

THE CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

BY-LAW NO. 2026-10

A BY-LAW to amend Policy No. 3-6 – Procurement Policy.

WHEREAS subsection 270(1) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that the powers of a municipality shall be exercised by by-law;

AND WHEREAS subsection 270(1) of the *Municipal Act, 2001*, as amended, requires that a municipality shall adopt and maintain policies with respect to its procurement of goods and services;

AND WHEREAS section 271 of the *Municipal Act, 2001*, as amended, provides that a municipality may adopt and maintain accountability and transparency policies, including policies respecting the procurement of goods and services;

AND WHEREAS the Council of the Municipality of South Dundas wishes to amend Policy No. 3-6 – Procurement to ensure compliance with the *Municipal Act, 2001* and to establish transparent and accountable procurement practices;

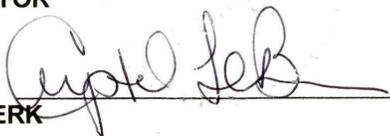
NOW THEREFORE the Council of the Corporation of the Municipality of South Dundas hereby enacts as follows:

1. That Policy No. 3-6 – Procurement be amended as per Schedule “A” attached to this By-law.
2. That By-law No. 2021-03 be rescinded in its entirety.
3. That this By-law shall come into full force and effect on the date of passing.

READ and passed in open Council, signed and sealed this 4th day of February 2026.



MAYOR



CLERK

	MUNICIPALITY OF SOUTH DUNDAS
	POLICY MANUAL
	Policy 3-6
	Title: Procurement Policy
	Department: All Departments
	Effective Date: February 4, 2026 Revised: March 2012 Revised: March 7, 2017 Revised: August 13, 2019 Revised: January 18, 2021

1. POLICY STATEMENT

To encourage fairness, objectivity, accountability, and transparency in the Procurement process by establishing purchasing policies to ensure the most cost-effective methods are used to Purchase goods and services by the Municipality and by adopting consistent and standard approaches for all stages of the Municipality's Procurement processes.

2. SCOPE

The Municipal Act, S.O. 2001, Section 270, as amended, states that a municipality and a local board shall adopt and maintain policies with respect to its procurement of goods and services.

This Procurement policy applies to all Purchases of goods and/or services by all Departments, Boards, and Committees of the Municipality of South Dundas.

3. PROCUREMENT PRINCIPLES AND GOALS

- a. 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.
- b. To encourage open competitive Bidding on all acquisition and disposition of goods and services where practical and appropriate, 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.
- c. 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, familiarity with Municipal equipment and facilities, trade-in values, operating cost, lifecycle cost analysis, availability, and payment terms.

- d. 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.
- e. To promote coordination of purchases on a municipal-wide basis when appropriate to obtain available volume discounts and the best possible price.
- f. To encourage monitoring and reporting on the economic climate and legislative changes which may have an impact on the Municipality and to determine the appropriate actions to be taken through purchasing policies and procedures.
- g. To consider accessibility for persons with disabilities when making purchasing decisions.
- h. 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 accountability.
- i. The Procurement policy, and the processes described therein, should be reviewed every 5 years or earlier, to evaluate its effectiveness.

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:

- a. **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.
- b. **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.

- c. 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 a 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.

5. **GENERAL CONDITIONS**

- a. 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.
- b. 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.
- c. No purchase of goods and/or services may be divided into two or more parts to avoid the provisions or application of this policy.
- d. In implementing this policy, the Municipality will make all reasonable efforts to adhere to all applicable Federal and Provincial legislation, including contract law, Trade Agreements and the law of competitive processes.
- e. Under the *Accessibility for Ontarians with Disabilities Act, 2005* SO 2005, C 11, purchasing decisions will have regard to their potential impacts on accessibility for persons with disabilities and the Municipality shall incorporate applicable accessibility 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.
- f. While adhering to the Municipal Freedom of Information and Protection of Privacy Act R.S.O. 1990, c. F.31, 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 analyzed 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. Any data requests for previous bids/tenders beyond this

timeframe will be managed through the Freedom of Information (FOI) process. The Municipality's retention schedule indicates that awarded tenders and quotations are retained for 7 years, and unsuccessful bids are retained for 1 year from contract award.

- g. Bids received may be evaluated on features such as, but not limited to, fulfilling requested specifications, Supplier/Vendor qualifications, experience, past performance, familiarity with municipal facilities/ equipment, materials and equipment used, purchase terms, quality, methodology, scheduling, etc. In appropriate circumstances, total acquisition costs will be considered including, but not limited to, such factors as repairs, maintenance, staff training, suitability, compatibility, warranty, trade-in values, operating cost, lifecycle cost analysis, availability, and payment terms
- h. 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, absolute and unfettered discretion of cancelling the Procurement. In the event of a single Bid which is opened Council may cancel the Procurement if it is determined that awarding the Contract would not be in the best interests of the Municipality.
- i. 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.
- j. Where a Director is authorized to undertake any act pursuant to this policy, such act may be undertaken by the Director's authorized designate.
- k. 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.
- l. 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 (2) 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 principal, 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.
- m. For larger or more complex projects completed through the, the Director may, at

their discretion, conduct a formal post-project evaluation with key project stakeholders. This evaluation is intended to review the performance of the Supplier/Vendor, assess the accuracy of the original specifications, and ensure that the Municipality's procurement goals of efficiency and cost-effectiveness were met. The findings from these evaluations shall be documented and may be used to inform future tender specifications, improve internal procurement procedures, or assist in determining the suitability of the Supplier/Vendor for future Municipal contracts.

- n. Any withdrawal of unopened Bids will only be accepted if supplied in writing by the contractor or Supplier/Vendor and subject to any other provisions of the policy.
- o. 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.
- p. 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.
- q. 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.
- r. Goods and services exempt from the provisions of the Procurement policy are detailed in Schedule "D". All other exceptions to this policy shall be approved by Council on individual basis.

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. Prior to Council approval of the current budget, a Director or designate may incur normal operating expenditures.

The expenditures approved in the current budget shall not be exceeded by the lesser of 10% or \$50,000 without the prior approval of Council, except as outlined under the Emergency Method of purchasing. 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.

7. RESPONSIBILITIES AND AUTHORITIES

- a. **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.
- b. **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.

- c. **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 \$50,000. When requesting Council approval for a purchase above \$50,000, 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.

- d. **Financial Services Department:** The Financial Services Department must ensure that payment for purchases will only take place upon receipt of a valid invoice or appropriate supporting documentation from a vendor and is responsible for ensuring that no payments are made without appropriate approval within the limitations outlined within this policy. Invoices that do not contain the information required by this policy will be returned to the applicable Department to be completed.

The Financial Services Department will maintain a listing of all employee invoice approval levels as designated by each Director and ensure that all invoices are properly signed/initialed by appropriately designated staff. Directors shall annually or regularly review their list of delegated and designated approval levels. Delegated approval levels shall approve invoices to a maximum amount of \$10,000.

The Financial Services Department is responsible for maintaining invoices and payment data in an orderly and secure fashion.

The Financial Services Department will reconcile all purchase card charges to the monthly purchase card statements and will review charges for compliance to this policy and the Purchase Card Agreement

- e. **All Staff:** All staff of South Dundas and its Boards and Committees will adhere to this purchasing policy and its procedures.

Staff will report to their respective Director any inconsistencies to this policy that they become aware of. Staff will also provide feedback to their Director on any inefficient purchases that are witnessed or instances of poor performance or supply of goods by vendors.

Any staff receiving a delivery of goods and asked by the vendor to sign delivery slips, freight bills, or bills of lading must reasonably verify that the goods are not damaged and are correctly described with actual quantities received

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 of 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.

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, or in the case of a Major Irregularity, the Tender is rejected.

Every Tender shall contain language confirming that 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.

10. BID DEPOSITS/BONDS

A Bid Deposit (in the form of a certified cheque, bank draft, etc.) or a Bid Bond (issued by a surety) is financial security furnished by 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/bonds shall be required to accompany any Bid submission for construction, major maintenance, or rehabilitation work budgeted to exceed \$100,000. The Director of Finance, or their designate, shall have the authority to increase or waive this requirement as deemed appropriate by the Director or CAO.

The Municipality utilizes two forms of collection of bid deposits/bonding:

- 1) Bid bonds shall have a penal sum of no less than 10% of the bid prepared by the Supplier/Venders value of the work. The Bid bonds shall be submitted as a security and shall be in conformance with the Canadian Construction Association and issued by a bonding agency currently licensed to operate in the Province of Ontario, naming The Municipality of South Dundas as the Obligee. Bid Bonds must be irrevocable for a minimum of sixty (60) days but can be requested to remain irrevocable for a longer period at the discretion of the Director.
- 2) The Supplier/Vender shall provide a minimum 10% financial deposit in the following acceptable forms:
 - E-transfer or Electronic Funds Transfer to the Municipality of South Dundas
 - Bank Draft made payable to the Municipality of South Dundas

- Certified Cheque made payable to the Municipality of South Dundas
- Money order made payable to the Municipality of South Dundas

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 or Agreement and submission to the Municipality of all documents required for the Contract. No interest will be paid on any bid deposit held and/or deposited in a financial institution by the Municipality.

11. PERFORMANCE SECURITY

Performance Security is a guarantee of the Contractor's faithful performance of the work and the fulfillment of all obligations under the Contract. Acceptable forms of security include, but are not limited to: a Performance Bond, a Labour and Material Payment Bond, an Irrevocable Letter of Credit (ILOC), or a financial deposit (Certified Cheque, Bank Draft). The use of holdbacks and stipulated damages shall apply as required by law or contract.

For all Construction Contracts with a value exceeding \$500,000, the Contractor shall provide both a Performance Bond and a Labour and Material Payment Bond, each having a penal sum of not less than 50% of the Contract Price, as mandated by the *Construction Act* (Ontario).

For construction projects valued at \$500,000 or less, and for service contracts exceeding \$100,000, the Director shall determine the requirement and amount of performance security, which shall be a minimum of 50% of the Contract Price, unless otherwise approved by the CAO. For construction projects valued at under \$100,000 the Director shall determine if a performance security is required on the project based on the risk associated with the project.

The Director shall stipulate the required form(s) of security, which may be a Bond, an Irrevocable Letter of Credit, or a financial deposit.

Bonds shall be submitted as a security and shall be in conformance with the Canadian Construction Association and issued by a bonding agency currently licensed to operate in the Province of Ontario, naming The Municipality of South Dundas as the Obligee.

- Performance Bond – to guarantee the faithful performance of the contract;
- Labour & Material Payment Bond to guarantee the payment for labour and materials that are supplied from the contractor's direct suppliers and subcontractors in connection with the contract;
- Maintenance Bond to guarantee the fulfillment of the contractor's obligation under the warranty clause of the contract.

Alternatively, for projects not subject to the bond requirements of the Construction Act,

the Supplier/Vendor may provide an Irrevocable Letter of Credit (ILOC) or a financial deposit (Certified Cheque, Bank Draft) in an amount determined by the Director:

- E-transfer or Electronic Funds Transfer to the Municipality of South Dundas
- Bank Draft made payable to the Municipality of South Dundas
- Certified Cheque made payable to the Municipality of South Dundas
- Money order made payable to the Municipality of South Dundas
- Irrevocable Letter of Credit

Certified Cheques and Bank Drafts will be deposited and held in trust until such time that the work is complete. Unless otherwise specified in the contract documents, no interest will be paid on funds held in trust by the Municipality.

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

Holdbacks shall be retained in accordance with the *Construction Act* (Ontario), as amended. For all contracts to which the Act applies, the Municipality shall retain a basic holdback equal to ten (10) percent of the price of the services or materials as they are supplied under the contract. The basic holdback shall be subject to the lien period requirements of the Act. Additional holdbacks may be permitted in consultation with the CAO or in compliance with any other Municipal policy as applicable.

Prior to providing notice to release the holdback, the Director must ensure:

- Applicable lien checks and review of other outstanding financial obligations of the Supplier:
- Work has been completed in compliance with the Awarded Contract;
- Receipt of clearance from the WSIB for any arrears and assessment;
- Receipt of a Statutory Declaration of progress payment distribution by the contractor.
- All statutory requirements for the release of the basic holdback, including the expiry of the lien period as set out in the Construction Act, have been satisfied.

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 required for the project shall be determined by the Director completing the procurement.

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 coverage or confirmation that they are exempt from such coverage.

13. INDEMNIFICATION

Prior to the commencement of any, the Contractor, Supplier/Vendor, or Bidder shall agree in writing, in a form deemed appropriate by the Municipality in its sole discretion, 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).

14. DISPOSAL OF SURPLUS GOODS

Identification and disposal of surplus goods (excluding land) will be completed in accordance with the applicable Municipal Policy .

15. METHODS OF PROCUREMENT

The Municipality will use various forms of procurement methods to best suit the project while also maintain fair and equitable procurement policies. The Municipality may, at Council's discretion, use other procurement methods not outlined within the Procurement Policy including but not limited to Expression of Interest, Construction Management, Design-Build, Integrated Design Project, Public-Private-Partnerships.

Typically, higher value purchases, as outlined below, will typically follow the Request for Proposal or Request for Tender method of procurement. Determining the appropriate method should be based on:

Request for Proposal (RFP) & Request for Pre-Qualification (RFPQ):

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.

The purpose of an RFPQ is to complete upfront qualifications in a formal assessment. The RFPQ can be used to filter vendors based on financial stability, technical expertise, safety records, and past performance. It ensures only qualified bidders participate, reducing project risk and streamlining the selection for complex or high-value contracts.

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) Request for Proposal (RFP) & Request for Pre-Qualification (RFPQ): - 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 use a traditional tendering process. Engagement of Professional and Consultant Services may be completed through the Proposal method, where appropriate.

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.

Public RFP's shall be posted utilizing an industry standard online electronic platform accessible to all suppliers unless approved otherwise by the CAO. All public RFP's are to be 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.

RFP's for professional services may be solicited by invite only. With Council's approval, RFP's for technically complex construction projects may also be solicited by invite only or a formal RFPQ process or utilizing a Pre-Qualification Questionnaire (PQQ) may be utilized to determine a pre-qualified list of bidders for a certain project.

At least three (3) proposals shall be required. When at least three proposals cannot reasonably be obtained, the Director shall report this to the CAO. Unless approved otherwise by the CAO RFPQ's shall aim to obtain between five and ten qualified contractors to move forward into the tendering process.

Proposals will be evaluated using multiple predetermined criteria in which price is not the only factor. The evaluation criteria and scoring method shall be included in the solicitation document and cannot be deviated from during the evaluation. The scoring criteria for price shall be no less than 20% of the overall evaluation score.

Evaluation criteria may include, but are not limited to; vendor qualifications & experience, past performance, satisfactory reference checks, materials & equipment used, purchase terms, quality, methodology, scheduling, total acquisition costs, etc. The process may involve negotiations subsequent to the submission of proposals on any of the specifications, contract terms and prices.

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.

All proposals received and any other relevant data will be filed by the issuing department and maintained for two years or longer as determined by the Director.

2) Request for Tender (RFT) - \$50,000.00 and Over

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 \$50,000.

Tender 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.

RFT's shall be posted utilizing an industry standard online electronic platform accessible to all suppliers unless approved otherwise by the CAO.

All public RFT's are to be advertised on the Municipal website. Additionally, RFT'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 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 if the total cost exceeds the budget established for the work.

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.

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.

All tenders received and any other relevant data will be filed by the issuing department and maintained for two years or longer as determined by the Director.

3) Written Quotation - Between \$10,000.00 and \$50,000.00

Where the estimated value of goods and services to be purchased is ten thousand dollars (\$10,000.00) or more but less than fifty thousand dollars (\$50,000.00), 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.

All quotations received and any other relevant documents will be filed by the issuing department and maintained for two years or longer as determined by the Director.

4) Recuring Services - Less than \$50,000.00 (per assignment)

Recuring Services gathers information about supplier capabilities and associated hourly rates to identify qualified suppliers for work that is not well defined and the most practical method to complete the work is on an hourly basis.

Examples of such activities include, but are not limited to, removing trees, general backhoe work (culvert replacement, sign installation), ditching, electrical, plumbing, and HVAC routine maintenance, and the use of trucks and heavy equipment (with an operator) to compliment routine maintenance activities.

This type of purchasing must be completed in a competitive and transparent manner that allows equal opportunity for all potential suppliers. On an annual or bi-annual basis the Municipality will solicit hourly rates and/or material costs from qualified suppliers. Qualified shall mean in full compliance with all legislated, insurance and safety requirements as outlined by this policy; familiar with the work location; and history of same-day availability. Suppliers will not be permitted to submit prices after the closing date outlined in the solicitation notice, unless no suppliers have submitted for a required specific type of equipment, material or location. The Municipality will endeavor to utilize all qualified suppliers with generally comparable hourly rates who have submitted pricing.

As part of the recurring services process and utilization the Director will provide ongoing feedback regarding any instances of poor performance or supply issues to ensure the vendor remains qualified for future assignments. This feedback should be documented within the recurring services tendering process.

The contractor selected for specific assignments shall be based on location, quantity of work, price, need for multiple pieces of equipment from the same supplier, and past performance. Council approval will be required when the supplier prequalification method will be used to complete a specific project that has an estimated value of greater than \$50,000.

5) Random Purchases -less than \$10,000

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 ten thousand dollars (\$10,000.00) 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.

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, staff 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 and (c) Council has been made aware of the intent to renew the contract prior to the execution of the renewal.

Where a Contract contains no option for renewal, Council may approve the extension of a Contract for a period no greater than two years from the date of expiration provided that requirements 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 the Director may authorize the additional goods or services if the total cost does not exceed \$50,000 or 10%, whichever is greater and there are sufficient funds within the approved budget;
- b. 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.

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 Finance Department for payment must be approved by the Director or approved delegate as per the policy.

Standard recurring expenditures that are a part of normal, day-to-day business activities may be paid by the Finance 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.

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 Finance 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.

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.

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 \$30,000 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:

1. Dismiss the dispute; or
2. 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" means 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" means the notification to a proponent of acceptance of a Tender, Quotation, or Proposal that brings a Contract into existence.

"Bid" means 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)" means The Chief Administrative Officer of the Corporation of the Municipality of South Dundas or their designate.

"Clerk" means The Clerk of the Corporation of the Municipality of South Dundas or their designate.

"Comparison Pricing" means 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" means 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" means 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" means 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" means 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" means The Council of the Municipality of South Dundas.

"Department" means a division of the Municipality of South Dundas dealing with a specific area of activity.

"Director" means the person responsible for direction and operational control of a Department typically the Manager or Director of the Department or authorized designate.

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

“Emergency” means 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” means 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” means 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.

“Irregularity” means 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)” means 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” means The Corporation of the Municipality of South Dundas.

“Negotiation” means 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” means 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” means the acquisition of goods and/or services by purchase, rental, or lease.

“Proposal (Request for Proposal/RFP)” means 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” means 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” means an offer obtained from a selected Vendor to supply stipulated goods and/or services at a particular price.

“Sole Source” means within specific circumstances, one Vendor is considered for supplying particular goods and/or services.

“Supplier(s)/Vendor(s)” means 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)” means to request Suppliers/Vendors to submit Bids to provide goods and/or services based on stated delivery requirements, performance specifications, terms, and conditions.

“Treasurer” means The Treasurer of the Corporation of the Municipality of South Dundas or their designate.

SCHEDULE "B"

NON-COMPETITIVE PURCHASING

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 a pre-qualified contractor, original manufacturer or when 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 \$50,000

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

	IRREGULARITY	RESPONSE
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 and signature of Supplier/Vendor is missing	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 - Three (3) 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 - Three (3) business days * to correct, otherwise automatic rejection
	E) Date missing or incomplete	Minor Irregularity - Three (3) 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 acknowledge that all addenda have been received	Major Irregularity - Automatic Rejection

	IRREGULARITY	RESPONSE
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 (if supplier/vendor is not clearly identified elsewhere on submitted forms)	Major Irregularity - Automatic Rejection
10.	Mathematical errors	Minor Irregularity - Three (3) 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 - Three (3) 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 three (3) 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) Wages
- 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