



**POLICY / PROCEDURE / DIRECTIVE**

<b>Name:</b> Procurement Policy		<b>Number:</b> FI-007-2016
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**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. DEFINITIONS**

**Acquisition**

The purchase of Goods, Services and/or Construction.

**Approval Authority**

The authority to approve Procurements including the Award and Contract up to the authority levels for the respective body or person(s) set out in Section 6.2.3.

**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/Proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.

**Bid**

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

**Bidder**

A person or entity who submits a response to a Request for Quote, Request for Tender or Request for Standing Arrangement.

**Call for Bid**

A formal or informal request for Bid, on the terms and conditions set forth in the District’s Bid documents, that may be in the form of a Request for Quotation, Proposal, Tender, or Standing Supplier Arrangement.

**Chief Administrative Officer or CAO**

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

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**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/Proponent**

A responsive and responsible Bid or Bidder/Proponent 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.

**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.

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**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 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 tender related information.

**Emergency Purchase**

An Acquisition that does not follow the regular procurement process because of a circumstance described in Section 8.3.3 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, 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.

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**Irregularity**

A deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request 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.

**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.

**Proponent**

The entity or person who submits a response to a Request for Proposal or Request for Pre-Qualification.

**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, waste water, housing and community services.

**Purchase Order**

A written Contract with a successful Bidder/Proponent that has a unique number, which formalizes the acceptance of an offer received in accordance with this Policy.

**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.

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**Request for Proposals or RFP**

A 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.

**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**

An informal or formal request for prices for an Acquisition where comprehensive technical specifications can be developed and where sealed bids are opened in the public.

**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.

**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 and/or Services to the District.

**Unsolicited Proposal**

An offer or proposal submitted by a contractor, Vendor or consultant, 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.

#### **4. PROCUREMENT GOALS AND OBJECTIVES**

- (a) Procure Goods and/or Services 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.

#### **5. GENERAL CONDITIONS**

- 5.1** 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.
- 5.2** 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.
- 5.3** Exceptions to this Policy are identified in Schedule A.
- 5.4** Council approval shall be required where the provisions of the Procurement Policy are being waived.
- 5.5** All purchases must have appropriate pre-approved funding and must be authorized prior to the preparation of a Call for Bid.

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**5.6** 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.

**5.7** 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.

**5.8 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.

**5.9 No Local Preference**

The District shall not practice local preference in awarding purchases, pursuant to the *Discriminatory Business Practices Act*, R.S.O. 1990, c. D12; *Agreement of Internal Trade Implementation Act*, S.C. 1996, c. 17; and, the *Competition Act*, R.S.C. 1985, c. C-34.

**5.10 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.

**5.11 Persons with Disabilities**

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.



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**5.12 Green Procurement**

Through Acquisitions, the District’s staff is encouraged to seek ways of enhancing environmental sustainability by incorporating green Procurement requirements where possible, practical and feasible.

**5.13 Legal Claims**

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

**5.14 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.

**5.15 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. 2016-3, as amended and the *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M.50, as amended.

**5.16 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/Proponent that engages in lobbying, without further consideration, and may terminate that Bidder’s/Proponent’s right to continue in the procurement process.

During a 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 employee of the District to attempt to seek information. This restriction extends to all of the District’s elected officials, committee members and staff.

**5.17 Elected Officials and Committee Members**

Elected officials and committee members shall completely 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.

### **5.18 Policy Review**

The Commissioner of Finance and Corporate Services shall review as appropriate, but no later than every five (5) years, the effectiveness of this policy and report to Council recommending any changes to meet the needs and requirements of the District.

## **6. RESPONSIBILITIES AND AUTHORITIES**

### **6.1. 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 following circumstances. Department Heads shall create a report to be included in the Council agenda for consideration for approval. Where appropriate, Council may delegate approval of these items to all standing committees, upon prior notice.

- (a) Procurement with a contract value of greater than \$500,000.
- (b) Where an Acquisition or Contract Change Order exceeds the approved budget by more than \$50,000.
- (c) Where the lowest Compliant Bid submission is not being recommend for award.
- (d) Where the highest scoring Compliant Proponent proposal submission is not being recommended for award.
- (e) Where a Single Source procurement is being proposed
- (f) Where the provisions of the Procurement Policy are being waived.
- (g) Where an acquisition was not included in the approved budget.
- (h) Any contract requiring approval from the Ontario Municipal Board.
- (i) Any contract prescribed by statute to be authorized by Council.
- (j) Where a substantive Bidder complaint has been filed prior to the award of a RFT, RFQ or RFP.
- (k) Where Council has directed staff to provide a report to Council.

#### **Standing Committee**

Department Heads shall create a report to be included in the Committee agenda for consideration, subject to the same conditions set out under Council Responsibilities. Resolutions from Committee will be recommended for adoption by Council at the following Council meeting unless delegated authority has been received subject to section 6.2.2.4. From time to time reports may go directly to Council for consideration as noted under Council Responsibilities.

**Chief Administrative Officer**

- (a) Ensure that all staff adheres 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 Commissioner of Finance and Corporate Services has the authority to award Emergency Purchases as outlined in 8.3.3.
- (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 \$50,000.
- (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 to 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 award Emergency Purchases as outlined in 8.3.3.
- (e) 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 that cumulatively the project cost variance from budget does not exceed \$50,000.
- (f) Any question involving the meaning or application of this Policy is to be submitted to the Commissioner of Finance and Corporate Services for resolution.

**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) Monitor all contract expenditures to ensure compliance with financial limits.

**Manager, Purchasing and Risk Management**

- (a) Responsible for the integrity of the Procurement process.

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- (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 to this Policy and notifies the Commissioner of Finance and Corporate Services of any non-compliance.
- (d) Facilitates 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 including the Muskoka Parry Sound Public Purchasing Group, Broader Public Sector (BPS), Ontario Shared Services (OSS), Ontario Education Collaborative Marketplace (OECM), Ministry of Government Services (MGS), 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, participate in Negotiations.

## **6.2 Approval Authority**

### **6.2.1. 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 with a value greater than \$500,000. Spending authority for any Procurement with a value of up to \$500,000, may be delegated where:
  - (i) The value of the lowest compliant submission including any contingency allowance is not in excess of the Council approved budget.
  - (ii) The award is made to the Lowest Compliant Bidder/Proponent;
  - (iii) No substantive supplier complaint has been filed in respect of the related RFT, RFQ or RFP;
  - (iv) There is no Provincial or Federal government requirement for Council approval of the related RFT, RFQ or RFP;
  - (v) There is no requirement for the contract to be approved by the Ontario Municipal Board or any other approval authority; and
  - (vi) Where the cost amount proposed for acceptance is within the Council approved budget for that expenditure and the expenditure would not impinge the ability of the remaining funds within the budget to complete the project as budgeted or result in operational deficit.

### **6.2.2. 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.

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1. The Commissioner of Finance and Corporate Services shall, in consultation with the respective Department Heads, assign, as necessary, expenditure limits to staff subject to the limits outlined in section 6.2.3.
2. Limits for staff may vary and may not be the same for each person in the same Authority Level category in section 6.2.3. 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 and/or Services the staff member is permitted to acquire; and
  - (ii) the dollar limits applicable to each type of Good and/or Service.
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 6.2.1; 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.

### 6.2.3. Approval Authority Levels

Procurement Approval Authority Levels	
Total Procurement Amount (\$)	Delegated Purchasing Authority Level
Up to \$10,000	Staff
Up to \$25,000	Managers
Up to \$50,000	Directors
Up to \$250,000	Commissioners
Up to \$500,000	CAO
Over \$500,000	Council Approval

### 6.2.4 Execution of Award

- (a) The person having the applicable Approval Authority for the Procurement shall also have the authority to execute the Award and the Contract on behalf of the District.
- (b) For all other Contracts that require Council approval, the District officials named in the Council resolution shall execute such Contracts on behalf of the District. Where officials have not been named in the Council resolution, the District Chair and Clerk shall execute such Contract.
- (c) All Contracts issued by the District shall be signed by two District officials.

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## 7. 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.
- (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 budgets; 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) 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.

### 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 add additional funds to 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, unless the following condition applies:
  - (a) The total cost of the Acquisition does not exceed the approved budget by \$50,000. In that case, 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;
- iv. Cancel the Call for Bid; or,
- v. Materially revise the Call for Bid and issue a revised Call for Bid.

## 8. METHODS OF PROCUREMENT

### 8.1 Procurement Process & Thresholds

#### 8.1.1 General

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- (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.
- (e) Please see Schedule D for a Summary of the Decision Making Process when determining the best and/or required method of procurement.

### 8.1.2 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.

### 8.1.3 Summary of Thresholds for Purchasing

Procurement Value	Purchase Type	Procurement Method	Approval Authority
\$0 - \$10,000	Low Cost Purchase	Three (3) written quotes, where in the District's best interest	Delegated
\$10,001 - \$100,000	Invitational Competitive Procurement	Call for Bid issued to a minimum of three (3) vendors	Delegated
\$100,001 – \$500,000	Open Competitive Process	Call for Bid issued to market	Delegated
\$500,001 +	Open Competitive Process	Call for Bid issued to market	District Council

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## **8.2 Standard Methods of Procurement**

### **8.2.1 Low Cost Purchase (LCP)**

#### **(a) Conditions of Use**

- The value of the Goods and/or Services is less than \$10,000;
- The Goods and/or Services are not covered under an existing contract;
- The Goods and/or Services are required on an item by item basis;
- Intended for one-off or small, multiple purchases with a cumulative value not exceeding the threshold. Not intended to be a repetitive or ongoing need;
- Three (3) written quotes will be obtained where it is in the District's best interest.

#### **(b) Evaluation and Award**

- Best value for the District can be achieved when selection is made on the basis of total lifecycle cost that meets all the requirements;
- Purchases may be made using petty cash, corporate purchasing card, or Purchase Order and/or vendor invoice.

### **8.2.2 Request for Quotation (RFQ)**

#### **(a) Conditions of Use**

- The estimated price is between \$10,001 and \$100,000;
- The requirements can be fully defined;
- Solicitation will be issued to a minimum of three (3) bidders;
- An open competitive process is encouraged, but not required.

#### **(b) Evaluation and Award**

- The RFQ shall be awarded to the Lowest Compliant Bidder;
- 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;
- A Purchase Order and/or Agreement will be required.

### **8.2.3 Request for Tender (RFT)**

#### **(a) Conditions of Use**

- The estimated price is \$100,001 or more;
- The requirements can be fully defined;
- Solicitation shall be advertised through an electronic tendering method;
- A public Tender opening shall be conducted on the Tender closing date as outlined in the Call for Bid document.

#### **(b) Evaluation and Award**

- The RFT shall be awarded to the Lowest Compliant Bidder;



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- 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;
- A Purchase Order and Agreement will be required.

#### **8.2.4 Requests for Proposals (RFP)**

(a) **Conditions of Use**

- The estimated price is \$10,001 or more;
- Comprehensive technical specifications cannot be fully defined or specified; or
- Alternate methods or innovative solutions are being sought to perform a certain function or service.

(b) **Evaluation and Award**

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

#### **8.2.5 Request for Standing Arrangements (RFSA)**

(a) **Conditions of Use**

- 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
- A need is anticipated for a range of goods and 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
- 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**

- More than one Vendor may be selected where it is in the best interests of the District and the procurement documentation allows for more than one; and
- Selection methodology and evaluation criterion (where required) will be as outlined in the Call for Bid document.
- A Purchase Order and Agreement will be required.

#### **8.2.6 Request for Information (RFI)**

(a) **Conditions of Use**

- 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.
- Submissions shall be provided at no cost to the District.

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(b) **Evaluation and Award**

- An RFI submission does not create any contractual obligation between the District and the respondent.

**8.2.7 Request for Expression of Interest (RFEOI)**

(a) **Conditions of Use**

- There is uncertainty regarding the market availability and interest in providing the Good or Service;
- The submissions received may assist with a potential future Call for Bid.
- Submissions shall be provided at no cost to the District.

(b) **Evaluation and Award**

- An RFEOI submission does not create any contractual obligation between the District and the respondent.

**8.2.8 Request for Pre-qualification (RFPQ)**

(a) **Conditions of Use**

- When work is considered to be complex, high risk or there is a need to develop a short list of qualified Proponents that have the capabilities to meet the District's needs.
- Is the initial phase of a two or more phase solicitation process.

(b) **Evaluation and Award**

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

**8.3 Alternative Methods of Procurement**

**8.3.1 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. 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.

Instead, the Department Head may conduct direct Negotiations with the Supplier.

### **8.3.2 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.

Where a Single Source is proposed, a written report indicating the rationale for a non-competitive selection shall be submitted to Council for approval prior to the Award of any Contract.

The following are valid reasons for a Single Source purchase, Council 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 more than one willing and compliant supplier;
- (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 a 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:

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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 of the contract.

### **8.3.3 Emergency Purchases**

The CAO jointly with the Commissioner of Finance and Corporate Services may authorize an Emergency Purchase up to \$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.

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

### **8.3.4 Cooperative Purchasing**

The District may participate with other government agencies or public authorities in Cooperative acquisition ventures when it is in the best interest of the District to do so.

The Cooperative purchasing 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.

Where the Province of Ontario requires the District to meet a provincial standard, and 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 contract for their respective Goods and/or Services when purchasing through a cooperative arrangement such as the Muskoka Parry Sound Public Purchasing Group.

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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.

#### **8.3.5. In-House Submissions**

The acceptance and award of in-house bids would require the prior approval of Council and would only be permitted where private sector suppliers have also been given an opportunity to submit bids.

#### **8.3.6. Unsolicited Proposals**

Unsolicited proposals 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.

#### **8.3.7. Negotiated Purchases**

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

- (i) When only one submission is received and it exceeds the amount allocated in the budget, Negotiations may be conducted provided that the selected Vendor is compliant;
- (ii) When the Lowest Compliant Bid received exceeds the amount allocated in the budget;
- (iii) When all bids received are non-compliant and it is impractical to reissue the Call for Bid;
- (iv) During a Single, Sole or Emergency purchase;
- (v) 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;
- (vi) 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;
- (vii) Where a competitive bid process has been conducted and expanded works or coordinated works are appropriate in the circumstances.

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## 9. OTHER

### 9.1 Term of a Contract

- 9.1.1** The term of a Contract will be determined by the Contract Administrator, in consultation with the Department Head and, where appropriate, the Manager of Purchasing and Risk Management.
- 9.1.2** 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.
- 9.1.3** For complex Goods or Service 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 with the approval of the Department Head and CAO. A contract over five (5) years in length must be approved by the Department Head and CAO.
- 9.1.4** 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.
- 9.1.5** On an annual basis the District 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.

### 9.2 Exercise of Contract Renewal Options

- 9.2.1** 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 this supplier previously are still relevant at the time of Contract renewal;
  - (iv) the value of the Contract is within departmental spending authority or the renewal of a Contract has previously been authorized by Committee and Council in an Award of Contract letter; and
  - (v) funds are available or will be available in appropriate accounts within the approved budget, including authorized revisions, to meet the proposed expenditure.

### 9.3 Contract Amendments and Revisions

- 9.3.1** No amendment to a contract shall be made unless the amendment is in the best interest of the District and shall not be made contrary to the provisions of section 9.1.
- (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) Department Heads may authorize amendments to Contracts provided that the total amended value of the Contract does not exceed the approved budget.
  - (iv) 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 \$50,000, the Department shall obtain the appropriate authorization from the CAO and Commissioner of Finance and Corporate Services prior to executing the Contract Change Order.
  - (v) 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 \$50,000, Council approval of additional funds is required.
  - (vi) Funding should be in place prior to approving the Contract Change Order and prior to the execution of the work. When it is not possible to complete the Change Order prior to the execution of the works, it shall be completed as soon as possible after commencement.
  - (vii) 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 and/or Services 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.

### 9.4 Specifications

- 9.4.1** Contract Administrators are responsible for the preparation of the specifications for the applicable Acquisition method.
- 9.4.2** The Manager, Purchasing & Risk Management may review and recommend amendments to the specifications.
- 9.4.3** 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

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restricts the ability to design specifications in unique situations, e.g. standardization or compatibility with existing Goods or Services.

**9.4.4** 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.

## **9.5 Advertising**

**9.5.1** Where only selected potential Suppliers will be eligible to participate in a Procurement process, invitation will be made through email or with the use of an electronic tendering system.

**9.5.2** Where a Procurement process will be open to all, invitation will be made using at least one of the following methods:

- (i) An electronic advertising/tendering system
- (ii) A local newspaper
- (iii) A commercial publication
- (iv) Any other forms of advertising as determined by the District

## **9.6 Corporate Purchasing Card**

**9.6.1** Acquisitions made with the corporate purchasing card must comply with this Policy and the District's Purchasing Card Policy and Procedures.

**9.6.2** No personal purchases may be made with the corporate purchasing cards that are not authorized by District policy. District staff shall not use corporate purchases to gain personal points or other similar benefits in any Vendor reward program.

## **9.7 Bid Review Committee**

**9.7.1** The Manager, Purchasing and Risk Management, 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 Irregularities as required.

**9.7.2** When a Bid Irregularity is present, action shall be taken in accordance with the attached Bid Irregularity Schedule.

## **9.8 Evaluation Committee**

**9.8.1** Evaluation Committees are used with some Acquisition methods to allot points according to the criteria and submission requirements in the Call for Bid. The



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committee will consist of a minimum of three (3) individuals and where possible, should include a cross section of members from several departments.

**9.8.2** The highest scoring submission will be the successful Proponent, subject to the terms and conditions of the Call for Bid and this Policy.

**9.9 Tie Bids**

**9.9.1** In the case of a tie of the scores between two Compliant Bidders/Proponents, and where multiple Awards are not possible, the District shall determine the successful Bidder/Proponent by a coin toss.

**9.9.2** In the case of a tie bid of the scores between three or more Compliant Bidders/Proponents, and where multiple awards are not possible, the District shall determine the successful Bidder/Proponent by a draw of the Bidder's/Proponent's names from a receptacle.

**9.10 Vendor Performance**

**9.10.1** Contract Administrators are responsible for monitoring and documenting Vendor performance and ensuring compliance with Contracts. Contract Administrators shall address performance issues directly with the Vendor to resolve and document all performance issues and acknowledgements related to same.

**9.10.2** Contract Administrators shall advise the appropriate Department Head of Vendor performance issues in writing. The Department Head will consult with the Manager of Purchasing and Risk Management and District Solicitor, where appropriate, to resolve any ongoing and/or escalating or unsatisfactory performance issues. If performance issues cannot be resolved, the Department Head may, in consultation with Legal Services, terminate the Contract.

**9.10.3** Any Vendor (or its subcontractors) that is involved in unprofessional conduct (the nature of which the District will be the sole judge), a health and safety violation, criminally charged, or in dispute or litigation of any kind with the District, the District may terminate the Contract with that Vendor. The Vendor may also be excluded from bidding at the discretion of the Department Head in consultation with the Manager of Purchasing and Risk Management, and Legal Services where appropriate. The exclusion from bid participation shall not last longer than two (2) years.

**9.11 Alternative Dispute Resolution – Competitive Bid Process Protest**

**9.11.1** 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

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competitive Bid process.

**9.11.2** 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.

**9.11.3** Any Vendor that has asked to participate in the ADR process will be provided with information by the Manager of Purchasing and Risk Management to assist them to understand the Bid process and to assist them to improve their future Bid submissions for the District.

#### **9.12 Alternative Dispute Resolution - Contract Disputes**

**9.12.1** Any Contract disputes that arise between the successful Bidder/Proponent 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.

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

## **SCHEDULE "A" – EXCLUSIONS**

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

#### **(1) Employer's General 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, vehicle, elevators, radios)
- (g) Insurance claims and adjudications, legal settlements, mediation and arbitration awards
- (h) Refundable expenses, including cash advances, meal allowances, travel expenses and accommodation
- (i) Temporary staffing agencies and services
- (j) 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.
- (k) 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) Public Debenture Sales
- (c) Group Benefits
- (d) Committee Fees
- (e) Realty Services regarding the Lease, Acquisition, Demolition, Sale of Land and Appraisal of Land
- (f) Appraisers of real property for property insurance assessments
- (g) Medical Professional Services
- (h) Expert Witnesses
- (i) Confidential Items (Forensic Audits)
- (j) Outside Legal Counsel on an individual file basis; however, where the District Solicitor proposes to provide multiple files in an area of law to select outside legal counsel for a defined period of time, a competitive procurement process is to be followed in accordance with the provisions of the Procurement Policy (Refer to Policy AD:17 Engaging of Outside Counsel).

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- (k) Recruitment Services
- (l) Human Resource Compensation Services

**(3) Utilities**

- (a) Electricity
- (b) Postal Services
- (c) Water
- (d) Natural Gas
- (e) Communications, for example: telephone, cable

**(4) 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) Maintenance of software for systems previously acquired
- (e) Media advertising

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**SCHEDULE “B” – SUBMISSION 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.

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/Proponent 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/Proponent would not gain an unfair advantage over competitors. The District may permit the Bidder/Proponent to correct a minor irregularity.

**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/Proponent 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, and RFT) or Information Gathering Bid (RFEOI, RFI, RFPQ) and where the submission must be received on/before a specified date and time.

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ITEM	IRREGULARITY	RESPONSE
<b>GENERAL</b>		
1.	Late Submissions	Automatic rejection, returned unopened to the Bidder/Proponent
2.	Unsealed Envelopes	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/Proponent'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 and, returned to the submitter
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
<b>BID DOCUMENTS</b>		
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

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13.	Un-initialed changes to the request documents which are minor (e.g. the Bidder's/Proponent'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/Proponent – two (2) business days to correct
15.	Submissions not completed in ink or typewritten	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 provided on Bid Forms by the District	Automatic rejection
20.	Authority to bind the Bidder/Proponent signature missing	Automatic rejection
21.	Authority to bind the Bidder/Proponent signature not an original	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/Proponent are missing	Automatic rejection

**BID DEPOSIT**

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/Proponent'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**

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

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32.	Surety provider and/or Bidder's/Proponent's authorized signature missing from Agreement to Bond	Two (2) business days to rectify
<b>PRICING</b>		
33.	Failure to include the Schedule(s) of Items & 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/Proponent on the Total Contract Price	Automatic rejection
37.	Unit price has been changed but not initialed and the price extension <b>is</b> 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
38.	Unit price has been changed but not initialed and the price extension <b>is not</b> consistent with the unit price as amended	Automatic rejection
39.	Unit price extension which <b>is not</b> 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
<b>POST AWARD NOTIFICATION</b>		
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



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**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 Proponent 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 Proponent through this process and/or any information provided by the Proponent 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 published 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 Proponent’s submission will be discussed at this meeting.
2. Should the Proponent continue to have concerns following the meeting described above, that Proponent 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 Proponent for the specific contract in dispute shall be identified, and the reasons why the contract was awarded to that Proponent will be discussed at this meeting. However, this would not include any proprietary information respecting any bids.

3. If the Proponent continues to have concerns respecting this specific contract award and the decision made respecting same, the Proponent may then request a meeting with the Manager from the department involved, the Manager of Purchasing and Risk Management and 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 Proponent continues to be dissatisfied, the Proponent may then request a 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 Proponent shall provide a

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written summary of its position. As part of their review, the CAO and District Solicitor may request a meeting with the Proponent in advance of reaching their conclusion(s).

5. Following the review described in Number 4. above, the District may recommend, or the unsuccessful Proponent 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 Proponent, 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 Proponent 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": PROCUREMENT DECISION MAKING PROCESS FOR GOODS AND SERVICES**

**Determine the expected dollar value of the purchase.**  
Approved funding must be in place prior to commencement of any procurement activity

**Under \$10,000**  
as per Approval Authority Limits

**\$10,001 to \$500,000**  
as per Approval Authority Limits

**\$500,001+**  
requires District Council Approval by resolution

**Emergency Situation up to \$500,000**

Low Cost Purchase by Purchase Order or Purchasing Card

Does more than one supplier exist?

Does more than one supplier exist?

Expenditure must be approved by the CAO and Commissioner of Finance and Corporate Services. District Council notification required as follow-up

Yes

No

Yes

**Request for Quotation:**  
Describes the goods/services exactly as required, up to \$100,000

**Invitation to Tender:**  
Formal invitation to bid on supplying defined goods/services, over \$100,000

**Request for Proposals:**  
Formal request to propose on goods/services which may not be fully defined

**Co-operative Purchases:**  
Coordination of purchases with other government agencies or public authorities

**Non-Competitive process:**  
Sole Source – only one vendor  
Single Source – more than one may exist but has been chosen for a unique purpose

**Invitation to Tender:**  
Formal invitation to bid on supplying defined goods/services

**Request for Proposals:**  
Formal request to propose on goods/services which may not be fully defined

**Co-operative Purchases:**  
Coordination of purchases with other government agencies or public authorities