any other provisions of this policy, the CAO and Treasurer have the authority to:

- 4.3.1 Require that certain procurements receive Council approval; and
- 4.3.2 Provide additional restrictions concerning procurements where they consider such action to be necessary and in the best interests of the Township.

#### 4.4 **Purchasing Designate**

- 4.4.1 A Purchasing Designate is a person or agent designated by a Department Head to exercise any or all responsibilities of that Department Head with respect to this policy. This role may be assigned to any staff or other agent of or assigned by the Township; and

4.4.2 The Purchasing Designate must clearly understand their roles and responsibilities and must be qualified to administer all procurement functions under this policy and procurement procedures.

## **5. GENERAL PROVISIONS**

### **5.1 Split Purchasing**

No staff member of the Township shall divide, stagger, or alter any contract or purchase to avoid any requirements of this policy.

### **5.2 Staff, Council, and Purchasing Designates Ethical Procurement Practices**

All staff, or Purchasing Designates of the Township authorized to purchase goods and services on behalf of the Townships shall:

5.2.1 Act with integrity and transparency by ensuring open and honest dealings with everyone involved in the procurement process;

5.2.2 Administer fair and impartial competitive procurement processes and make unbiased contract award recommendations. This means that the Township shall treat all vendors equally and shall not extend preferential treatment to any vendor, including local companies;

5.2.3 No Staff shall purchase or offer to purchase on behalf of the Township any goods, services or construction except in accordance with the policy.

### **5.3 Conflict of Interest**

Where a Staff or Purchasing Designate, either on their behalf or while acting for, by, with or through another, has any interest, directly or indirectly in any procurement matter, such individual:

5.3.1 Shall not take part in the procurement process for which the conflict exists;

5.3.2 Shall, prior to any discussion or consideration of the matter at any meeting, disclose the interest and the general nature thereof; and

5.3.3 Shall not attempt in any way whether before, during or after the meeting to influence the voting in respect of the matter.

### **5.4 Disclosure**

All Staff, or Purchasing Designates authorized to purchase goods, services and/or construction on behalf of the Township shall not provide to any particular vendor information that might prejudice fair competition between bidders.

### **5.5 Gifts, Favours or Gratuities**

The Township prohibits the acceptance of gifts, favours or gratuities directly or indirectly, by Township's Staff, Council, or Purchasing Designates, in return for business or the consideration of business. Refer to the Township's Code of Conduct.

## **6. VENDOR CODE OF CONDUCT**

The Township is committed to conducting business in a lawful and ethical manner and requires that all Vendors abide by this Code of Conduct. Failure to comply with this Code may be sufficient cause for the Township to exercise its rights to terminate any business relationship with Vendors. Vendors and their sub-contractors must comply with all applicable municipal, provincial and federal laws and regulations.

### **6.1 Conflict of Interest and Non-Disclosure**

All vendors shall disclose any potential conflict of interest to the Township when submitting a bid and prior to entering into a contract. The Township may choose not to accept a bid or enter into a contract unless and until the potential conflict can be satisfactorily resolved. Such potential conflicts of interest include but are not limited to:

- 6.1.1 Engaging any family members, friends or private business associates of any Council member, Staff, or Purchasing Designate which may have, or appear to have influence on the procurement process;
- 6.1.2 Any involvement by the vendor or affiliated persons in developing the technical specifications or other evaluation criteria or component for the Call Document; and
- 6.1.3 Access to confidential project information by the vendor, or affiliated persons, that is materially related to the Call Document and that was not readily accessible to other prospective vendors.

### **6.2 Disclosure**

- 6.2.1 Vendors shall maintain confidentiality of any confidential Township information disclosed to the vendor as part of the procurement process; and
- 6.2.2 All vendors' bid information shall be subject to the confidentiality and disclosure requirements of the Municipal Freedom of Information and Protection of Privacy Act, 1990.

### **6.3 Unethical Procurement Practices**

Unethical bidding practices includes:

- 6.3.1 Bid-rigging, price-fixing, bribery, coercion, collusion (bid coordination) or other conduct or practices prohibited by provincial or federal laws;
- 6.3.2 Attempting to gain favour or advantage by offering gifts, incentives or gratuities to Township's Staff, members of Council or any other representative of the Township during a procurement process;
- 6.3.3 Lobbying members of Council, Staff, or Purchasing Designates or engaging in any prohibited communications during a procurement process;
- 6.3.4 Intentionally submitting inaccurate or misleading information in response to a procurement opportunity; and
- 6.3.5 Participating in any other activity that compromises the Township's ability to run a fair procurement process.

#### 6.4 **Illegality**

Prior to submitting a bid, a bidder shall advise the Township of any previous convictions of itself or its affiliated persons for any unethical bidding practice or other similar conduct under the Criminal Code, the Competition Act or other applicable laws, for which a pardon has not been granted. The Township shall not consider or accept any bid for goods, services or construction from bidders to which a pardon has not been granted for any previous convictions relative to any unethical bidding practices or similar conduct punishable by law. Documentation shall be maintained by the purchaser for all procurements greater than \$20,000.

#### 6.5 **Gifts, Favours, or Gratuities**

To avoid any appearance or assumptions of favoritism, in return for business or the consideration of business, the Township prohibits vendors from offering gifts, favours or gratuities directly or indirectly, to Staff, Council, Purchasing Designates or any other representatives of the Township.

#### 6.6 **Contract Management and Vendor Performance**

- 6.6.1 Department Heads or Purchasing Designates are responsible for managing contracts and monitoring the performance of vendors in accordance with applicable procedures;
- 6.6.2 Vendor performance evaluations may be undertaken during or at the end of a contract and documented for future reference;
- 6.6.3 The Department Head may take actions for unsatisfactory performance such as vendor suspension from future procurement opportunities, in instances where vendors do not fulfill their contract obligations with the Township; and
- 6.6.4 A contract may only be terminated prior to its expiration date with the approval of the CAO in accordance with applicable procedures.

#### 6.7 **Vendor Exclusion and Disqualification**

Without limiting or restricting any other right or privilege of the Township and regardless of whether or not a bid otherwise satisfies the requirements of a bid document the Township may reject any bid from a vendor if:

- 6.7.1 The vendor is currently or has previously engaged in a legal dispute, unethical billing practices, refused to enter into a contract after the award, failed to submit securities, misrepresented the goods supplied, or submitted false or misleading information, with the Township relating to a procurement process or a contract for the supply of goods or services;
- 6.7.2 The Township has determined that the vendor's performance under one or more prior contracts with the Township was unsatisfactory, and the vendor has failed to rectify the Township's concerns regarding the past performance;
- 6.7.3 The vendor has a conflict of interest, or the vendor has failed to disclose any actual or potential conflict of interest; and

6.7.4 The vendor or its affiliated persons have engaged in illegal or unethical procurement practices for which a pardon has not been granted.

#### **6.8 Harassment and Abuse**

Vendors shall ensure all workers are treated with respect and dignity. No forms of discipline involving corporal punishment, abuse, or harassment (whether psychological, sexual or verbal) is permitted. Disciplinary measures shall comply with local laws and internationally recognized human rights. No vendor, employee or worker raising a complaint based on this Vendor Code of Conduct, or based on applicable laws, shall be subject to disciplinary action or reprisal.

#### **6.9 Discrimination / Human Rights**

The Township shall not knowingly contract with any vendor that engages in discrimination prohibited under the *Canadian Human Rights Act*.

### **7. PROCUREMENT PROCESS**

#### **7.1 Unsolicited Bid**

7.1.1 All unsolicited bids, including any offers for presentations or product/service trials submitted to the Township with the expectation on the part of the submitter of obtaining consideration for an ensuing contract or purchase by the Township shall be directed to the respective Department Head and the CAO for review and approval for acceptance.

7.1.2 In the event an actual goods/services product presentation or demonstration would be required in advance of a purchase decision, such presentation or demonstration should be included as part of the formal competitive bid process.

7.1.3 Any procurement resulting from the receipt of an unsolicited bid shall comply with the provisions of this Procurement policy.

7.1.4 In the absence of a competitive process, a contract may only be awarded in respect of an unsolicited proposal if a Non-Competitive Procurement is permitted in accordance with this policy and all applicable protocols.

#### **7.2 Market Research**

If the Township requires information about required goods and services or the availability of vendors in the market, a Department Head may conduct a Request for Information (RFI) or Request for Expression of Interest (REOI) process. The RFI or REOI process shall be publicly advertised to gather market research from any prospective vendors. These processes do not create any obligation between the Township and potential vendors.

#### **7.3 Cooperative Purchasing**

The Township may participate with other government entities, their agencies or public authorities in cooperative purchases when such purchases are considered to be most advantageous and in the best interest of the Township.

**7.4 Competitive Procurement Process**

Competitive procurement processes include but are not limited to:

7.4.1 Making Medium Order Purchases

7.4.2 Soliciting bids using an Invitational Competitive Process from a minimum of three (3) vendors (See RFQ-I);

7.4.3 Using cooperative procurement sources or

7.4.4 Conducting an Open Competitive Process by publicly advertising and posting the Call Document using one (1) of the following procurement methods:

- a) Request for Quotation (RFQ)
- b) Request for Tender (RFT)
- c) Request for Proposal (RFP)
- d) Request for Pre-Qualification (RFPQ)

**7.5 TABLE “A”- STANDARD PROCUREMENT PROCESS**

<b>Estimated Value</b>	<b>Procurement Process</b>
Up to \$20,000	<p><b>Small Order Purchase</b></p> <p>Preference should be given to Canadian suppliers or to vendors that use Canadian-made products or Canadian-based services, where possible.</p>
\$20,000 to \$50,000	<p><b>Medium Order Purchase</b></p> <p>Staff will attempt to obtain more than one (1) written quote by email, or online or utilize cooperative purchasing organizations. Documentation of the source(s) shall be saved.</p> <p>Preference should be given to Canadian suppliers or to vendors that use Canadian-made products or Canadian-based services, where possible.</p>
\$50,000 to \$100,000	<p><b>Invitational Competitive Process</b></p> <p>Solicit bids by issuing a Call Document to three (3) or more potential bidders. (RFQ-I)</p> <p>Utilize Cooperative Purchasing organizations</p> <p>OR</p> <p><b>Open Competitive Process</b></p> <p>Solicit bids by publicly advertising and posting a Call Document. (RFQ, RFP)</p>

	Preference should be given to Canadian suppliers or to vendors that use Canadian-made products or Canadian-based services, where possible.
Greater than \$100,000	<p><b>Open Competitive Process</b></p> <p>Solicit bids by publicly advertising and posting a Call Document. (RFP, RFT)</p> <p>Bids submitted by suppliers that are located wholly outside of Canada and in countries not acting in good faith of trade treaties will not be considered, unless deemed in the discretion of the CAO to be essential for the operation of the Township or if no other viable Bids, as determined in the discretion of the CAO, are submitted.</p>

**7.6 Risk Management**

7.6.1 All Invitational and Open competitive procurements shall include both insurance and WSIB requirements.

**7.7 Standing Offers and Prequalified Vendor Lists**

7.7.1 Where the Township anticipates it will have a recurring need for specific goods or services but is unable to commit to specific quantities in advance, the Township may conduct an Open Competitive Process to establish Standing Offers with one or more vendors.

7.7.2 The Township may also conduct an Open Competitive Process to establish a list of prequalified vendors for the purposes of future purchases of specific goods or services. Once a prequalified vendor list is established, an Invitational Competitive Process may be used to purchase the goods or services from the prequalified vendors. Unless the prequalified vendor list remains open to new vendors, it must be refreshed every three (3) years.

**7.8 Advertising and Bid Submissions**

All Open Competitive Processes shall be advertised on an electronic portal such as the Township’s website and on such other tendering website established to facilitate compliance with trade agreements. Procurements shall be advertised for reasonable time periods taking into account:

- a) The nature and complexity of the procurement;
- b) The extent of subcontracting anticipated; and
- c) Bids are to be submitted electronically by email or on such other means as specified in the Call Document.

### 7.9 **Bid Evaluation**

Bids shall be evaluated in accordance with the evaluation method described in the Call Document. When using a Request for Proposal, an Evaluation Team consisting of at least two (2) people shall evaluate and score the bids based on the Evaluation Criteria that are disclosed in the Call Document.

### 7.10 **Cancellation**

The Township shall have the unfettered right to cancel any procurement process at any stage and shall not be obliged to accept any bid or award any contract.

### 7.11 **Contract Award**

The authority to approve the award of a contract is based on the Department Head's level of spending authority (Reference the attached Schedule "B"). Execution of agreements of \$20,000 or more shall be performed by the CAO.

When a contract contains an option for renewal, the CAO may authorize the renewal provided that the suppliers' performance met the requirements of the contract, the renewal is in the best interests of the Township and funds are available in the appropriate accounts to meet the proposed expenditure.

### 7.12 **Vendor Debrief**

Where the Township has conducted a competitive procurement process, unsuccessful bidders may request a debrief.

### 7.13 **Procurement Protests**

Vendors may formally protest the outcome of a procurement process. Formal protests shall be made by vendors and responded to by the CAO. A vendor debrief is a pre-requisite to filing a formal Procurement Protest.

### 7.14 **Non-Competitive Procurements**

The Township shall make every attempt to obtain goods, services and construction using a competitive procurement process. However, there are instances when the Town may allow the purchase of goods, services, or construction without seeking pricing from alternate vendors competitively. Schedule "C" of this policy describes circumstances where the Township may permit a Non-Competitive Procurement to acquire goods, services, or construction.

### 7.15 **Environmental Procurement**

The Township is committed to the purchase of goods and services with due regard to the preservation of the natural environment and to encourage the use of environmentally friendly products and services.

### 7.16 **Disposal of Surplus Goods**

Department Heads shall dispose of surplus goods by either transferring them to other departments or agencies, or by selling (to the highest bidder), donating, recycling, scrapping or disposing of them.

Funds received from the sale of surplus goods shall be applied to any replacement goods or be placed in a Department's Capital Reserves.

## **8. ACCESSIBILITY**

- a) The Township shall comply with the requirements of the Ontario Human Rights Code, the *Accessibility for Ontarians with Disabilities Act, 2005* and its associated standards enacted through regulation when procuring goods and services.
- b) The Township is committed to considering accessibility for people with disabilities and incorporating accessibility features when developing specifications for required goods and services.
- c) The Township requires that vendors who deal with members of the public on behalf of the Township be adequately trained and comply with accessibility standards.

## **9. SCHEDULES**

- a) Schedule "A" to this Policy – Exemptions to Procurements forms an integral part of this policy and is attached hereto;
- b) Schedule "B" to this Policy – Procurement Threshold, Contract Amendment and Spending Authority, forms an integral part of this policy and is attached hereto; and
- c) Schedule "C" to this Policy – Non-Competitive Procurement forms an integral part of this policy and is attached hereto.
- d) Schedule "D" to this Policy – Trade Agreements forms an integral part of this policy and is attached hereto.
- e) Schedule "E" to this Policy-Bid Irregularities forms an integral part of this policy and is attached hereto.
- f) Schedule "F" to this Policy-Statement of Ethics forms an integral part of this policy and is attached hereto.

## **SCHEDULE “A” – EXEMPTIONS TO PROCUREMENT**

Notwithstanding the above, adherence to this Procurement Policy is not required with respect to those items listed below, or to any other transaction specifically authorized by resolution of Council to be exempt from this policy:

1. Acquiring the following goods or services:
  - a. Goods purchased on a commodity market.
  - b. Payments to the Federal, Provincial, or other municipalities, boards or agencies for goods or services provided to the Township.
  - c. Any Federal, Provincial or Municipal mandated programs
  - d. Goods or services for which the supply is controlled by a statutory monopoly.
  - e. Ongoing services being provided to the Town that were not obtained through a competitive process prior to the enactment of this policy. Department Heads may recommend to Council that the service be continued, or that a Call document be issued or that quotations be obtained at the time of renewal.
  - f. Work to be performed on property under the provisions of a lease, warranty or guarantee held in respect of the property or the original work.
  
2. This policy does not apply to the payment of the Township’s general expenses, including but not limited to:
  - a. employment contracts and refundable staff and Council expenses (e.g., meal allowances, travel, miscellaneous)
  - b. Petty cash items
  - c. Staff training and education including subscriptions to magazines, newspapers, conferences, courses, seminars, facilitators or hosts, memberships, computer software for educational purposes
  - d. Payroll deductions
  - e. Human Resources consulting fees with respect to staff matters
  - f. Staff benefits
  - g. Damage claims
  - h. Claim settlements
  - i. Adjuster services
  - j. Debenture payments
  - k. Grants and donations
  - l. Refunds
  - m. Legal settlements
  - n. Licenses (including hardware and software licenses and maintenance contracts)

- o. Hardware and software required to maintain existing products and systems originally obtained in accordance with the Procurement Policy
- p. Utilities , postage, office supplies, telephone, program supplies
- q. Lawyers, Investment managers, professional honorariums, notaries

**SCHEDULE "B" - SPENDING AUTHORITY**

<b>ESTIMATED VALUE</b>	<b>COMPETITIVE</b>	<b>NON-COMPETITIVE</b>
Up to \$20,000	Department Head (or designate)	Department Head (or designate)
\$20,000-\$100,000	Department Head	Treasurer and CAO
Greater than \$100,000	CAO	Treasurer and CAO

- a. A report to Council is required when the good or service procured is over the approved budget
- b. A report to Council is required when the purchase is not included in the approved budget.
- c. All contract documents with a value greater than \$20,000 per year shall be signed by the CAO or designate.
- d. Results for all tender/quote awards valued up to \$100,000 and within budget shall require a report to the CAO to be included in the CAO's delegated authority report to Council. Results for tender/quote awards over \$100,000 shall require a report to Council.
- e. Details regarding procurement results that exceed the budget by any amount shall be communicated to the Treasurer for inclusion in financial reports to Council.
- f. Where savings to the Township total \$5,000 or more, details regarding procurement results that were less than the budgeted amount shall be communicated to the Treasurer for inclusion in financial reports to Council.
- g. Notwithstanding Schedule "C", the CAO or Treasurer may require competitive purchasing where they deem appropriate.

## **SCHEDULE “C”– NON-COMPETITIVE PROCUREMENT**

Goods, Services and Construction may only be acquired through a non-competitive procurement process if any of the following apply:

1. During the competitive process conducted under this policy and applicable procedures:
  - a) No bids were submitted or no vendors requested participation;
  - b) No compliant bids that conform to the mandatory requirements of the bid document were submitted;
  - c) No vendors satisfied the conditions for participation; or
  - d) The submitted bids were collusive.
2. The goods, services or construction can only be supplied by a particular vendor and no reasonable alternative or substitute goods or services exist for any of the following reasons included but not limited to:
  - a) The protection of patents, copyrights, or exclusive rights; and
  - b) To ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative.
3. Additional deliveries are required for a project by the original vendor of goods, services or construction that were not included in the initial Call Document, and a change of vendor for such additional goods or services 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 would cause significant inconvenience or substantial duplication of works or costs for the Township.
4. For any reasons of urgency brought about by events unforeseeable by the Township or during an emergency, the goods or services could not be obtained in time using an open or invitational competitive procurement process.
5. If the Township procures a prototype or a first good or service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development.
6. For purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, bankruptcy, or other government organizations, but not for routine purchases from regular suppliers.
7. If a contract is awarded to a winner of a design contest provided that the contest has been organized in a manner that is consistent with the principles of this policy in particular relating to the publication of a Call Document notice and the participants are judged by an independent jury with a view to a design contract being awarded to a winner.

8. If goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open Competitive Procurement Process could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest.
9. To bridge or use as an extension to an existing contract to deliver goods, services or construction beyond the contract original end date in cases where a new procurement for the same deliverables is underway and additional time is needed to complete the procurement process and award a new contract.
10. For professional services less than \$100,000 per project.

**SCHEDULE “D” – TRADE TREATIES**

The Township shall abide by trade treaties in setting the open competition procurement thresholds. The Canadian government has trade treaties, both internally within Canada and internationally. To ensure the Town meets the requirements of the trade treaties, the open competition threshold in the Procurement By-law shall align with them. Table 1 shows the trade treaties and the applicable thresholds for goods, services and construction contracts.

<b>TREATY</b>	<b>GOODS</b>	<b>SERVICES</b>	<b>CONSTRUCTION</b>
Canadian Free Trade Agreement (CFTA) – Canada only	\$33,400	\$133,800	\$133,800
Canada – Chile Free Trade Agreement	\$134,300	\$134,300	\$8,800,000
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	\$229,600	\$229,600	\$8,800,000
Canada-Colombia Free Trade Agreement	\$134,300	\$134,300	\$8,800,000
Canada-European Union Comprehensive Economic and Trade Agreement (CETA)	\$229,600	\$229,600	\$8,800,000
Canada-Honduras Free Trade Agreement	\$134,300	\$134,300	\$8,800,000
Canada-Korea Free Trade Agreement	\$100,000	\$100,000	\$8,800,000

Canada-Panama Free Trade Agreement	\$134,300	\$134,300	\$8,800,000
Canada-Peru Free Trade Agreement	\$167,800	\$167,800	\$8,800,000
Canada-Ukraine Free Trade Agreement	\$229,600	\$229,600	\$8,800,000
Canada-United Kingdom Free Trade Agreement	\$229,600	\$229,600	\$8,800,000
World Trade Organization-Agreement on Government Procurement (WTO GPA)	\$229,600	\$229,600	\$8,800,000

Source: <https://www.canada.ca/en/treasury-board-secretariat/services/policy-notice/contracting-policy-notice-2023-6-trade-agreements.html>

## **SCHEDULE “E” – BID IRREGULARITIES**

A bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response.

For the purposes of this policy, bid irregularities are further classified as “major irregularities” and “minor irregularities.”

**Major Irregularity** means a deviation from the bid request that affects 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 issuing Department Head, the CAO or Treasurer must reject any bid which contains a major irregularity.

**Minor Irregularity** means a deviation from the bid request, which affects form, rather than the 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 issuing Department Head, the CAO or Treasurer may permit the bidder to correct a minor bid irregularity.

**Mathematical Errors** will be corrected by the issuing Department Head, the CAO or Treasurer related to extensions and/or taxes, unit prices in the bid will govern.

### **Action Taken**

The CAO or Treasurer and the issuing Department Head will be responsible for all action taken in dealing with bid irregularities, and acts in accordance with the nature of the irregularity as follows:

- Major Irregularity-automatic rejection
- Minor Irregularity-bidder may rectify
- Mathematical Error (additions or extensions)-as above

In the event the bidder withdraws their bid due to the identification of a major irregularity, the Township may disqualify such vendor from participating in municipal quotations/tenders/requests for proposals for a period of up to one year.

## BID IRREGULARITIES SUMMARY

ITEM	MAJOR	MINOR	ACTION
Late bids (by any amount of time)	X		Automatic Rejection
Bids completed in pencil	X		Automatic Rejection
Bid surety not submitted with the bid when the bid request (or any addenda) indicated that such a surety is required	X		Automatic Rejection
Bid Securities missing signatures/seals/not certified	X		Automatic Rejection
Bidders fail to attend mandatory site meetings	X		Automatic Rejection
Unsealed tender envelopes	X		Automatic Rejection
Proper response envelope or label not used		X	Acceptable if received on time
Pricing or signature page missing	X		Automatic Rejection
Bids received on documents other than those provided	X		Not acceptable unless specified otherwise in the request
Execution of bid document proof of authority to bind is missing	X		Automatic Rejection
Part bids (all items not bid)	X or	X	Acceptable unless complete bid has been specified in the request
Bids containing minor clerical errors		X	Bidder has two (2) working days to correct and initial errors. The

			Township reserves the right to waive initialling and accept the bid
Uninitialed changes to the request documents which are minor (e.g. the bidder's address is amended by overwriting but not initialed)		X	Bidder has two (2) working days to correct and initial errors. The Township reserves the right to waive initialling and accept the bid
Alternate items are bid in whole or in part		X	Available for further consideration unless specified otherwise in request
Unit prices in the schedule of prices have been changed but not initialed		X	Bidder has two (2) working days to correct and initial errors. The Township reserves the right to waive initialling and accept the bid
Other mathematical errors which are not consistent with the unit prices		X	Unit prices will govern
Pages requiring completion of information by vendor are missing	X		Automatic Rejection
Bid documents which suggest that the bidder had made a major mistake in calculations or bid			Consultation with a Solicitor on a case-by- case basis and referenced within a Staff report if applicable

The above list of irregularities should not be considered all-inclusive. The CAO or Treasurer, in consultation with the requisitioning department will review minor irregularities not listed. The CAO or Treasurer may then accept the bid, or request that the bidder rectify the deviation.

“Working days” is from the hour the bidder is notified by Staff of the irregularity

## **SCHEDULE "F" – STATEMENT OF ETHICS**

The following ethical principles shall govern the conduct of every Municipal employee with the authority to procure:

- Believes in the dignity and worth of the services rendered by the Township and the societal responsibilities assumed as a trusted public servant.
- Is governed by the highest ideals of honour and integrity in order to merit the respect and inspire the confidence of the Township and the public being served.
- Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- Keeps the Township informed through appropriate channels on problems and progress of applicable operations by emphasizing the importance of the facts.
- Follows the lawful instructions or laws of the Township.
- Understands the authority granted to them by the Township.
- Avoids activities which would compromise or give the perception of compromising the best interests of the Township.
- Reduces the potential for any chance of preferential treatment by actively promoting the concept of competition.
- Obtains the maximum benefit for funds spent as agents of the Township.
- Maintains and practices to the highest degree possible, business ethics, professional courtesy and competence in all transactions with suppliers.
- Purchases without prejudice, striving to obtain the maximum value for each dollar of expenditure.
- Preclude from showing favouritism or be influenced by vendors through acceptance of gifts, gratuities, loans or favours.
- Adhere to and protect suppliers' business and legal rights to confidentiality for trade secrets and other proprietary information.
- Remain free of any and all interests and activities which are or could be detrimental or in conflict with the best interests of the Township.
- Refrain from engaging in activities where a Township employee has a significant personal or indirect financial interest.
- Exercise discretionary authority on behalf of the Township
- Avoid acquiring interest or incurring obligations that could conflict with the interests of the Township.