

## Purchasing Procedures

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References and Related Documents

[By-law 4844-14 Purchasing Policy](#)

[Municipal Act 2001](#)

[Municipal Conflict of Interest Act](#)

[Agreement on the Opening of Public Procurement](#)

[Discriminatory Business Practices Act](#)

[Municipal Freedom of Information and Protection of Privacy Act](#)

### Purpose

To promote and maintain the integrity of the purchasing process and to obtain the best value for the County of Grey by ensuring quality, efficiency and effectiveness throughout the purchasing process.

### Scope

This policy will outline the guiding principles of public procurement and the approach that Grey County and its operating departments will take when procuring goods and services.

The County shall:

- ⊞ Encourage competition amongst suppliers by using an open, transparent and fair process;

- ⌘ Assist and provide direction to Staff, Vendors and Council relating to the procurement process;
- ⌘ Where practicable, provide accessibility for persons with disabilities when purchasing goods, services and construction on behalf of the County;
- ⌘ Be environmentally conscious through the purchase of goods and services;
- ⌘ Strive to ensure ethical purchasing practices are used by all staff of Grey County.

## Grey County Purchasing Procedures

This Procedure will outline the guiding principles of public procurement and the approach that Grey County and its operating departments will take when procuring goods and services.

The purchasing procedure is based upon the standard information found in the Broader Public Sector Procurement Directive Implementation Guidebook.

The goals of this Procedure are:

- ⌘ To promote and maintain the integrity of the purchasing process;
- ⌘ To obtain the best value by ensuring quality, efficiency and effectiveness.

In order to achieve these goals, the County shall:

- ⌘ Encourage competition amongst suppliers by using an open, transparent and fair process;
- ⌘ Assist and provide direction to Staff, Vendors and Council relating to the procurement process;
- ⌘ Be environmentally conscious through the purchase of goods and services
- ⌘ Strive to ensure ethical purchasing practices are used by all staff of Grey County.
- ⌘ Endeavour to provide accessibility for persons with disabilities when purchasing goods, services and construction on behalf of the County;
- ⌘ Endeavour to ensure contracted employees, third party employees, agents, and others who deal with members of the public on behalf of the County of Grey meet requirements of Ontario regulation 429/07 and Ontario Regulation 191/11 with regard to training

# Table of Contents

1.0 Terminology .....	5
1.1 Definitions.....	5
2.0 General .....	9
2.1 Administration.....	9
2.2 Questions .....	9
2.3 Compliance.....	10
3.0 Authorization .....	10
3.1 Authority to Award .....	10
3.2 Authority for Payment .....	10
3.3 Calls for Bids or Quotations Before and After Approvals Received .....	10
4.0 Procurement Methods.....	11
4.1 Informal processes .....	11
4.2 Formal Processes.....	12
4.3 Other Processes.....	15
5.0 Fees .....	22
6.0 Risk Management .....	22
6.1 Bid Deposits/Bid Bond.....	22
6.2 Other Guarantees.....	23
6.3 Insurance.....	25
6.4 Exclusion of Bidders in Litigation.....	26
6.5 Suspension of Bidders Due to Performance.....	26
6.6 Conflict of Interest.....	27
6.7 No Local Preference.....	27
6.8 Trade Agreements.....	27
6.9 Dispute Resolution .....	27
6.10 Tie Bids.....	28

6.11	Scope and Contract Changes .....	29
7.0	Standardization .....	29
7.1	Documents .....	29
8.0	Public Notice .....	30
8.1	Advertising.....	30
9.0	Contracts.....	31
9.1	Contractual Agreement.....	31
9.2	Requirements Prior to Commencement of Work .....	31
9.3	Exercise of Contract Extension.....	32
9.4	Execution and Custody of Documents.....	32
9.5	Access to Information .....	32
10.0	Reporting.....	32
10.1	To Council.....	32
11.0	Materials Management and Inventory Control .....	33
11.1	Responsibility of Manager.....	33
11.2	Disposal of Surplus Goods.....	34
12.0	Purchasing Procedure and Process .....	34
12.1	Policy Review.....	34
12.2	Contractor Performance Report.....	35
13.0	Accessibility and Procurement.....	36
13.1	Our vision.....	36
13.2	Our Commitment.....	36
	Schedule “A” Authority to Award .....	38
	Schedule “B” Bid Irregularities.....	40
	Schedule “C” Goods and Services Exempt from Procurement Procedure .....	43

# 1.0 Terminology

## 1.1 Definitions

In this Procedure, unless a contrary intention appears,

- a) “Agreement to Bond” means a letter or other form issued by a bonding agency licensed to operate by the Government of Canada or the Province of Ontario advising that, if the bidder is successful, the bonding agency will issue the required bonds;
- b) “Authorization Letter” is a document, which is used when a formal written agreement or a Purchase Order is not required, to formalize a purchasing transaction with the vendor;
- c) “Award” means the acknowledgement of the authority to proceed to commit to an external vendor(s) for acquisition of goods and services;
- d) “Best Value” means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan. Best Value may include a time horizon that reflects the overall life cycle of a given asset;
- e) “Bid” means an offer or submission received from a vendor in response to a procurement process, which may be subject to acceptance or rejection;
- f) “Bid Deposit” means certified cheques, bond surety issued by a surety company or other form of negotiable instrument to ensure the successful bidder will enter into a contract;
- g) “Bidder” or “Respondent” means one who submits a response to an invitation to bid as issued by the County;
- h) “Blanket Order Contract” means any contract for the supply of routinely purchased Goods and Services where the exact quantity of Goods and Services required is determined and purchased on an as needed basis;
- i) “C.A.O” means the Chief Administrative Officer of the Corporation of Grey County;
- j) “Certificate of Clearance” from the Workplace Safety and Insurance Board (WSIB) means a certificate issued by an authorized official of the WSIB certifying that the Board waives its rights under subsection 9(3) of the Workers’ Compensation Act, R.S.O. 1990, Chapter W.11 as amended;
- k) “Certificate of Insurance” means a certificate from a reputable insurance company licensed to do business in Ontario providing proof of insurance

from the awarded bidder inclusive of the stipulated requirements within the RFX document.

- l) “Competitive Bidding Process” means a procurement method where three or more vendors are given an equal opportunity to submit bids in accordance with County policy and procedures;
- m) “Conflict of Interest” in respect of any matter dealt with in this Procedure includes a situation where a personal or business interest of a councillor, officer or employee of the County is in conflict, or is perceived to be in conflict, with the best interests of the taxpayers of Grey County, and includes a direct or indirect pecuniary interest of any councillor, officer or employee of the County, or their spouse, parent or child in any bid, or any corporation related to the bidder;
- n) “Contract” means a written agreement between the County and another party for the purchase of goods, services, or construction pursuant to this Procedure;
- o) “Council” means the municipal Council for the Corporation of Grey County;
- p) “County” means the Corporation of Grey County;
- q) “Delegated Authority” means the Council-approved legal right to conduct the tasks outlined in this Procedure;
- r) “Senior Managers” is the group of staff consisting of the Directors, County Clerk and the C.A.O. of Grey County;
- s) “Director” means the head of a department operating within Grey County being Clerk/Council Services, Emergency Medical Service (E.M.S.), Finance, Human Resources, Housing, Information Technology, Long Term Care, Planning and Development, Social Services, and Transportation and Public Safety or their designate;
- t) “Execute” in relation to any document developed pursuant to this Procedure means to sign by the authorized officers of the parties, and “Executed” has a corresponding meaning;
- u) “Goods and Services” includes supplies, materials and equipment of every kind required to carry out the operations of a department and/or division;
- v) “In House Bid” means a bid from an internal staff-working group, comprised of one or more persons, which competes with external entities for procurement opportunities;
- w) “Informal Quotation” means a request for prices on specific goods and/or services obtained informally from selected sources, which may or may not

- be submitted verbally, in writing, electronically or transmitted by facsimile;
- x) “Insurance Documents” means certified documents issued by an insurance company licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with the County’s insurance requirements as specified in the bid documents;
  - y) “Irregularities Contained in Bids” is defined in Appendix “B” and includes the appropriate response to those irregularities;
  - z) “Irrevocable Letter of Credit” means an irrevocable letter on the financial institution’s standard form addressed to the County as payee, and providing that the financial institution as payor will pay to the County as payee, on demand, the sum specified in the form in the event of a failure to perform or fulfill all the covenants, undertakings, terms, conditions and agreements contained in a contract;
  - aa) “Labour and Material Bond” means a bond issued by a surety company licensed to operate in the Province of Ontario to ensure that the contractor will pay his or her direct Subcontractors and/or Suppliers for labour and materials to protect the Corporation against liability to the contractor’s direct Subcontractor and Suppliers should the Contractor not make proper payments;
  - bb) “Maintenance Bond” means a bond issued by a surety company licensed to operate in the Province of Ontario to guarantee against any possible defects (on contractor work) after the completion of a contract for a specified period of time.
  - cc) “Manager” means the head of a division within Grey County who is responsible for the procurement processes of their respective division, or their designate;
  - dd) “Performance Bond” means a bond issued by a surety company licensed to operate in the Province of Ontario to guarantee that the contractor will carry out the work in accordance with the terms of the contract;
  - ee) “Prequalification” means a solicitation for details on vendors’ backgrounds, capabilities and resources, and the goods or services they are offering to pre-select vendors to be invited to submit bids on a subsequent competition;
  - ff) “Price Per Point Methodology” means, in a subsequent stage of evaluation of the RFP process, the price of each applicable proposal is divided by the number of respective technical points received, to calculate the price per point of the proposal.

- gg) “Professional Service Supplier” means a supplier of services requiring professional skills for a defined service requirement including;
- i) Architects, engineers and consultants; and
  - ii) Firms or individuals having specialized competence in environmental, planning or other disciplines.
- hh) “Purchase Order” means the purchasing document used to formalize a purchasing transaction with a vendor;
- ii) “Request for Expression of Interest (EOI)” is a focused market research tool used to determine vendor interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well defined and the purchaser has clear expectations for the procurement;
- jj) “Request for Information (RFI)” is used prior to issuing a call for bids as a general market research tool to determine what products and services are available, scope out business requirements, and/or estimate project costs;
- kk) “Request for Proposal (RFP)” means a process where a need is identified, but the method by which it will be achieved is unknown at the outset. This process allows vendors to propose solutions or methods to arrive at the desired result and each proposal is evaluated based on defined criteria;
- ll) “Request for Qualification” is a procurement process used to prequalify vendors for subsequent participation in an invitational bidding opportunity, rotational roster or other prescribed method as may be appropriate;
- mm) “Request for Quotation (RFQ)” means a competitive procurement process for obtaining bids based on precisely defined requirements for which a clear or single solution exists, and in accordance with Schedule “A”;
- nn) “Request for Tender (RFT)” means a competitive procurement process for obtaining bids based on precisely defined requirements for which a clear or single solution exists, and in accordance with Schedule “A”; “Respondent” or “Bidder” means one who submits a response to an invitation to bid as issued by the County;
- oo) “Rotational Roster” means a list of pre-qualified Professional Service Suppliers, categorized by field of expertise as adopted by Council, which is utilized to select a vendor to provide services to the County based on a pre-disclosed list of projects, each less than \$100,000, for a specified time period of no longer than three years, whereby the User Division proceeds with the first vendor on the list for the first available job, then the second



vendor on the list for the second available job and progresses through the list until the pre-disclosed list of projects is complete or the specified time period has been reached, whichever is first realized;

- pp) “Sealed Bid” means a formal sealed response received in response to a request for bids;
- qq) “Single Source” means more than one source is available but for reasons of function or service, one supplier is recommended for consideration of the particular goods or services;
- rr) “Sole Source” means when there is only one available supplier of the required goods or services;
- ss) “Supplier” means any individual or organization providing goods or services to Grey County including but not limited to contractors, consultants, respondents, vendors, service organizations etc.;
- tt) “Two-envelope approach” means a process in which a bid is submitted into two sealed envelopes. The technical and qualitative information is submitted in the first envelope and the price information is provided in the second envelope. The second envelope is only opened if the first envelope shows the bidder to be qualified, compliant and meeting the minimum evaluation rating if so established;
- uu) “Unsolicited Proposal” means submission from any source whereby a User Division believes that the proposal may be of benefit to the County and the information has not been submitted in response to a bid call.
- vv) “User Division” means the division within Grey County that requires the goods, services or construction and for which the Manager or designate is the contact for the purpose of the procurement process;
- ww) “Vendor” means an individual, business, organization, corporation or director or owner thereof who may supply goods, services or construction to the County.

## 2.0 General

### 2.1 Administration

- a) The Purchasing and Materials Manager, or delegate, will administer this Procedure.

### 2.2 Questions

- a) Any question involving the meaning or application of this Procedure is to be

submitted to the Purchasing and Materials Manager who will resolve the question.

### 2.3 Compliance

- a) No contract or purchase shall be divided to avoid any requirements of this Procedure.
- b) User Divisions shall initiate purchases only for unique User Division requirements to ensure that purchases are not duplicated in other divisions, and to take advantage of corporate purchasing power. When staff has decided that corporate purchasing power is a factor and the goods or services involve more than one division, the Purchasing branch may issue the bid document on behalf of all relevant divisions.
- c) Notwithstanding the provisions of this Procedure, every bid document issued by the County shall contain a provision that the County shall have the right to reject the lowest or any bid at its absolute discretion, and that the County also reserves the right to reissue the bid document in its original form.

## 3.0 Authorization

### 3.1 Authority to Award

- a) Schedule "A", attached to and forming part of this Procedure, outlines the approval authority for awarding of Contracts for the procurement of goods, services and construction on behalf of the County.

### 3.2 Authority for Payment

- a) Grey County Council is the ultimate authority for all expenditures. Council provides the authority to initiate procurement processes for goods and services through the authorization of annual budgets, resolution or by-law.
- b) Authorization limits for payment are outlined on Schedule "A", attached to and forming part of this Procedure.

### 3.3 Calls for Bids or Quotations Before and After Approvals Received

- a) Following the adoption of the current annual operating and capital budgets, and when required, the receipt of any necessary approvals from other federal, provincial or municipal agencies, staff is authorized to use the appropriate procurement method for municipal goods and services.
- b) Notwithstanding section 3.3 a), staff may use the appropriate procurement method for municipal construction projects and the acquisition of goods prior

to the adoption of the capital budget by Council and before the receipt of necessary approvals from other federal, provincial or municipal agencies provided the procurement documents specifically state that the Award is subject to receipt of such approvals.

- c) Staff is authorized to use the appropriate procurement methods to procure up to 50% of the gross expenditures contained in the first year of the current 5 year capital forecast.

## 4.0 Procurement Methods

All purchase of goods and services, save and except those outlined in Schedule "C" to this Procedure shall be undertaken utilizing one of the following methods of procurement, using standardized documents.

### 4.1 Informal processes

- a) Informal processes may be completed by the user department or purchasing and shall include direct purchase or Informal Quotations. It will also include the Request for Quote process where Purchasing will assist in the document creation with the user department.
- b) Direct Purchase
  - i) Direct purchase, as described below, may be used when:
    - the dollar value of the item is equal to or less than \$5,000
    - the item is not covered under a Blanket Order Contract
    - the item is not available from County stock.
  - ii) Staff is authorized to use a direct purchase method for making small order purchases from such vendors and upon such terms and conditions as their Manager/Director deems appropriate.
  - iii) Direct purchase should be made using one of the following methods and in accordance with the policies associated with each:
    - a Purchase Order, if available
    - a pre-arranged method whereby the Supplier has agreed to invoice the County
    - a corporate credit card
    - petty cash
- c) Request for Quotation (RFQ)

- i) RFQ procedures will be used when:
  - the cost of the item is \$5,000 or greater, but not more than \$25,000.
  - the ability exists to detail what is being purchased.
  - document title will be consecutively numbered based on Purchasing department's numbering and naming convention. User division shall request such number.
  - Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets specifications.
  - It is the User department's responsibility to prepare the specification and Purchasing will create the Request for Quote. The User department will review the document prior to issuance.
- ii) The RFQ method allows potential bidders to be invited to participate in the quotation process. The User Division is required to invite a minimum of three (3) bidders.
- iii) A fair and competitive process is undertaken whereby a minimum of 3 quotes (fax, mail, or e-mail) are sought using fair and ethical purchasing practices, and the lowest compliant bid is awarded the Contract. These bids must be kept on file for a minimum of 7 years for auditing purposes. Although a minimum of 3 quotes is sought, an open process without a minimum number of bids will be more competitive, and is encouraged.
- iv) A summary of bids will be prepared and awarded to the lowest acceptable bidder subject to signed approval, as per Schedule "A". This summary will be kept with the Purchasing branch of the Finance Department. Any irregularities resulting in rejection of a bid shall be documented and kept in the procurement file.

#### 4.2 Formal Processes

- a) Formal processes will be issued by Purchasing and shall include Request for Tender or request for Proposal.
- b) Request for Tender (RFT)
  - i) RFT procedures shall be used when:
    - the cost of the item is greater than \$25,000
    - the ability exists to detail what is being purchased

- Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets minimum specifications.
- ii) The User Division is responsible to provide detailed specifications to Purchasing. The Purchasing group shall incorporate the specification section and administer the Request for Tender. Purchasing will coordinate the tendering process.
  - iii) All RFTs shall be advertised in accordance with Section 7.00 of this Procedure.
  - iv) All bids will be received by the Finance Department, in the form of a Sealed Bid and placed in a secure location until the time of opening.
  - v) Tenders will be opened by at least one employee of Purchasing and at least one employee of the user division.
  - vi) Prior to Award, the User Division or Consultant (as applicable) shall be responsible for reviewing the Bids to verify that all specifications of the tender are met. Purchasing will review extended totals, ensure that there are no irregularities contained within the Bid and that all terms and conditions as outlined in the Bid document have been satisfied at the time of opening.
  - vii) In accordance with Authority to Award procedures, the User division in consultation with purchasing or Consultant (as applicable) will submit a comprehensive report to the appropriate standing committee which will contain a recommendation for award, as well as, a summary of the bids received. Such summary will be kept with the appropriate procurement file.
  - viii) The report (vi) shall indicate the number of bids received, the name of the bidder for each bid and the respective amount and the recommended bidder for award. The bidder name of rejected bids (if applicable) shall be listed and noted as non-compliant with no bid amount listed.
- c) Request for Proposal (RFP)
- i) RFP procedures shall be used when:
    - the solution to the requirement cannot be accurately specified
    - innovative solutions are required

- to achieve Best Value, the Award selection will be made based on a fully disclosed evaluation method involving a combination of mandatory and desirable requirements.
- ii) The RFP method of purchase is a competitive method of purchase that may result in further negotiation with the short-listed and/or successful bidder prior to a purchase order or contract being finalized
  - iii) Terms of Reference for RFPs that will have a long-term or large scale, community wide impact, or where community input may be sought (i.e. studies, master plans or other projects leading to Procedure development) will be reported to the appropriate standing committee and approved by County Council prior to being issued.
  - iv) The User Division shall provide the Terms of Reference section of the RFP and Purchasing will incorporate it into the approved Request for Proposal process.
  - v) All RFPs shall disclose the evaluation criteria that will be used to make an Award. Weighted value of the criteria is often disclosed in the Bid documents. In all situations where the weighted value of the criteria is not disclosed in the Bid documents, the weighted value shall be determined by the User Division with input from Purchasing prior to the RFP being issued.
  - vi) The Purchasing and Materials Manager shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation scheme using a RFP. This may include, but is not limited to, factors such as qualifications and experience, strategy, approach, methodology, scheduling, past performance, facilities, equipment, and pricing. Weighting of the criteria will be the responsibility of the User Division, with input from the Purchasing and Materials Manager where required.
  - vii) The User Division may identify appropriate criteria from the list maintained by the Purchasing and Materials Manager for use in an RFP, but are not limited to criteria from the list. Cost will always be included as a factor, as Best Value includes both quality and cost.
  - viii) The weighting of the Cost section of the evaluative criteria should not exceed 30%, but there may be cases where it will be recommended to be higher than 30%.
  - ix) All RFPs shall be advertised in accordance with Section 7.00 of this Procedure.
  - x) A Two-Envelope Approach should be considered for RFPs. Purchasing

will initiate discussion with user group to decide appropriate approach. A Price per Point Methodology should be used to evaluate RFP submissions.

- xi) All RFPs will be received by the Finance Department, in a Sealed Bid format and placed in a secure location until the time of opening.
- xii) Public openings are not required with RFP process. When a public opening is deemed necessary, only the name of the bidders submitting responses to the RFP will be read. Details of the proposals or any financial information will not be publicly disclosed at the opening.
- xiii) An Evaluation Committee, composed of a minimum of two County staff members, and where applicable one consultant who is overseeing the project, shall review all proposals against the established criteria, reach consensus on the final rating results. One member of Finance Staff will facilitate the scoring process of the submissions. Supporting documents will be forwarded to purchasing and kept in the respective procurement file.
- xiv) Purchasing or Consultant (as applicable) shall submit a comprehensive report to the appropriate standing committee which will contain a recommendation for award to the bidder meeting all mandatory requirements and providing Best Value as stipulated in the RFP.
- xv) Public reporting will not include summaries of bids, as this information will remain confidential. Any public disclosure of information shall be made by the Deputy Clerk in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990.
- xvi) Unsuccessful proponents may, upon their request to the Purchasing Manager, meet with the User Division's Manager or Director, with the Purchasing Manager in attendance to review their bid submission. Discussions relating to any bid submissions other than that of the proponent present will be strictly prohibited.

#### 4.3 Other Processes

##### a) Blanket Order Contracts

- i) Blanket Order Contracts occur as a result of a previous competitive bid, which establishes the successful bidder as the preferred source for a product, over a specified term.
- ii) A Blanket Order Contract may be used where:

- one or more divisions repetitively order the same goods or services and the actual demand is not known in advance
  - a need is anticipated for a range of goods and services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises
  - it is beneficial for the municipality to enter into a multi-year contract for goods or services to provide efficiencies or economies of scale
  - To establish prices and select sources, Managers shall employ a procurement method contained in this Procedure for the acquisition of goods and services.
- iii) The Blanket Order Contract shall contain corporate standard language provided by the Purchasing and Materials Manager. The User Division shall maintain each contract in accordance with its terms and conditions and this Procedure. Blanket Order Contracts should, when applicable, define source and price with the selected supplier(s) for all frequently used goods or services.
- iv) More than one supplier may be selected where it is in the best interest of the County and the Bid solicitation allows for more than one.
- v) Purchasing action initiated by a division for frequently used goods or services shall be made with the supplier(s) listed in the Blanket Order Contract.
- vi) In the bid documents, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.
- vii) The term of a Blanket Order Contract will be determined in conjunction with the User Division. A Blanket Order Contract will not extend past five years (plus one additional year extension if specified in the contract) without the bid solicitation process being conducted.
- b) Rotational Rosters
- i) A Rotational Roster is the result of a competitive bidding process, which prequalifies vendors to be placed on a list where they will be provided an equal opportunity to perform work for the County as it becomes available.
- ii) Rotational rosters can only be utilized where budget is predetermined for



either maintenance or capital projects

- iii) Once vendors have been selected through the prequalification and evaluation processes, they are placed on a roster based on an undisclosed score. The number of vendors placed on a rotational roster should reasonably reflect the requirement over a period of three years. Only those vendors placed on the roster will have the opportunity to perform work.
  - iv) Rotational Rosters may only be used to obtain Service Suppliers.
  - v) When services are required the appropriate roster is utilized to select the service provider.
  - vi) Subsequent service requirements will follow the same process allowing the next vendor on the list the opportunity to perform work for the County. If a vendor declines a specific project, that vendor moves to the bottom of the roster as if the vendor had accepted the project.
  - vii) The User Divisions in accordance with the goals and objectives of this Procedure shall maintain rotational Rosters.
  - viii) A Rotational Roster will be valid for a period no longer than three years from the date it was established, at which time the competitive bidding process will be conducted to re-establish the roster.
  - ix) Purchases awarded to a vendor on a rotational roster shall not exceed \$25,000 per project.
- c) In House Bidding
- i) Grey County will not consider In House Bids for goods and services that compete with the private sector during any procurement process.
- d) Unsolicited Proposals
- i) Unsolicited bids received by the Corporation shall be reviewed by the respective Senior Manager and Purchasing. Approval authority shall be in compliance with Schedule "A".
  - ii) Unsolicited proposals must be in writing, detailing information on a product or service that may provide the County with significant value and/or savings. Unsolicited proposals may be accepted and a contract entered into for a maximum of one year, without a competitive bid process, providing the total annual expenditure is less than \$25,000.
- e) Cooperative Purchasing
- i) Grey County supports membership in the Bruce-Grey Cooperative

Purchasing Group and also supports any other cooperative initiatives that the Purchasing and Materials Manager deems beneficial to the County. The Purchasing and Materials Manager has the authority to participate with other units of government (such as Vendors of Record provided by the Ministry of Government Services or legislated cooperatives) in their initiatives for cooperative purchasing and bulk buying of goods. The policies of the public authorities calling the cooperative Bid solicitation are to be the accepted Procedure for that particular purchase unless additional terms specific to the County are negotiated with the successful bidder. Approval authority shall be in compliance with Schedule "A".

f) Sole and Single Sourcing

i) Sole Sourcing is a method of procurement whereby a purchase order is issued or contract awarded without a competitive bidding process due to the fact that the supplier is the only source of supply for the required goods or services. Sole Sourcing will be permitted if one or more of the following circumstances apply:

- One supplier/contractor possessing the unique ability or capability to meet the requirements of the Corporation due to a patent, sales/distributor agreement or copyright
- Service is obtained from a public utility
- The supply relates to necessary unique replacement parts from an exclusive source of supply
- The supply relates to the purchase of parts that must be compatible with goods previously supplied, and there are no reasonable alternatives to the products.
- To maintain warranty or service agreement compliance for purchased products.
- When the required item is covered by an exclusive right such as a patent, copyright or exclusive license

ii) Single Sourcing is a method of procurement whereby there is more than one vendor able to supply and a purchase order is issued or contract awarded without a competitive bidding process. Single Sourcing will be permitted if one or more of the following circumstances apply:

- disclosure of information in an open contract competition would breach some duty of confidentiality or compromise security

- the compatibility of a Purchase with existing equipment, product standards, facilities or service is a paramount consideration
  - there is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier
  - an unforeseeable situation of urgency exists and the Goods and/or Services cannot be obtained in time by means of open procurement procedures
  - the Corporation has a rental contract with a purchase option and such purchase option is beneficial to the Corporation
  - for matters involving security, police matters or confidential issues, in which case a purchase may be made in a manner that protects the confidentiality of the Supplier or the Corporation
  - there are no bids in response to a Bid Solicitation
  - a roster for Professional Services has been developed in accordance with the Purchasing By-law
  - When competitive procurement may be found to be impractical
  - Where a good is purchased for testing or trial use and there is a clearly established deadline for the testing or trial period that does not exceed 12 months
  - Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt, compound and pre-mixed concrete for use in the construction or repair of roads (Broader Public Sector Guidelines - section 10.3.4.2.1 Single Sourcing)
  - When an urgent procurement is necessary for fulfilling a statutory order issued by a federal or provincial authority (i.e. compliance order)
- iii) The use of Sole and Single Sourcing with a particular vendor exceeding \$25,000 must be reported to Council. Any single or sole sourcing with an amount between \$5,000 and \$24,999 must be reported to Purchasing and Materials Manager by applicable Senior Manager. In order for a division to sole or single source for goods or services exceeding \$25,000, an operating strategy must be presented with Purchasing input and approved by the applicable Standing Committee, outlining the rationale. Input must be sought from the Purchasing and Materials

Manager to ensure the purchasing principles in this Procedure are taken into consideration and risk to the County is minimized.

g) Negotiation

i) Negotiation may only be used under the following circumstances:

- those outlined in sole and single sourcing
- as a result of an RFP process, if required
- With respect to RFTs, and RFQs, the County may enter into negotiations with the lowest compliant bidder if the price bid is over the budgeted amount for the project. Should the owner be unable to reach an agreement with the lowest compliant bidder, the Owner reserves the right to enter into negotiations with the next lowest compliant bidder, to cancel the bid opportunity or to present a report to Council as per Section 9.00 – whichever is deemed to be in the best interest of the County.
- there is only one source of supply
- the lowest bid meeting specifications is in excess of available budget
- all bids received failed to meet the specifications and/or tender terms and conditions and it is impractical to recall tenders or formal quotes

ii) It is the responsibility of Purchasing to ensure that all competitive bidding options have been considered prior to the negotiation method being utilized.

h) Procurement in Emergencies

i) Notwithstanding the provisions of this by-law, an emergency purchase shall be made, when an event occurs that is determined by the Warden, the C.A.O. and/or Senior Manager to be a threat to any of the following:

- an imminent or actual danger to the life, health or safety of an official or an employee while acting on the County's behalf
- an imminent or actual danger of injury to or destruction of real or personal property belonging to the County
- the welfare of persons or of public property
- the security of the Corporation's interests and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive Call for Bids
- an unexpected interruption of an essential public service

- an emergency as defined by the Emergency Plans Act, R.S.O. 1990, Chapter E.9 and the emergency plan formulated by the County
  - a spill of a pollutant as contemplated by Part X of the Environmental Protection Act, R.S.O. 1990, Chapter E.19
  - mandate of a non-compliance order
  - where, in the opinion of the Warden, C.A.O. and/or Senior Manager, an emergency has occurred,
  - non-competitive procurement or negotiation methods may be utilized
  - a Purchase Order or contract in excess of the preauthorized expenditure limit may be issued; and
  - any Purchase Order or contract issued under such conditions together with a source of financing shall be justified and reported by the User Division to the next standing committee meeting following the date of the requisition.
- i) Non-Competitive Purchases
- i) Under the direction and control of Purchasing, the requirement for competitive bid solicitation for goods and services may be waived under the authority of this Procedure and replaced with negotiations as it relates to the circumstances within section (f) – Single and Sole Sourcing.
- j) Request for Expression of Interest
- i) Requests for Expression of Interest may be issued to obtain information on the availability and interest of suppliers of any goods or services. Requests for Expression of Interest may or may not result in the development of a list of available suppliers.
- ii) Requests for Expression of Interest are used to assess Supplier capabilities, or to conduct market research, without the intention of evaluating the responses or awarding a contract. An RFEI may not be used to pre-qualify a potential Supplier and must not influence their chances of being a Successful Bidder on any subsequent purchasing opportunity. The information received may be used for the purposes of developing future documents for a subsequent competitive process.
- k) Request for Pre-Qualification (RFPQ)
- i) RFPQ may be issued to prequalify vendors for various projects or purchases. The purpose of a RFPQ is to determine whether the

qualifications of a bidder, as required by the County, are at a level that will allow participation in a subsequent bidding opportunity that takes place as a direct result of the Request for Pre-Qualification.

- ii) An RFPQ may be issued to pre-qualify Vendors for various projects or purchases. The purpose of an RFPQ is to determine whether the qualifications of a Bidder, as required by the County, are acceptable in order to allow participation in a subsequent bidding opportunity that takes place as a direct result of the Request for Pre-qualification.
  - iii) A Vendor may be pre-qualified by providing an acceptable response to a Request for Pre-Qualification or a Request for Roster Candidates. Selection of pre-qualified vendors will be based on fully disclosed evaluation criteria, which may include: experience from similar work; verification of applicable licenses and certificates; financial capability and others.
  - iv) As a result of pre-qualification, the County will only allow those pre-qualified Vendors to participate in the bidding process for the scope of work and/or services as specified in the RFPQ or RFRC document.
  - v) Pre-qualification may be done: on a project specific basis; for a group of projects that are similar in scope for which the same category of Supplier would be utilized; or for Roster development.
- l) Request for Information (RFI)
- i) RFI may be issued by staff in conjunction with Purchasing to provide staff with an understanding of potential solutions/needs.
  - ii) An RFI may be issued in advance of a formal bid process to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified Vendors.
  - iii) RFI may or may not lead to a formal bid process.

## 5.0 Fees

The County may charge a nominal fee for bid documents that required extensive charting, printing or plotter use etc. This fee will be in accordance with Grey County's Fees and Services by-law.

## 6.0 Risk Management

### 6.1 Bid Deposits/Bid Bond

- a) Purchasing, in consultation with the User Division, will determine whether a Bid Deposit will be part of the bid submission requirements.
- b) The amount of the Bid Deposit, if required, will be reflective of the project budget while offering adequate protection to the County in case of default by the bidder, and will not be less than 10% of the estimated project budget.
- c) Bid Deposits will be provided, in their original form, in one of the following methods and shall be clearly specified in the bid documents:
  - i) Certified cheque made payable to the Corporation of Grey County
  - ii) Bank draft made payable to the Corporation of Grey County
  - iii) Money order made payable to the Corporation of Grey County
  - iv) A Bid Bond or an Agreement to Bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming the Corporation of the County of Grey as the obligee.
  - v) An irrevocable and unconditional letter of credit naming the Corporation of the County of Grey as the beneficiary.
- d) Bid Bonds and Agreements to Bond 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 User Division.
- e) The County will not pay interest on any Bid Deposits, and all Bid documents issued by the County shall include a statement to this effect.
- f) All Bid Deposits must be original, signed documentation. Photocopies and facsimiles are not acceptable. Only when the request allows for electronic bid submissions, will a scanned copy of the bid deposit be acceptable.
- g) The County is authorized to access any Bid Deposit in its' possession that is forfeited as a result of bid withdrawal after closing.
- h) Bid deposits in the County's possession that are forfeited, will be shared prorata in a joint procurement process.
- i) The County will return all bid deposits with the exception of the 2 lowest bids within 14 days of the closing date. Once a contract has been awarded, all but the lowest bid deposit will be returned. The County reserves the right to utilize the awarded companies bid deposit as a performance bond.

## 6.2 Other Guarantees

- a) Purchasing, in consultation with the User Division shall select the appropriate means to guarantee execution and performance of the Contract. Means may include one or more of, but are not limited to; financial bonds or

other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks.

- b) Purchasing will request a Performance, Labour & Material or Maintenance Bond for no less than 50% of the bid amount for any procurement anticipated to be over \$100,000.
- c) Performance Bond, to guarantee the faithful performance of the Contract;
- d) Labour and Material Bond to guarantee the payment for labour and materials that are supplied from the contractors direct suppliers and subcontractors in connection with the contract;
- e) Maintenance Bond to guarantee the fulfillment of the contractor's obligation under the warranty clause of the contract.
- f) Purchasing shall ensure that the guarantee methods selected will:
  - i) not be excessive but sufficient to cover financial risks to the County,
  - ii) provide flexibility in applying leverage on a supplier so that the penalty is proportional to the deficiencies, and
  - iii) comply with provincial statutes and regulations.
- g) Stipulated by the Construction Lien Act as amended, a minimum payment holdback of 10% shall be mandatory on all construction Contracts exceeding \$500,000.
- h) Additional holdbacks may be permitted in compliance with other County policies as applicable.
- i) Holdbacks will be released by the Finance Department upon receipt of a written notice, executed by the user division Manager to release the holdback.
- j) Holdbacks for deficiencies shall be taken into consideration so as to ensure the deliverables are aligned with the payment being issued. It is the responsibility of the contract manager/project owner to ensure that approved invoices reflect an adequate reduction for applicable deficiencies prior to the invoice being certified for payment and submitted to the Finance Department for processing. It is the responsibility of the contract manager/project owner to notify the Contractor of the holdback to address the deficiency.
- k) Prior to providing notice to release the holdback, the contract manager/project owner must ensure:
  - i) All terms and conditions of the contract have been completed to the



satisfaction of the User group.

- ii) Receipt of clearance from the WSIB for any arrears
- iii) Receipt of Statutory Declaration of progress payment distribution by the contract
- iv) All requirements of the Construction Lien Act (as amended) have been satisfied.

### 6.3 Insurance

- a) Prior to execution of the contract, or where deemed appropriate by the County's Insurer, Purchasing or User Division, evidence of satisfactory insurance coverage must be obtained from the bidders insurance agent or broker, ensuring indemnification of Grey County from any and all claims, demands, losses, costs or damages resulting from the performance of a Supplier's obligations under the Contract.
- b) Insurance limits shall be based on the recommendations of the County's Insurer.
- c) The type of insurance required will be relevant to the goods, services or construction being purchased. Requests for insurance may include but are not limited to:
  - i) commercial/general liability
  - ii) automobile liability
  - iii) homeowners liability Procedure (for leasing of facilities, entrance permits, etc.)
  - iv) professional errors and omissions liability
  - v) Builder's Risk
- d) All standard bid documents must indicate the insurance requirements to be provided by the successful bidder.
- e) The appropriate insurance coverage shall be determined by Purchasing in consultation with the User Division, maintaining an adequate amount of protection to the County. In the event of an unusually large project budget the Purchasing staff may recommend a higher insurance limit to cover the risks adequately.
- f) All hired Contractors/Service Providers must supply a Certificate of Insurance (COI) confirming the required coverage to the User Division, which will forward it to Purchasing. The certificate must include, as a minimum, naming Grey County as an additional insured inclusive of a cross

liability clause.

- g) The successful bidder is required to keep in force the required insurance requirements throughout the course of the project and will not allow the COI to lapse, or change, without giving thirty days written notice to Purchasing.

#### 6.4 Exclusion of Bidders in Litigation

- a) The County may, in its absolute discretion, reject a bid or proposal submitted by the bidder prior to or after bid opening, if the bidder:
  - i) is a party to litigation with the County; or
  - ii) directly or indirectly, including by common ownership or control or otherwise, is related to a party to litigation with the County; or
  - iii) intends to use a sub-contractor in respect of the specific project who is a party to litigation with the County, or, who, directly or indirectly, including by common ownership or control or otherwise, is related to a party to litigation with the County.
- b) For the purposes of this section, the phrase “party to litigation with the County” includes cases in which the bidder or prospective bidder or any of the parties named above, have advised the County in writing of their intention to commence litigation, or have commenced or have advised the County of their intention to commence an arbitrational process, against the County.
- c) Bids from any bidder in any of the above circumstances may be rejected as non-compliant.
- d) In determining whether or not to reject a bid under this section, the County will consider whether the litigation is likely to affect the bidder’s ability to work with the County, its consultants and representatives, and whether the County’s experience with the bidder in the matter giving rise to the litigation indicates that the County is likely to incur increased staff and legal costs in the administration of the Contract if it is awarded to the bidder.

#### 6.5 Suspension of Bidders Due to Performance

- a) Purchasing, in consultation with the relevant User Division and, where appropriate, the County Solicitor, may suspend the rights of any vendor to bid on any requirement, where the prior performance of the vendor has been documented to be unsatisfactory. Unsatisfactory performance shall include, but not be limited to, a failure to meet contract specifications, terms and conditions, as well as health and safety violations. The period of suspension will not exceed 3 years.

- b) A vendor whose bidding rights have been suspended may request, in the form of a letter to the Purchasing and Materials Manager, reinstatement of bidding rights at any time after the expiry date of the suspension period specified in the written notice given.

#### 6.6 Conflict of Interest

- a) It is the responsibility of all staff or Council members involved in bid solicitation or evaluation to disclose any inherent or potential Conflict of Interest to their Manager or Director, or in the case of a Member of Council, the CAO. This disclosure must take place prior to opening any tenders or proposals and will be noted on the minutes of the opening.
- b) Any staff or Council member disclosing a Conflict of Interest shall remove himself from the procurement process associated with the conflict.
- c) It is the responsibility of all Members of Council to disclose any inherent or potential pecuniary/conflict of interest to Council at the time the matter is being considered.

#### 6.7 No Local Preference

- a) The County of Grey imparts fair and impartial award recommendations for all contracts and tenders. This means that we do not extend preferential treatment to any vendor, including local companies. Not only is it against the law, it is not good business practice, since it limits fair and open competition for all vendors and is therefore a detriment to obtaining the best possible value for each tax dollar.
- b) In accordance with the Discriminatory Business Practices Act, R.S.O. 1990, c.D.12, there shall be no local preference given to any Bidder when awarding a Bid for purchase of Goods and Services for the County

#### 6.8 Trade Agreements

- a) Procurement by the County may be subject to the provisions of trade agreements.
- b) Where an applicable trade agreement is in conflict with this By-law, the trade agreement shall take precedence.
- c) Supply Management shall advise Directors where a procurement action may not conform to an applicable trade agreement as early as possible in the procurement process.

#### 6.9 Dispute Resolution

- a) In the event any company or person who has been involved in the bidding

or purchasing process as described in this Procedure identify a dispute in regards to this process, the following dispute resolution steps shall be followed. In each step the county shall keep the resolution process fair and transparent to all concerned.

- b) The company or person identifying a dispute shall be required to state the nature of the dispute in writing giving full details and history of the events leading to the dispute claim and address the written dispute claim to the County Clerk. (Where the Clerk's office is directly involved in the dispute topic, the written dispute claim will be directed to the C.A.O.)
- c) Upon receipt of the written dispute claim, the County Clerk shall request a meeting with all persons named in the dispute claim to discuss the particulars of the dispute claim.
- d) If those attending said meeting shall agree that the matter can best be handled by a written response only, the County Clerk or designate shall with the assistance of those named above prepare a written response and send it to the company or person who issued the dispute claim.
- e) If those attending said meeting shall agree that the matter needs further clarification, such clarification may be requested by an additional written response from the originator of the dispute claim or by the calling of a meeting between those attending the meeting and the originator of the dispute claim.
- f) At a meeting between those who have been named in the written dispute claim and the originator of the dispute claim, the County Clerk or designate shall chair such meeting and appoint a meeting recorder to record all pertinent conversation. If the dispute can be resolved at this meeting a written report of such resolution shall be sent by the County Clerk or designate to all who were in attendance at the meeting.
- g) In the event a resolution could not be achieved at said meeting described in Step e) above and the originator of the dispute claim requests to further prosecute the dispute claim, the County Clerk or designate shall forward the dispute claim to contact the County Solicitor. The dispute claim shall then be handled by the County Solicitor in accordance with established procedures for processing such claim.

#### 6.10 Tie Bids

- a) In the case of tie bids between two responsive and responsible bidders and, where multiple awards are not an alternative for award, the Corporation shall determine the successful bidder by coin toss. At least one member of

purchasing staff and at least two members of the user group must be present.

- b) In the case of tied bids between three or more responsive and responsible bidders and where multiple awards are not an alternative for award, the Corporation shall determine the successful bidder by a draw of the bidder names from a hat. At least one member of purchasing staff and at least two members of the user group must be present.

#### 6.11 Scope and Contract Changes

- a) For projects awarded at \$50,000 and under - Any change orders or contract changes that are in excess of \$5,000 over the awarded amount (regardless of the approved budget amount), must be approved by the Director of Finance (or designate), prior to issuing a change order request to the supplier/vendor.
- b) For projects awarded over \$50,000 – Any change orders or contract changes that are in excess of 10% over the awarded amount (regardless of the approved budget amount), must be approved by the Director of Finance (or designate), prior to issuing a change order request to the supplier/vendor. For any change exceeding 20% of the awarded amount, an information report to respective standing committee will be required.
- c) Projects under \$250,000 that are over budget will be communicated in the quarterly reports with detailed explanations as to what happened and how the overage will be funded. Projects over budget by 20% or more that exceed \$250,000 will be communicated in a separate report (not within the quarterly report) to the standing committee.

## 7.0 Standardization

### 7.1 Documents

- a) In order to assist in cross-training, enable multiple bidders to understand the process requirements, ensure accessibility requirements are met and ensure that legal and insurance risks are controlled, standard formats and language, with the exception of specifications, for the following documents shall be used by all staff involved in procurement:
  - i) Request for Quotation
  - ii) Request for Tender
  - iii) Request for Proposal

- iv) Request for Expression of Interest
  - v) Request for Information
  - vi) Request for Pre-Qualification
  - vii) Blanket Order Contract
  - viii) Rotational Roster
  - ix) Purchase Order
  - x) Advertising, print and electronic
  - xi) Other Contracts which pertain to this Procedure
- b) The standard formats and language for the above documents will be developed by Purchasing, with the exception of specifications, and will be updated or amended as appropriate. Review of templates by an outside legal entity is encouraged when necessary prior to approval by the Director of Finance.
  - c) Preparation of specifications for RFQs or RFTs and Scope of Work for RFP's shall be the responsibility of the User Division.
  - d) Corporate standard formats and language for all documents related to this Procedure shall be developed and used where appropriate and shall be supplied by Purchasing. Where the County's standard documents are not being used, the document shall be provided to Purchasing for review prior to issuance or execution. Purchasing will recommend review by an outside legal entity if deemed to be in the best interest of the County.
  - e) Grey County supports standardization among Goods and Services that are used on a regular basis and encourages corporate standards to be adopted where it is deemed beneficial to the County.

## 8.0 Public Notice

### 8.1 Advertising

- a) The minimum form of advertising for opportunities of \$25,000 or more will be a posting on the County website.
- b) All bidding opportunities of \$100,000 or greater are required to be advertised for a minimum of fifteen (15) calendar days on the County website.
- c) If a pre-qualification process has taken place to short-list potential Respondents for a subsequent bidding opportunity, advertising is not

required for the subsequent bidding opportunity. The pre-qualification process is required to be advertised locally on the County website if over \$25,000.

- d) Advertising in any publication or website is the financial responsibility of, and at the discretion of, the User Division.
- e) These advertising provisions do not apply to sole and single sourcing, negotiation, procurement in emergencies, non-competitive purchases and other procurement processes initiated by the County in which bid documents are supplied to selected prospective bidders as provided in this Procedure.

## 9.0 Contracts

### 9.1 Contractual Agreement

- a) An Award pursuant to this Procedure may be made by way of Contract, Authorization Letter or Purchase Order.
- b) A Purchase Order or Authorization Letter is to be used when the resulting Contract is straightforward. The terms and conditions relevant to the Award will be outlined in the Authorization Letter. The Purchase Order will be completed in accordance with the procedures associated with the County's Purchase Order system, where available.
- c) Following award and if required, Contracts may be considered. It shall be the responsibility of the User group, in consultation with Purchasing, Clerks and/or a Consultant or Solicitor, if necessary, to determine if it is in the best interests of the County to enter into a Contract with the Vendor.

### 9.2 Requirements Prior to Commencement of Work

- a) Grey County will not authorize any work until all required documentation identified in the bid document, has been received in satisfactory form. The successful bidder shall submit all documentation requested in the bid document to the User Division within fourteen (14) working days of being awarded the Contract. Such documentation may include but is not limited to:
  - i) executed bonding
  - ii) insurance documentation
  - iii) clearance certificate or applicable documentation from WSIB
  - iv) a signed copy of the County's Occupational Health and Safety

Procedure

- v) a signed copy of the contractor's Occupational Health and Safety Procedure
- vi) any other documentation required to facilitate the execution of the Contract as detailed in the RFQ, RFP or RFT.

9.3 Exercise of Contract Extension

- a) Where a bid document for goods or services contains an option for renewal, the User Group may authorize such option provided that all of the following apply:
  - i) the supplier's performance in supplying the goods or services is considered to have met the requirements of the contract
  - ii) the User agrees that exercising the renewal option is in the best interests of the County
  - iii) funding is available in appropriate accounts within the County Council approved budget including authorized revisions, to meet the proposed expenditure
  - iv) the contract falls within the authority to award limitations outlined in Schedule "A"

9.4 Execution and Custody of Documents

- a) The Warden and Clerk shall execute contracts in the name of The Corporation of the County of Grey for which the award is made by Delegated Authority.
- b) All original purchasing and contract documentation for the contracting of goods or services shall be retained in accordance with the Records Retention By-law.

9.5 Access to Information

- a) The disclosure of information received relevant to the issue of bid solicitations or the award of contracts emanating from bid solicitations shall be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended, or as may otherwise be required by law.

## 10.0 Reporting

10.1 To Council



- a) Despite any other provisions of this Procedure, the following procurements, over \$25,000, excluding taxes, are subject to prior Council approval;
- b) Any contract requiring approval from the Ontario Municipal Board;
- c) Each Department will provide a quarterly update for contracts between \$25,000 and \$250,000, and contracts resulting in revenue exceeding \$25,000, to its respective Standing Committee in cooperation with Purchasing, which will highlight all budgetary changes if applicable;
- d) Any contract between \$100,000 and \$250,000 where the total annual acquisition cost is greater than the Council approved budget by 10% or more;
- e) Any project over \$250,000 that has change orders exceeding the awarded amount by 20% or more;
- f) Any acquisition of goods or services that is not already approved in the current year's budget, such as items requiring pre-budget approval or post-budget amendments, must be reported to Council in order to have the expenditure authorized via resolution;
- g) Where the net revenue amount proposed for acceptance is lower than the Council approved budget;
- h) Any contract where the award is not being recommended to the lowest bidder, with the exception of Request For Proposals evaluated using a Price Per Point Methodology;
- i) Where authority to award has not been expressly delegated;
- j) A negotiated result in accordance with section 4.3 of this Procedure as long as the negotiated result does not exceed the Council approved budget;
- k) Any contract anticipated to be financed by debentures.
- l) Reports requiring Council approval will be prepared by the User Division and Purchasing prior to being placed on future Committee Agendas

## 11.0 Materials Management and Inventory Control

### 11.1 Responsibility of Manager

- a) All Senior Managers shall be responsible for maintaining inventory in their respective areas unless a corporate strategy has been identified. An internal system of inventory control should be used to maintain adequate levels of supply to support each respective department.

## 11.2 Disposal of Surplus Goods

- a) All Senior Managers, with input from Purchasing shall be responsible for the disposal of all surplus goods.
- b) All Senior Managers shall notify Purchasing when items become obsolete or surplus to their requirements.
- c) Purchasing shall ascertain whether items falling into their respective authorities can be of use to another municipality or division rather than disposed of.
- d) Items that are not required by another municipality or division may be disposed of using a public process that will take into consideration the type of materials being disposed of and the cost-benefit to the municipality. An example of this is a public auction website. Trade-in options may also be considered as a form of disposal.
- e) Placing minimum bids for surplus goods going through the disposal process, shall be the responsibility of the department/staff member most familiar with the market value of the item. In establishing a minimum bid, staff may consult with the current online auction provider.
- f) The user department will be credited with the net proceeds from the sale of their surplus assets.
- g) Surplus assets shall not be sold directly to an employee or to a member of Council, although this does not prohibit any employee or member of Council from purchasing Surplus Assets being sold through a public process.
- h) Surplus Assets may be donated to non-profit agencies or non-profit institutions for educational or teaching purposes only. Donated items shall not be re-sold. All donated Surplus Assets must be approved by the Director of Finance.

## 12.0 Purchasing Procedure and Process

### 12.1 Policy Review

- a) The Purchasing and Materials Manager shall review departmental and divisional purchasing related files from time to time to determine the effectiveness and integrity of the processes and to monitor Procedure adherence.
- b) The Purchasing and Materials Manager, on a regular basis, will lead a review of this Procedure and make recommendations to be presented to the

Senior Management Team for inclusion in a report to Council. This procedure may be reviewed as required.

## 12.2 Contractor Performance Report

- a) The County of Grey may complete a Contractor Performance Report for any project. The report shall rate the performance of the vendor, contractor or consultant on standard criteria developed.
- b) Performance issues shall be noted in writing with a copy to the vendor and a copy to the departmental project file. Performance issues shall also be noted in any site meeting or project meeting minutes for resolution purposes.
- c) On completion of the project, the Project manager shall forward the Contractor Performance Report to the vendor with a copy to purchasing. All back-up documents pertaining to any substandard evaluations and comments shall be attached to the evaluation document. The user department will forward a copy of the completed evaluation to the vendor for their records. The vendor may request a meeting with the County and the Project manager to discuss the evaluation and shall have 20 calendar days following delivery of the evaluation to request an appeal. This appeal shall be forwarded to the Manager of Purchasing.
- d) The appeal shall be conducted by a Dispute Committee which shall hear from both Corporation staff and the supplier at a time and place appointed in writing by the Committee. The Dispute Committee shall be comprised of members of the senior management team and the Director of the user department involved. A quorum of the Dispute Committee shall be two of the four members. The decision of the Dispute Committee shall be in writing and it shall be final.
- e) The performance evaluation shall determine whether a vendor will:
  - i) be allowed to renew a contract with the Corporation;
  - ii) be allowed to respond to future contract opportunities with the Corporation;
  - iii) be placed on a probationary list for a minimum of two years during which time it shall be permitted to bid or propose work for the Corporation; the work of those on probation will be closely monitored;
  - iv) be suspended from bidding on any contracts with the Corporation during a three-year period, followed by a one-year probationary period after reinstatement.

- f) In reaching a decision, the project manager, contract coordinator or project engineer or Dispute Committee shall be entitled to rely upon the evaluation criteria determined in advance of the project and the results of prior performance evaluations relating to other contracts performed by the same vendor.
- g) No bid shall be accepted from the suspended vendor, nor shall any award be issued to the suspended vendor during the term of the suspension.
- h) The results of any Contractor Performance Report may be disclosed to other municipalities or government bodies upon request, where it can be demonstrated that the contractor has listed the Corporation as a work reference.

## 13.0 Accessibility and Procurement

Grey County is a major purchaser of goods and services. It is important that procurement processes are inclusive so that all vendors can participate, and all contracted parties are aware of the need to provide accessible goods and services.

### 13.1 Our vision

- a) Availability of accessibility options is a high priority in the procurement process. The vendor community is aware of and understands the need to demonstrate leadership in removing barriers for persons with disabilities.

### 13.2 Our Commitment

- a) The County of Grey is committed to integrating accessibility into procurement policies, procedures and practices by:
  - i) Conducting regular reviews and updates of procurement-related directives, policies, procedures and standards
  - ii) Embedding accessibility requirements into the procurement process.
  - iii) Conducting reviews to ensure compliance and continuous improvement in procurement practices.
  - iv) Reviewing feedback on the procurement process and taking appropriate action as needed.
- b) Everyone has the right to access public information. If a person cannot access a public document because of a disability, they are being denied their right to access.



## Schedule "A" Authority to Award

Section 270 of the Municipal Act, 2001, as revised by Bill 130 requires that the County adopt and maintain a purchasing policy with respect to and including the delegation of powers and duties.

Subsequent service agreements resulting from awards endorsed by County Council are delegated to the Director of Finance and the appropriate department Director for signature.

This section outlines whether Delegated Authority or Council authority is required to Award a Contract.

Net taxes shall be included in determining the price of a Contract for the supply of goods or services for the purpose of the relationship of the price to the preauthorized expenditure limit.

When awarding multi-year contracts, with a net expenditure under \$250,000 per annum, Council approval will not be required.

Authority to Award	Dollar Value	Minimum Method of Procurement
Any employee authorized by Director	\$5,000 or less	Direct Purchase
Manager/Supervisor as authorized by Director	\$5,000 - \$25,000	Request For Quotation / Proposal
Director	\$25,000-\$250,000	Request for Tender / Proposal
Council	Greater than \$250,000	Request for Tender / Proposal/ Blanket Contracts or renewals of Blanket Contracts
Council	Irregular Result*	
Council	\$25,000 or greater	Negotiation
Council		Original Rotational Rosters

\*Irregular Result includes bids that contain a discrepancy in the opinion of Purchasing or the User Department.

NOTE: Any contract under \$100,000 where the total annual acquisition cost is greater

than the Council approved budget by \$10,000 or more, the Director of Finance and Chief Administrative Officer must approve;

## Authority for Payment

Authority limits for payment are as follows:

Position	Detail	Limit
Warden	All expenditures	Unlimited
Chief Administrative Officer	All expenditures	Unlimited
Director	All expenditures	Unlimited
Senior Manager/ Administrator	General Purposes – day-to-day departmental requirements	Under \$25,000
Senior Manager/ Administrator	Payments for approved Contracts/Service Agreements	Under \$50,000

Authority for payments in this schedule relate to payments of amount contained in approved budgets or by resolution only.

During scheduled absences, Directors are able to delegate signing authority to selected individual(s) with a written notice to the Director of Finance.

Regulatory payments (payroll deductions etc.) are excluded from this schedule.

The numbers in this table are maximums. Directors have the right to lower these numbers at their discretion.

## Schedule "B" Bid Irregularities

The following list of irregularities should not be considered all inclusive. The Purchasing Manager and, as may be warranted, in consultation with any or a selection of the following, respective departmental staff, C.A.O and/or the Corporation's Solicitor, shall review irregularities not specifically listed and, acting in the best interests of the Corporation, have authority to waive such irregularities, permit correction to the irregularity or reject the submission.

Number	Irregularity	Response
1.	Late Submissions.	Rejection, not opened or read publicly. Submission to be returned to submitter.
2.	Insufficient Financial Security (No bid bond/deposit or agreement to bond or insufficient bid bond/deposit)	Automatic Rejection for no bid deposit. Automatic Rejection for no agreement to bond. 48 hours to correct shortfall in bid deposit if less than required by no more than 10%.
3.	Conditional Bids (Bids qualified or restricted by an attached statement).	Automatic rejection unless, in the opinion of Department and Purchasing, the qualification or restriction is insignificant.
4.	Illegible or obscure Bids, non-initialed erasures, non-initialed alterations.	Automatic rejection.
5.	Documents, in which all necessary Addenda which have significant financial or scope implications in the opinion of the Purchasing Manager and user group, have not been acknowledged.	Automatic rejection.
6.	Documents in which all necessary Addenda which do not have significant financial or scope implications in the opinion of the Purchasing Manager and user group, and have not been	48 hours to submit.



Number	Irregularity	Response
	acknowledged.	
7.	Bids received by bidders who did not attend mandatory site visit(s).	Automatic rejection.
8.	Bids received on documents other than those provided by Grey County, when specified to do so.	Automatic rejection.
9.	Failure to insert the bidder's business name in the space(s) provided Mandatory Submission Pages.	48 hours to submit.
10,	Failure to include signature of the person authorized to bind the bidder in the space provided on the Tender / Proposal Form.	48 hours to submit.
11.	More than one submission from the same submitter and not identified as an alternative or optional submission and no written withdrawal notice has been received.	The submission package bearing the most recent date/time stamp will be considered the intended submission and the previously date/time stamped submissions will be considered withdrawn and will be returned to sender, unopened.
12.	Bids Containing Mathematical Errors	<p>If the amount tendered for a unit price item does not agree with the extension of the estimated quantity and the tendered unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly.</p> <p>If both the unit price and the total price are left blank, the Bid will be rejected as</p>

Number	Irregularity	Response
		<p>incomplete.</p> <p>If the unit price is left blank but a total price is shown for the item, the unit price shall be corrected according to the total provided.</p> <p>If the Tender contains an error in addition and/or subtraction in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied), the error shall be corrected and the corrected total Contract price shall govern.</p> <p>Tenders containing prices which appear to be so unbalanced as to likely affect the interests of the County adversely will be clarified and may be rejected.</p>
13.	Other minor irregularities	Purchasing, in conjunction with the Director of Finance shall have authority to waive irregularities, which they jointly consider to be minor.
14.	Any irregularity	Despite all provisions herein contained, Purchasing in conjunction with the members of the Senior Management Team may waive any irregularity where it considers it to be in the best interest of the County.

# Schedule "C" Goods and Services Exempt from Procurement Procedure

The purchasing methods described in this Procedure do not apply to the following Goods and Services:

1. Training and Education
2. Registration, accommodation and tuition fees for conferences, conventions, courses and seminars
3. Magazines, books and periodicals
4. Memberships
5. Staff development or staff workshops
6. Refundable Employee/Councillor Expenses
7. Advances
8. Meal allowances
9. Travel (fuel accommodation etc.)
10. Ongoing maintenance for existing computer hardware and software.
11. Employer's General Expenses
12. Payroll Deduction Remittances
13. Medical or Dental
14. Licenses
15. Debenture Payments
16. Grants to Agencies
17. Damage Claims
18. Tax Remittances
19. Insurance Premiums

20. Professional and Special Services up to \$100,000 including:
21. Committee fees, witness fees
22. Realty services regarding lease, acquisition, demolition, sale, disposal or appraisal of land.
23. Advertising services required in radio, television, newspaper or magazines
24. Bailiff or collection agencies
25. Freight charges
26. Utilities
27. Interpreter Fees and Transcription Fees for POA
28. Performance / Artist's Fees
29. Employee Group Benefits
30. All legal services and fees
31. Professional and special services exceeding \$250,000 must follow the approval process outlined on Schedule A