

<b>POLICY MANUAL</b>	<b>POLICY NO. 3-6</b>
<b>For Municipality of South Dundas</b>	<b>EFFECTIVE DATE: December 21, 2004</b> <b>Revised: March 2012</b> <b>Revised: March 7, 2017</b> <b>Revised: August 13, 2019</b> <b>Revised: January 18, 2021</b>
<b>SUBJECT: Procurement</b>	<b>DEPARTMENT: All Departments</b>

## **SECTION 1**

### **POLICY STATEMENT**

To encourage fairness, objectivity, accountability, and transparency in the procurement process. To encourage competition among suppliers/vendors by obtaining the highest quality goods, services, or construction to maximize efficiencies, effectiveness, and cost savings.

## **SECTION 2**

### **SCOPE**

This procurement policy applies to all purchases of goods and/or services by all departments, boards and committees of the Municipality of South Dundas.

## **SECTION 3**

### **PROCUREMENT PRINCIPLES AND GOALS**

- 1) To promote the most cost effective and efficient use of Municipal funds and resources by acquiring the specified goods and services at the optimum quality, quantity, price, delivery, and performance.
- 2) To encourage open competitive bidding on all acquisition and disposal of goods and services where practical, and to encourage open bidding processes that are objective and fair. Objectivity will be maintained through processes that will be developed and implemented in an unbiased manner, not influenced by personal preferences, prejudices or interpretation. Fairness will be promoted by applying the policies equally to all bidders.
- 3) In appropriate circumstances, to consider the total acquisition cost rather than the lowest bid in evaluating bid submissions from qualified, responsive, and responsible Suppliers/Vendors. This may include, but is not limited to, considering such factors as repairs, maintenance, staff training, suitability, compatibility, warranty, trade-in values, recycling, or disposal concerns.
- 4) To endeavor to obtain the most competitive offers from the most responsible and responsive suppliers/vendors. To encourage using suppliers/Vendors who comply with the provisions of the bid solicitation, including specifications

and contractual terms and conditions. To promote suppliers/vendors who can be expected to provide satisfactory performance based on reputation, references, experience, and sufficiency of financial and other resources.

- 5) To promote co-ordinating purchases on a municipal-wide basis when appropriate to obtain available volume discounts and the best possible price.
- 6) To encourage monitoring and reporting on the economic climate and legislative changes which may have an impact on the Municipality of South Dundas and to determine the appropriate actions to be taken through purchasing policies and procedures.
- 7) When feasible, to promote acquiring goods and services in a manner consistent with the Municipality's principle of preserving the natural environment.
- 8) To consider accessibility for persons with disabilities when making purchasing decisions.
- 9) To promote the integrity of the purchasing process and protect Council, staff, Suppliers/Vendors and other stakeholders involved in the process, by providing clear direction and accountabilities.
- 10) The procurement policy, and the processes described therein, will be reviewed every 5 years or earlier, to evaluate its effectiveness.

## **SECTION 4**

### **ETHICS**

It is paramount that the conduct of Council, staff, suppliers/vendors, and other stakeholders involved in the Municipality's procurement process be ethical, professional and accountable. All participants in this procurement process must comply with the following:

- 1) **Accountability and Transparency:** Procurement activities should be open and accountable. Procurement activities should be honest, fair, transparent and conducted with a view to obtaining the best value for public money. All participants should ensure that public sector resources are used in a responsible, efficient, and effective manner.
- 2) **Personal Integrity and Professionalism:** Individuals involved with procurement should act, and be seen to act, with integrity and professionalism. Honesty, care, and due diligence should be integral to all procurement activities. Confidential information should be safeguarded.
- 3) **Conflict of Interest:** Participants should not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers/vendors or products. Participants are to disclose any pecuniary interest, direct or indirect, to the Director involved or the CAO. The Code of Conduct for the Council of the Municipality of South Dundas indicates that Conflict of Interest may arise in the course of a Member of Council's duties

related to direct or indirect financial interests or other non-financial interests. Refer to the Code of Conduct for Council for further details.

## **SECTION 5**

### **GENERAL CONDITIONS**

- 1) No employee or elected official shall purchase or offer to purchase, on behalf of the Municipality, any goods or services, except in accordance with this policy.
- 2) Prices and authority levels as stated in this policy are intended to be before tax amounts. Prices outlined within this policy to determine the appropriate purchasing method do not prevent the use of a purchasing method with a higher level of controls. A Director has the authority to exceed the minimum requirements, as outlined in this policy, if such action is considered necessary and in the best interest of the Municipality.
- 3) No purchase of goods and/or services may be divided into two or more parts to avoid the provisions or application of this policy.
- 4) In implementing this policy, the Municipality will make all reasonable efforts to adhere to all applicable Federal and Provincial legislation, including contract law and the law of competitive processes. Under the *Accessibility for Ontarians with Disabilities Act, 2005*, purchasing decisions will have regard to their impact on accessibility for persons with disabilities and the Municipality of South Dundas shall incorporate applicable criteria and features when procuring or acquiring goods, services or facilities, except when it is not practical to do so. If it is determined that it is not practical to incorporate accessibility criteria, an explanation will be provided upon request.
- 5) While adhering to the *Municipal Freedom of Information and Protection of Privacy Act*, data received during a purchasing process will normally be considered as public information, unless clearly and specifically identified as confidential information within an individual bid submission. When bids are opened in public limited information will be announced (usually the name of each bidder and their total bid price) and any further information will remain confidential until all bids have been analysed and evaluated. Relevant data will be provided to the public upon request on current year purchasing as well as one dormant year if easily available, but no historical data on prior years will be researched for the public and/or other suppliers/vendors.
- 6) Bids received may be evaluated on features such as, but not limited to, fulfilling requested specifications, supplier/vendor qualifications, experience, past performance, materials and equipment used, purchase terms, quality, methodology, scheduling, etc. In appropriate circumstances, total acquisition costs will be considered including, but is not limited to, such

factors as repairs, maintenance, staff training, suitability, compatibility, warranty, trade-in values, recycling, or disposal concerns.

- 7) Any purchasing or bid solicitation may be cancelled at any time up to contract award. If only one bid is received the Municipality has the option at its sole discretion and reserves its right of not opening the bid and cancelling the procurement. In the event of a single bid which is opened Council may cancel the procurement if awarding the contract would result in the approved budget being exceeded.
- 8) If a consultant is engaged to coordinate the purchasing of any goods or services, it shall be the responsibility of the appropriate Director to ensure that all conditions of this policy are adhered to.
- 9) Any project that requires the services of a professional consultant (engineering, architectural, environmental, etc.) shall be tendered.
- 10) Where a Director is authorized to undertake any act pursuant to this policy, such act may be undertaken by the Director's authorized designate.
- 11) To be eligible to perform work on Municipal property, all contractors and suppliers/vendors must provide evidence of appropriate insurance and current Workplace Safety Insurance Board clearance. These documents will be obtained and filed by the Administration department. All contractors and suppliers/vendors will follow the requirements under the Municipality's Health & Safety Policy and Procedures Manual. Contractors and suppliers/vendors must provide Material Safety Data Sheets (MSDS) for all relevant products being purchased by the Municipality.
- 12) The CAO in consultation with the Director may remove the name of a contractor or Supplier/Vendor from the list of bidders for a period of up to two years based on documented poor performance, non-performance, or conflict of interest, or any breach or contravention of the requirements set out in this policy. This includes any principle, director, or officer of that contractor or supplier/vendor, bidding directly for Municipal contracts, or indirectly through another entity. A written notice of the decision will be provided to the contractor or supplier/vendor by the Director.
- 13) Any withdrawal of bids will only be accepted if supplied in writing by the contractor or supplier/vendor and subject to any other provisions of the policy.
- 14) Prior to awarding any procurement of goods and/or services, the Director will forward recommendations to the CAO for final review and comments.
- 15) No quotation or proposal will be accepted from any individual or company, which has instituted a claim or legal proceeding against the Municipality or against whom the Municipality has instituted a claim or legal proceeding with respect to any previous contract to supply goods or services, unless prior approval is received from Council.
- 16) No acquisition of any goods or services will be made from any Municipal employee, elected official, or their companies, unless prior approval is

received from the CAO who will consider each purchase on its individual merits. The CAO may also permit and consider in-house bids on its individual merit.

- 17) No personal purchases shall be made by the Municipality for an employee, elected official or any appointed member of a Board or Committee, unless specifically authorized by the CAO.
- 18) A tender document fee may be applicable on tender documents exceeding 50 pages in length. Fees will be charged in accordance with the Fees & Charges By-law.
- 19) Goods and services exempt from the provisions of the procurement policy are detailed in Schedule "D"

## **SECTION 6**

### **BUDGETARY CONTROL**

Departmental expenditures are authorized by Council each year as part of the budget process. All purchases must be provided for and have sufficient funds remaining within the budget, unless specifically approved by Council following the method outlined below or as outlined under the Emergency Method (described below) of purchasing. Pending Council's approval of proposed budgetary estimates, Directors are authorized to spend up to 50% of the previous year's approved Operating Budget. Specific over-expenditures may be approved by Council if:

- 1) the intent of the account is not changed; and
- 2) the department's budget as a whole is not overspent; and
- 3) total Municipal expenditures are within budget; or
- 4) Council determines the over-expenditure is in the best interest of the Municipality and provides specific authorization.

## **SECTION 7**

### **RESPONSIBILITIES AND AUTHORITIES**

- 1) COUNCIL:** Council has the ultimate authority on all expenditures. Council provides some authority to staff through their annual budget and Council also establishes procedures and limitations for staff through this procurement policy.
- 2) CAO:** The CAO has the authority to instruct a Director not to award a contract and may direct the Director to submit a recommendation to Council for their approval.

The CAO must review and approve non-competitive or sole-source purchases as required in Schedule B-Non-Competitive Purchasing to this policy. The CAO must be knowledgeable about occurrences of emergency purchases.

The Mayor and the Clerk must sign all contracts and agreements over:

- a) \$25,000 in the Environmental Services, Fire, Public Works, Recreation, & Water and Wastewater Departments;
- b) \$10,000 in all other Departments.

**3) Directors:** Directors or their designate are responsible for all purchasing activities within their department and are accountable for adhering to this policy. They must ensure that all requirements of this policy are fully understood and followed by their respective staff.

Directors or their designate will determine the appropriate purchasing method to be used as outlined within this policy.

The Director or their designate whose budget provides for the goods and/or services shall be responsible for the preparation of all specifications and/or terms of reference that may be necessary for the purchase. They will coordinate the necessary timing of purchase procedures and forecast lead-time when Council approval is necessary. They will also administer tender calls, evaluate bids, report to Council when required, obtain any required contract signatures and monitor contracts.

The Director or their designate must sign all contracts and agreements under:

- a) \$25,000 in the Environmental Services, Fire, Public Works, Recreation, & Water and Wastewater Departments;
- b) \$10,000 in all other Departments

When requesting Council approval for a purchase, the Director may also request authority from Council to sign the necessary contract or agreement; if this authority is not approved in Council's resolution, the Mayor and Clerk must sign any contracts or agreements over the amounts specified above.

The Director will ensure that a record of all tenders and quotations received on a purchase will be maintained by the Administration Department; as well as any required WSIB, insurance, health and safety, or any other applicable documentation. These documents will be subject to external audit.

The Director will identify the appropriate expense account to which the purchase will be charged, and which has sufficient funds remaining in the Council approved budget.

## **SECTION 8**

### **COOPERATIVE PROCUREMENT**

Cooperative purchasing across Departments, with other Municipalities and/or organizations, will be encouraged when beneficial and practical, and appropriate in the circumstances. Arrangements may be made with one or more other public entities for cooperative procurement to obtain the benefits of volume purchases or administrative efficiency.

When another public entity is conducting the procurement, the Director should ensure that the public entity used a competitive method of procurement consistent with the principles and requirements set out in this procurement policy. When participating in a cooperative procurement conducted under another public entity's procurement policy their policy will guide the solicitation and purchasing method and this policy will determine the approval process and required authorizations including the budgetary controls, required approvals, execution of contracts, etc.

## **SECTION 9**

### **TENDER REJECTION CRITERIA**

The applicable Director will determine any major or minor tender irregularities as outlined in Schedule "C" Tender Rejection Criteria. All tenders received, inclusive of tenders containing any irregularity, will not be evaluated until the irregularity is resolved.

No bidder shall have any claim for compensation or damages of any kind or nature whatsoever as a result of, either directly or indirectly, participating in any procurement process contemplated or provided for by this procurement policy.

## **SECTION 10**

### **BID DEPOSITS**

A bid deposit is a financial guarantee that if a bidder is successful in the award of the bid, the bidder shall:

- 1) Enter into an agreement within a specified period of time;
- 2) Provide the specified security as required;
- 3) Provide additional documentation as noted in the bid document.

If a bidder awarded a contract fails to comply with any of the above within the specified period of time and the Municipality is required to obtain another bidder and/or is required to issue another bid document, the bid deposit shall be forfeited.

Bid deposits shall be required to accompany any bid submission for construction work exceeding \$25,000 or as deemed appropriate by the Department head.

Bid deposits shall be no less than 5% of the estimated value of the work unless the work exceeds \$100,000; in which case the bid deposit shall be no less than 10%. Acceptable forms of bid deposits include certified cheque, irrevocable letter of credit, or money orders and shall name the Municipality of South Dundas as the payee.

If the bid deposit and the performance security are of the same value, the department issuing the bid document may choose to use the bid deposit as the performance security for the successful vendor, as accepted by both parties.

All bid deposits except for the two highest ranking bids are to be returned to the bidders within ten (10) days after bid closing unless some anomalies are found in the analysis of the two lowest bids in which case the third lowest bid deposit will be retained. The remaining bid deposits to be released after the execution of the contract agreement and submission to the Municipality of all documents required for the contract.

No interest will be paid on any bid deposit.

## **SECTION 11**

### **PERFORMANCE SECURITY**

Performance security is a guarantee of the full completion of all work as required in the bid document. Acceptable forms of performance security include agreement to bond, performance bond, irrevocable letter of credit, money order, and certified cheque.

Performance bonds shall be required for all construction projects exceeding \$100,000 for a minimum of 50% of the bid amount. For all other requirements, the Department head shall determine the financial amounts of the performance security.

Performance security shall be required for, but not limited to, construction, renovation, demolition, service contracts (when working on Municipal property), supply and installation of equipment for expenditures exceeding \$25,000.

All performance security shall be in original form, signed and sealed as applicable. No faxes or photocopies will be accepted.

As detailed in section 10, a bid deposit may be used as performance security.

## **SECTION 12**

### **INSURANCE**

Prior to the commencement of work and when deemed appropriate by the Municipality in its sole discretion, the contractor, Supplier/vendor, or bidder shall



provide evidence of the required insurance coverage as outlined and set out in the tender documents and agreements.

The insurance policies required shall not be cancelled unless the Insurer notifies the Municipality in writing at least sixty (60) days prior to the effective date of the cancellation. The insurance policy will be in a form and with an insurer which are, in all respects, acceptable to the Municipality in its sole discretion.

Any and all deductibles shall be the responsibility of the contractor or supplier/vendor and the Municipality shall bear no cost toward the deductible.

The Municipality reserves the right to request additional insurance.

In addition to insurance, the contractor or supplier/vendor shall provide evidence of WSIB or confirmation that they are exempt from such coverage.

### **SECTION 13**

#### **INDEMNIFICATION**

Prior to the commencement of any work and deemed appropriate by the Municipality in its sole discretion, the Contractor, supplier/vendor, or bidder shall agree in writing to fully defend, indemnify and save harmless the Corporation of the Municipality of South Dundas in accordance with the requirements set out in the tender documents and subsequent agreement(s).

### **SECTION 14**

#### **DISPOSAL OF SURPLUS GOODS**

Identification and disposal of surplus goods (excluding land) will be completed by the applicable Director. Surplus goods will be disposed in a manner that the Municipality will receive the highest net return. The method of disposal may include, but shall not be limited to:

- 1) Trade-in towards the acquisition of other goods.
- 2) Public auction.
- 3) Issuance of a request for tender or quotation
- 4) Donating to a charitable organization registered with the Canada Revenue Agency
- 5) Classifying as waste and scrapping, dismantling, destroying and/or disposing.

### **SECTION 15**

#### **METHODS OF PROCUREMENT**

Schedule "E" provides a summary of purchasing methods. Higher valued purchases, as outlined below, will typically follow the proposal or tender method of procurement. Determining the appropriate method should be based on:

Request for Proposal (RFP): The purpose of an RFP is to request suppliers/vendors to provide solutions for the delivery of complex goods or services, or, where explicitly required, to provide alternative solutions. An RFP process uses multiple predetermined evaluation criteria, including price.

Request for Tender (RFT): The purpose of an RFT is to request suppliers/vendors to submit bids to provide goods or services based on stated delivery requirements, performance specifications, terms, and conditions. An RFT process focuses the evaluation criteria predominantly on the price and delivery requirements.

### **1) Proposal Method (Any dollar value)**

This method of purchasing may be used where the expertise for developing proper specifications lies in the hands of a supplier(s)/vendor(s), or where additional information is required, and it is impractical to call tenders. Engagement of professional or consultant services could be completed through the proposal method.

The goods or services are not described in detail by the Municipality in a solicitation document but a written outline of the objective, purpose, desired results, and/or need of the goods and/or services is produced and form part of the RFP.

The Clerk will advertise and distribute RFP packages. All public RFP's are advertised on the Municipal website. Additionally, RFP's may be advertised with the Director determining the newspapers, frequency, advertisement format, and/or use of other methods of advertisements to be the most effective in each circumstance.

If only one proposal is received, the CAO, in consultation with the Director, has the option of not opening the bid and closing or re-issuing the call for proposal. If the sole proposal is opened and reviewed Council may reject the proposal if the proposal does not comply with the provisions of the RFP or in the event that the total cost exceeds the budget established for the work.

Schedule "F"-Post Project Evaluation forms will be completed for each project. The forms will aid in formulating an evaluation scoring scheme that includes factors such as qualification and experience, strategy, approach, methodology, scheduling, past performance, facilities, and equipment for projects to be completed in the future. The process may involve negotiations after the submission of proposals on any specifications, contract terms and prices.

The Director and CAO will approve purchases through the proposal method costing less than:

- a) \$25,000 in the Environmental Services, Fire, Public Works, Recreation, & Water and Wastewater Departments;
- b) \$10,000 in all other Departments.

All communications and questions related to any solicitation document must be made to the specific contact person listed in the procurement document in accordance with the method and manner set out in the said document.

## **2) Tender**

Unless the Proposal Method of purchasing is followed, formal tendering practices shall apply for the purchase of all goods and services where the estimated value is or will exceed:

- a) \$25,000 in the Environmental Services, Fire, Public Works, Recreation, & Water and Wastewater Departments;
- b) \$10,000 in all other Departments.

RFT documents will include a clear description of the required goods or services. Goods or services must be described in generic and/or functional terms specific to the Municipality's needs. Where it is necessary to provide specifications in non-generic and or non-functional terms, the specifications must set out the performance requirements in a manner that would not unfairly favor certain suppliers/vendors.

The Clerk will advertise and distribute tenders. All public tenders are advertised on the Municipal website. Additionally, tenders may be advertised with the Director determining the newspapers, frequency, advertisement format, and/or use of other methods of advertisements to be the most effective in each circumstance.

If only one bid is received in response to a tender request, the Municipality has the option of not opening the sole bid and closing or re-issuing the call for tender. If the sole tender is opened and reviewed Council may reject the tender if the proposal does not comply with the provisions of the tender documents or in the event that the total cost exceeds the budget established for the work.

Tenders shall be opened at a predetermined time by the Clerk and/or the Director, and a minimum of one other staff member.

Successful suppliers/vendors will be approved based, predominantly, on submitted price and delivery requirements. Council may, at its discretion, reject all submissions and cancel the tender.

Council will approve the successful supplier/vendor in tenders:

- a) Over \$25,000 in the Environmental Services, Fire, Public Works, Recreation, & Water and Wastewater Departments;
- b) Over \$10,000 in all other Departments.

All communications and questions related to any solicitation document must be made to the specific contact person listed in the procurement document in accordance with the method and manner set out in the said document.

### **3) Written Quotation**

Where the estimated value of goods and services to be purchased by:

- a) Environmental Services, Fire, Public Works, Recreation, or Water and Wastewater Departments is \$5,000 or more but less than \$25,000, at least three (3) written quotations shall be required.
- b) All other Departments is \$5,000 or more but less than \$10,000, at least three (3) written quotations shall be required.

Where written quotations from at least three suppliers/vendors cannot reasonably be obtained, the Director shall make a record of such circumstance.

### **4) Expression of Interest and/or Request for Pre-qualification**

Used where bidders offer their interest in submitting a bid on a product or service. Advertised publicly, and information is requested to determine reference checks, past performance, and financial liability. A reply to the Request for Expression of Interest and/or Pre-Qualification is required by designated date and time to the Director in charge, signed by an officer authorized to legally bind the bidder.

Submissions are reviewed and subsequently a Request for Quotation or Tender is prepared for a short list to invited pre-qualified bidders.

### **5) Random Purchases (less than \$5,000)**

Comparison pricing, such as oral quotations, commercial flyers or advertisements, promotional magazines, online research, etc., will be done where random purchases of goods and services with an estimated value of less than five thousand dollars (\$5,000.00) are contemplated. Pricing will be compared from three suppliers/vendors in the competitive marketplace where possible and practical.

Random purchases of the same goods (i.e., immaterial office supplies) may be made repeatedly from the same vendor if comparison pricing is obtained periodically (not to exceed five years) to confirm continued cost effectiveness.

Random purchases will be approved by the Director.

## **SECTION 16**

### **EXCEPTIONAL PURCHASING METHODS**

#### **1) Non-Competitive Purchasing**

Non-competitive or sole-source purchasing cannot be used to avoid competition or to discriminate against specific suppliers. Non-competitive purchasing may be used under the circumstances outlined under Schedule "B"- Non-competitive Purchasing attached.

#### **2) Exercise of Contract Renewal Options**

Where a contract contains an option for renewal, Council may exercise such option provided that: (a) the supplier/vendor's performance in supplying the goods, services or construction is considered to have met the requirements of the contract, and (b) the renewal is deemed to be in the best interest of the Municipality.

Where a contract contains no option for renewal, Council may extend the contract for a period no greater than two years from the date of expiration provided that (a) and (b) of this subsection are met.

#### **3) Additional Work Under Existing Contracts**

Where goods or services have been purchased pursuant to a contract or agreement, and where a change in the goods, services or scope of the project occurs that has not been included in the contract and which necessitates the purchase of additional goods or services the following shall apply:

- a. The Director reports to Council to obtain approval of the additional goods or services; or
- b. The Director may authorize the additional goods or services if the total cost does not exceed:
  - i. \$25,000 in the Environmental Services, Fire, Public Works, Recreation, & Water and Wastewater Departments;
  - ii. \$10,000 in all other Departments.
- c. The CAO may authorize the additional goods or services if the total cost is to be paid in full by a third party, and security to ensure payment is in place.

This clause may be used when it is necessary to include additional goods or services to an existing contract and cannot be used to avoid a competitive purchase process. Any savings must be shared with the Municipality when a change to goods or services results in a lower cost.

#### **4) Unsolicited Proposals**

Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this policy. A contract resulting from an unsolicited proposal shall be awarded on a non-

competitive basis only when the procurement requirements comply with the non-competitive procurement circumstances within this policy.

### **5) Emergency Method**

The emergency method of purchasing may be used when the circumstances warrant immediate action or when time is a constraining factor or when health, safety and public interest are in jeopardy.

All emergency purchases must be approved by the Director and reported to the CAO. If applicable, the Director must sign any contracts and agreements.

Where this method of purchasing results in an over-expenditure or an unbudgeted expenditure, the Director shall report the circumstance of the expenditure to Council at the next regular meeting.

### **6) Market Conditions**

Notwithstanding the provisions of this policy, where market conditions are such that long term price protection cannot be obtained for goods or services, the Director may obtain competitive prices for short term commitments until reasonable price protection and firm market pricing is restored.

## **SECTION 17**

### **APPROVAL OF PAYMENTS FOR ALL METHODS OF PURCHASING**

Council has the ultimate authority for all expenditures and delegates some of this authority by the approval of annual budgets and the Procurement Policy. Formal approval of the annual budget constitutes financial approval to proceed with the purchases contained in the budget while following the processes outlined within this policy.

Following the appropriate method of purchasing outlined above, all invoices submitted to the Treasury Department for payment must be approved by the Director.

Standard recurring expenditures that are a part of normal, day-to-day business activities may be paid by the Treasury Department. These types of expenses are regular and expected, budgeted for and are not optional. Late payment charges should be avoided and discounts taken when practical. Regular purchases include, but are not limited to, utilities, phone, postage, payroll remittances and licenses, etc.

Invoices pertaining to tenders and/or contracts previously awarded by Council may be processed with approval from the Director and/or CAO.

Directors approving invoices for payment will ensure the invoice's mathematical

accuracy, correct unit costs and quantities and will affix their signature or recognizable initials on the invoice to indicate to the Treasury Department that the invoice is approved for payment.

Only individuals identified with approved signing authority on Municipal commercial bank accounts are authorized to open or close accounts with suppliers/vendors or purchasing charge cards in the Municipality's name or to change credit limits.

Receipt of goods or services must be confirmed before payment is approved. All payments must be properly authorized, be accurately accounted for and be supported by appropriate documentation.

## **SECTION 18**

### **PRE-AWARD BID DISPUTES**

Suppliers/vendors should seek a resolution of any pre-award dispute by communicating directly with the Director as soon as possible from the time when the basis for the dispute became known to them. The Director may delay an award, or any interim stage of a procurement, pending the acknowledgement and resolution of any pre-award dispute.

## **SECTION 19**

### **POST-AWARD BID DISPUTES**

Any dispute to an award decision must be received in writing by the Director no later than ten (10) days after the date of the award notification, or where a debriefing has been requested, no later than five (5) days after such a debriefing is received, any dispute that is not timely received or in writing will not receive further consideration. Any written dispute with a procurement value over \$25,000 that cannot be resolved by the Director through consultations with the supplier/vendor, shall be referred by the Director to the CAO for an impartial review, based on the following information:

- A) A specific description of each act or omission alleged to have materially breached the procurement process;
- B) A specific identification of the provision in the solicitation or procurement procedure that is alleged to have been breached;
- C) A precise statement of the relevant facts;
- D) An identification of the issues to be resolved;
- E) The supplier/vendor's arguments, including any relevant supporting documentation; and
- F) The supplier/vendor's requested remedial action.

The CAO, consultation with the Municipality's solicitor, may:

- A) Dismiss the dispute; or
- B) Accept the dispute and direct the Director to take appropriate remedial action, including, but not limited to, rescinding the award and any executed contract, and cancelling the solicitation.

The CAO may adopt and publish such further procedures as are necessary to ensure an independent and timely review and resolution of post award bid disputes.



## **SCHEDULE "A"**

### **DEFINITIONS**

**Agreement:** a legal document that binds the Municipality of South Dundas and all other parties to terms concerning the provision of goods and/or services.

**Award:** the notification to a proponent of acceptance of a tender, quotation, or proposal that brings a contract into existence.

**Bid:** an offer or submission received in response to a request for quotation, tender, proposal, or other solicitation document which is subject to acceptance or rejection.

**Chief Administrative Officer (CAO):** The Chief Administrative Officer of the Corporation of the Municipality of South Dundas or their designate.

**Clerk:** The Clerk of the Corporation of the Municipality of South Dundas or their designate.

**Comparison Pricing:** any method of obtaining pricing information from suppliers/vendors, including but not limited to verbal or written quotations, online inquiries or research, promotional flyers, or advertisements, etc.

**Conflict of Interest:** a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. A conflict may occur when an interest benefits any member of the person's family, friends, or business associates. Refer to the Municipal Conflict of Interest Act

**Contract:** a formal legal agreement for the supply of goods, services and/or consulting services including a contract arising out of the acceptance of a tender, request for proposal or written quotation.

**Construction:** a construction, reconstruction, demolition, repair, or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, soil investigation, the supply of products and materials and the supply of 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 professional services related to the construction contract unless they are included in the specifications for the procurement.

**Cooperative Procurement:** procurement conducted by one public entity on behalf of two or more public entities to obtain the benefits of volume purchases or administrative efficiency.

**Council:** The Council of the Municipality of South Dundas.

**Department:** a division of the Municipality of South Dundas dealing with a specific area of activity.

**Director:** the person responsible for direction and operational control of a Department or authorized designate.

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

**Emergency:** a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the public, or the property of the residents of the Municipality of South Dundas, or which could result in serious damage to property, disruption of work. An emergency shall include a situation where goods or services are required to restore or to maintain essential service to a minimum level.

**Evaluation Criteria:** a benchmark, standard or yardstick against which accomplishment, conformance, performance, and suitability of an individual, supplier/vendor, alternative, activity, product or plan is measured to select the best supplier/vendor through a competitive process. Criteria may be qualitative or quantitative in nature.

**Expression of Interest:** the response where vendors are solicited by the Municipality to advise the Municipality of their ability and desire to undertake work in accordance with municipal requirements.

**In-House Bid:** a bid made by a Department and authorized by the Director, submitted in response to a bid solicitation, where the provision of the goods, services, or construction will be provided entirely by the employees of the Municipality of South Dundas.

**Irregularity:** a deviation between the requirements (terms, conditions, specifications, special instructions, etc.) of a solicitation document and the information submitted in a bid response. Major irregularities are those that affect the pricing, quality, quantity, or delivery of the good or service required as stated in the solicitation document. Minor irregularities are those that affect the form as opposed to the substance of the bid. Refer to Schedule "C" for tender rejection criteria.

**Material Safety Data Sheets (MSDS):** Material Safety Data Sheets must be submitted by the vendor for all hazardous materials, including an index of chemical compounds with details of properties, handling details, precautions, and first-aid procedures.

**Municipality/Corporation:** The Corporation of the Municipality of South Dundas.

**Negotiation:** the action or process of conferring with one or more suppliers/vendors leading to an agreement on the acquisition of the

required goods and services under the conditions outlined in this Policy.

**Pecuniary Interest:** the opportunity, direct or indirect, to profit or share in any profit derived from a transaction. Refer to The Municipal Conflict of Interest Act.

**Procure/Procurement/Purchase:** the acquisition of goods and/or services by purchase, rental, or lease.

**Professional and Consulting Services:** persons having specialized knowledge or skill for a defined service requirement including:

- a) Architects, auditors, engineers, designers, planners, surveyors, management and financial consultants, brokers and;
- b) Firms or individuals having specialized competence in environmental, planning, or other disciplines and;
- c) any other professional and consulting services rendered on behalf of the municipality

**Proposal (Request for Proposal /RFP):** to request suppliers/vendors to provide solutions for the delivery of complex goods or services, or, where explicitly required, to provide alternative solutions.

**Publicly Advertised:** any method of providing suppliers/vendors with access to information related to procurements; including but not limited to newspapers, magazines, trade publications, other print media, Municipal website, industry websites & databases, etc.

**Quotation:** an offer obtained from a selected vendor to supply stipulated goods and/or services at a particular price.

**Sole Source:** within specific circumstances, one vendor is considered for supplying particular goods and/or services.

**Supplier(s)/Vendor(s):** any person or organization that, based on an assessment of that person's or organization's financial, technical, and commercial capacity, can fulfill the requirements of procurement.

**Tender (Request for Tender/RFT):** to request suppliers/vendors to submit bids to provide goods and/or services based on stated delivery requirements, performance specifications, terms, and conditions.

**Treasurer:** The Treasurer of the Corporation of the Municipality of South Dundas or their designate.

## **SCHEDULE "B"**

### **NON-COMPETITIVE PURCHASING**

Non-competitive or sole-source purchasing cannot be used to avoid competition or to discriminate against specific suppliers/vendors. Non-competitive purchasing may be used in any one or more of the following circumstances:

1. wages and allowances, payroll deductions remittances and any other legislated payments,
2. donations specifically approved in the current budget,
3. contributions to external agencies approved in the current budget,
4. payments authorized under another Municipal policy,
5. when the emergency method of purchasing is required,
6. when compatibility with existing products is necessary or to recognize exclusive licenses or copyrights,
7. when maintenance is required on specialized products by the original manufacturer or work is performed per a warranty or guarantee,
8. where a statutory monopoly exists or restrictions imposed by the Provincial or Federal Governments,
9. when goods or services are purchased from another level of government,
10. when the purchase is already covered by a lease-to-purchase agreement where payments are partially or totally credited to the purchase price,
11. when a competitive process would be impractical or uneconomical (e.g., travel expenses, training & education, memberships, social events, promotional material, library materials, loan payments, utilities, property taxes, advertising, postage, etc.)
12. Court reporting, interpreters, prosecutors, process servers, credit history reports, witness fees and judicial costs,
13. when participating in a cooperative procurement with another municipality and their purchasing policy applies,
14. \*when the confidential nature of the requirement is such that it would not be in the public interest to solicit competitive bids,
15. \*when only one supplier/vendor or contractor can meet the specification or technical requirements or possesses unique skills or can meet the required deadline,
16. \*Arbitrators, Mediators, and legal settlements,
17. \*when no bids were received in a competitive process,
18. \*the purchase of real property,
19. \*when the item is in short supply due to market conditions,

In those circumstances above marked with an asterisk (\*) the Director must submit a cost-effective or beneficial justification report to the CAO prior to completing the purchase. The Director and CAO will approve those sole-source purchases marked with an asterisk costing less than:

- a) \$25,000 in the Environmental Services, Fire, Public Works, Recreation, & Water and Wastewater Departments;
- b) \$10,000 in all other Departments.

Council will approve purchases over these amounts. The remaining circumstances above without an asterisk will be approved by the Director and justification will be noted on the invoice.

**SCHEDULE "C"**  
**TENDER REJECTION CRITERIA**

	<b>IRREGULARITY</b>		<b>RESPONSES</b>
1.	Late Tender		Major Irregularity - Automatic rejection. Returned unopened to the bidder.
2.	Unsealed Envelope		Major Irregularity - Automatic Rejection
3.	Insufficient Financial Security		
	A)	No financial security, if requested	Major Irregularity - Automatic Rejection
	B)	Amount of financial security is insufficient	Major Irregularity - Automatic Rejection
	C)	Name, or signature of Supplier/Vendor is missing or incomplete	Major Irregularity - Automatic Rejection
4.	Submitted Document		
	A)	Document completed in erasable medium	Major Irregularity - Automatic Rejection
	B)	Signature of representative authorized to bind the Supplier/Vendor missing or incomplete	Minor Irregularity - Two (2) business days * to correct, otherwise automatic rejection
	C)	Form of Tender, Proposal or Quotation incomplete	Major Irregularity - Automatic Rejection
	D)	Signature of witness, if required, missing or incomplete	Minor Irregularity - Two (2) business days * to correct, otherwise automatic rejection
	E)	Date missing or incomplete	Minor Irregularity - Two (2) business days * to correct, otherwise automatic rejection, or Major Irregularity - Automatic Rejection if requirement stated in the solicitation
5.	Incomplete, illegible, or obscure document or contains information not called for.		Major Irregularity - Automatic Rejection

6.	Failure to document acknowledgement that all addenda have been received	Major Irregularity - Automatic Rejection
7.	Failure to attend mandatory site visit, if required	Major Irregularity - Automatic Rejection
8.	Document submitted other than those provided in the solicitation form	Major Irregularity - Automatic Rejection
9.	Failure to insert the Supplier/Vendor's business name in the space provided in the solicitation form	Major Irregularity - Automatic Rejection
10.	Mathematical errors	Minor Irregularity - Two (2) business days * to initial corrections. Unless otherwise stated in the Bid, the unit price shall prevail and the total Bid price shall be adjusted accordingly
11.	Document containing minor obvious clerical errors	Minor Irregularity - Two (2) business days * to initial corrections to the satisfaction of the Director
12.	Any other irregularities	Minor Irregularity - The Director shall have authority to waive other irregularities or grant two (2) business days* to initial other irregularities considered to be minor
*Where "Business days" is specified, this is from the hour the Bidder is notified by Municipal staff of the irregularity.		

## **SCHEDULE "D"**

### **GOODS AND SERVICES EXEMPT FROM THE PROVISIONS OF THE PROCUREMENT POLICIES**

- 1) Petty cash items
- 2) Training and education
  - a) Registration and tuition fees for conferences, conventions, courses and seminars
  - b) Magazines, books and periodicals unless the purchase of such items are subject to value-added services
  - c) Memberships
- 3) Councillor/employee expenses
  - a) Advances
  - b) Meal allowances
  - c) Travel & hotel accommodation
  - d) Entertainment
  - e) Miscellaneous- non-travel
- 4) Employer's general expenses
  - a) Payroll deduction remittances
  - b) Licenses (vehicles, elevators, radios, etc.)
  - c) Debenture payments
  - d) Grants to agencies
  - e) Damage claims
  - f) Tax remittances
  - g) Charges to/from other Government or Crown Corporations
  - h) Employee income
- 5) Professional and special services
  - a) Committee fees
  - b) Witness fees
  - c) Legal fees and other professional services related to litigation or legal matters
  - d) Honoraria
  - e) Arbitrators
  - f) Legal settlements
  - g) Veterinary expenses
- 6) Utilities
- 7) Advertising services
- 8) Bailiff or collection agencies



## SCHEDULE "E"

### **PURCHASING METHODS SUMMARY**

*See complete policy for additional details*

	<b>PURCHASING METHOD</b>	<b>SOURCE OF BIDS</b>	<b>APPROVAL REQUIRED</b>	<b>SIGNING AUTHORITY</b>
<b>Typical Purchasing Methods</b>				
<b>Under \$5,000</b>	Random purchase	Comparison pricing from 3 suppliers/vendors where possible and practical	Director	If contract or agreement is required, Director must sign
<b>Public Works, Environmental Services, Fire, Recreation and Water &amp; Wastewater Departments \$5,001 - \$25,000</b>	Written quotation	Written quotations from at least 3 suppliers/vendors	Director approval up to \$25,000	Director must sign contracts and agreements up to \$25,000
<b>All Other Departments \$5,001 - \$10,000</b>	Written quotation	Written quotations from at least 3 suppliers/vendors	Director approval up to \$10,000	Director must sign contracts and agreements up to \$10,000

<b>Public Works, Environmental Services, Fire, Recreation and Water &amp; Wastewater Departments \$25,001 and over</b>	Tender	Publicly advertised as determined by Director	Council approval	Mayor and Clerk must sign contract
<b>All Other Departments \$10,001 and over</b>	Tender	Publicly advertised as determined by Director	Council approval	Mayor and Clerk must sign contract
<b>All Departments Any Amount</b>	Proposal	Publicly advertised as determined by Director to obtain at least 3 suppliers/vendors	CAO and Director approval up to \$25,000 in the Environmental Services, Fire, Public Works, Recreation, & Water and Wastewater Departments; and up to \$10,000 in all other Departments	Mayor and Clerk must sign contract over \$25,000 in the Environmental Services, Fire, Public Works, Recreation, & Water and Wastewater Departments; and over \$10,000 in all other Departments.

## **SCHEDULE "F"**

### **POST PROJECT EVALUATION FORM**

#### **1. PROJECT SUMMARY**

This section should provide a summary of the project which was completed. It should capture the scope of the project and contain enough detail to provide a full understanding of the project. Since this document will communicate what went right and wrong with the project, as well as lessons learned and recommendations for future projects, this section should provide enough background information to base the details in the rest of the document on.

#### **2. PROJECT TEAM & STAFFING**

This section provides information about who the project team consisted of. This usually includes names, titles, project role, and contact information. This information is useful when questions may arise on future projects which are similar in nature. It also provides a useful list of points of contact should more information be needed on lessons learned from the project.

#### **3. PROJECT DELIVERABLES (PLANNED VS. ACTUAL)**

This section describes the expected outcomes of the project as it was originally planned and compares these outcomes against the actual outcomes. This is beneficial in defining any occurrences of change in scope or whether a project may not have been completed as planned. This is helpful information for lessons learned and for future project teams conducting similar projects.

#### **4. TRANSITION TO OPERATIONS**

This section describes the transition of the project to operations upon completion. This section should include any difficulties or challenges faced during this transition. This section should also highlight what went right during the transition so future projects may reference and use best practices to improve project performance.

#### **5. PROJECTS COSTS**

This section should describe how the planned or budgeted costs for the project compare with the actual costs. Costs may be affected by change of project scope, poor planning, schedule delays, progressive elaboration, or many other factors. This section should highlight whether costs were controlled adequately and if there were additional or excessive costs the reasons should be stated. It is important to communicate why costs were met or may have been higher than planned so future projects can benefit from this information in building a more effective project management

methodology within the organization.

## **6. PROJECT SCHEDULE**

This section describes the project's planned schedule or timeline and how the project measured against this plan. This information is helpful in identifying and understanding what may have contributed to project delays or allowed the project to complete early or on time. This can then be used by the team members on future projects or be referenced by other project teams for use on future projects. Archiving project information during the project closure phase is one of the best ways for an organization to improve its project management methodologies and effectiveness.

## **7. RECOMMENDATIONS**

This section should highlight any recommendations and lessons learned which would be of use on future projects. This is a valuable part of the project closeout phase and organizational project archives. In the project planning phase one of the first steps is to research organizational archives to identify useful information for planning and executing a project. These recommendations and lessons learned are one of the most important pieces of project success in any effective project management group.