

SCHEDULE "A"
By-Law No. 05-10

CORPORATION OF THE COUNTY OF ELGIN
PROCUREMENT POLICY

1.0 OBJECTIVE

- 1.1 This policy outlines the processes to be followed in order to obtain the best value when purchasing goods, or contracting services for the County of Elgin. The guiding principle is that procurement decisions will be made using a competitive process that is open, honest, fair and impartial.
- 1.2 The Purchasing Policy will promote and maintain the integrity of the purchasing process and protect Council, vendors and staff involved in the process by providing clear direction and accountabilities. The procedures described in this Policy shall be followed to make a contract award or to make a recommendation of a contract to County Council.
- 1.3 The Council of the Corporation of the County of Elgin recognizes its responsibility for reviewing and updating the existing Purchasing Policy to ensure compliance with respect to The Municipal Act, 2001, Part VI, Section 271, as amended.

2.0 PURCHASING RESPONSIBILITIES/AUTHORITY

- 2.1 County Council has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. Payment for any item that has not been authorized by Council through budget appropriation or specific resolution will not be permitted. This purchasing policy provides guidelines outlining how spending authority is to be used. Levels of contract approval authority are also summarized in Appendix "A".
- 2.2 The Director of the Department shall be responsible for approval of accounts within the approved budget for their department including any amendments to the budget as approved by Council.
- 2.3 Prior to Council's approval of the Current Budget a Department may incur normal operating expenditures up to 40% of the previous year's Budget. Directors will have the authority to solicit bids prior to the approval of Council.
- 2.4 Resolutions approving budget amendments, capital expenditures or special appropriations shall contain purpose of expenditure, cost estimates or expenditure limitation, and the fund in which an appropriation has been provided.
- 2.5 The Director may appoint a Purchasing Designate to exercise any or all responsibilities assigned in this policy.
- 2.6 During the public procurement process, in-house bids will not be considered.
- 2.7 The Director of Financial Services may review departmental purchases on an ongoing basis to review the effectiveness and integrity of the process and policy adherence. This Policy will be reviewed and revised on a periodic basis. It is anticipated that reviews will be conducted every five years or more frequently as required.
- 2.8 Goods and Services that are not subject to this By-Law are listed in "Appendix B".

- 2.9 For bids valued at \$50,000.00 or less, the Director may award a contract provided that Financial Services is in receipt of a Quotation Request Form, the product or service is contained within the approved budget and the requirements of the Procurement Policy are met. Guidelines/Goals to assist Director's or their designate who choose to exercise this authority are included in "Appendix E".
- 2.10 Despite any other provision of this Policy, the following contracts are subject to County Council approval;
- i. any contract requiring approval from the Ontario Municipal Board,
 - ii. any contract prescribed by Statute to be made by Council,
 - iii. where the cost amount proposed for acceptance is 10% greater than the County Council approved budget for that expenditure or where the expenditure would result in insufficient remaining funds in the project budget to complete the project as budgeted,
 - iv. where the net revenue amount proposed for acceptance is lower than the County Council approved budget;
 - v. where a substantive objection emanating from the bid solicitation has been filed with a Director;
 - vi. where a major irregularity precludes the award of a tender to the supplier submitting the lowest bid.

3.0 METHODS OF PROCUREMENT

3.1 CO-OPERATIVE PURCHASING

- 3.1(1) The County shall participate with other government agencies or public authorities in Co-Operative Purchasing where it is in the best interest of the County to do so.
- 3.1(2) The decision to participate in specific Co-Operative Purchasing agreements will be made by the Purchasing Co-Ordinator.
- 3.1(3) The policies of the government agencies or public authorities calling the co-operative tender are to be the accepted policy for that particular tender.

3.2 THE ONTARIANS WITH DISABILITIES ACT (ODA 2001)

- 3.2 In deciding to purchase goods or services through the procurement process for the use of itself, its employees or the public, County Council, to the extent possible, shall have regard to the accessibility for persons with disabilities to the goods or services. 2001,c32,s.13.

3.3 ENVIRONMENTAL CONSIDERATIONS

- 3.3 (1) In order to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing, acquisitions of goods and services, specifications will provide for expanded use of durable products, reusable products and products(including those used in services) that contain the minimum level of post consumer waste and/or maximum level of recyclable content without significantly affecting the intended use of the product or service.

3.4 LOWER TIER PARTNERSHIPS – MISCELLANEOUS CAPITAL PROJECTS

- 3.4(1) The County of Elgin may acquire goods or services for road maintenance projects without the solicitation of bids from the lower tier municipalities within Elgin County, as an extension of the existing Road Maintenance Agreements, and when it is deemed in the best interest of the Corporation.

3.5 SMALL ORDER PURCHASES (Up to \$5,000.00)

- 3.5(1) The Director and/or designate shall be authorized to make Small Order Purchases of goods and services up to an amount of **\$5,000.00** from such vendor and upon such terms and conditions as the Director deems appropriate.

3.6 REQUEST FOR QUOTATION

- 3.6(1) Informal or Formal Request for Quotation procedures shall be used where:
- i. the item is greater than **\$5,000.00** but not greater than **\$100,000.00**;
 - ii. the requirement can be fully defined; and,
 - iii. best value for the County can be achieved by an award selection made on the basis of the lowest bid that meets specifications.

3.7 INFORMAL QUOTATION (Greater than \$5,000.00 but not greater than \$50,000.00)

- 3.7(1) The Director or designate in consultation with the Director of Financial Services or designate shall be authorized to make purchases of goods and services for estimated expenditures **exceeding \$5,000.00 and less than \$50,000.00** from such vendor. Bid documents do not have to be sealed. Specifications (as applicable) can be issued and quotes can be received by e-mail and/or fax transmission at the using department location. At least 3 bids must be obtained whenever possible.
- 3.7(2) When the preferred Quotation exceeds the approved budget appropriation by more than 10%, the Director shall submit a report to Council for direction.
- 3.7(3) The County reserves the right to accept or reject any submission.

3.8 FORMAL QUOTATION (Greater than \$50,000.00 but not greater than \$100,000.00)

- 3.8(1) The Director or designate and the Director of Finance or designate shall be authorized to make Formal Quotation Purchases for goods and services for estimated expenditures exceeding **\$50,000.00** and less than **\$100,000.00**. Bid forms to be provided to Bidders in written format and must close in a formal sealed process. Bids must be submitted to Financial Services at a specified location. At least three (3) bids must be obtained whenever possible. All bids will close on a specified weekday at a specified time. Bids must have a submission label detailing project name and number.
- 3.8(2) The Director shall be responsible to review the quote submission and verify that all specifications of the quote are met and that the total submitted price does not exceed the approved budget allocation for the project.
- 3.8(3) When the preferred Quotation exceeds the approved budget for a specific project, the Director shall submit a report to Council for direction.
- 3.8(4) The County reserves the right to accept or reject any submission.

3.9 REQUEST FOR TENDER (GREATER THAN \$100,000.00)

- 3.9(1) The Director or designate and the Director of Finance or designate shall be authorized to solicit tenders for goods and services for estimated expenditures exceeding **\$100,000.00** if the item is specifically included within the approved budget. County Council shall award all Tenders.
- 3.9(2) Request for Tender procedures shall be used where:
- i. the item is greater than \$100,000.00;

- ii. the requirement can be fully defined; and,
 - iii. best value for the County can be achieved by an award selection made on the basis of the lowest bid that meets specifications.
- 3.9(3) Tender forms are to be provided to Bidders in written format and must close in a formal sealed process. Tenders must be submitted to Financial Services at a specified location. At least three (3) tenders must be obtained whenever possible. All tenders will close on a specified weekday at a specified time. Bids must have a submission label detailing project name and number.
- 3.9(4) The Director shall be responsible to review the tender submission and verify that all specifications of the tender are met and that the total submitted price does not exceed the approved budget allocation for the project.
- 3.9(5) The Financial Services Department shall be responsible for arranging for the public opening of the Tender Bids at the time and date specified by the tender call. There shall be in attendance at that time a minimum of:
- i. The Director of Financial Services or designate
 - ii. The Director of the issuing department or designate
- 3.9(6) The Financial Services Department shall forward to the issuing Department a summary of the bids subject to review by the Director.
- 3.9(7) The County reserves the right to accept or reject any submission.

3.10 REQUESTS FOR PROPOSALS

- 3.10(1) The Request for Proposal procedure shall be used in place of a Tender or Quotation when:
- i. The requirement is best described in a general performance specification;
 - ii. Innovative solutions are sought;
 - iii. Estimated expenditures **not exceeding \$50,000.00**, the evaluation criteria and process shall be approved by the Director prior to issuance of the Request for Proposal;
 - iv. Expenditure **exceeding \$50,000.00**, the evaluation criteria and process shall be approved by Council resolution prior to the issuance of the Request for Proposal;
 - v. To achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements;
 - vi. The Request for Proposal method of purchase is a competitive method of purchase that may or may not include Vendor pre-qualification;
 - vii. A Request for Information or Request for Expression of Interest may be issued in advance of a proposal to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified Vendors;
 - viii. Where the requirement is not straightforward or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number of any combination thereof, a procedure may be used that would include a pre-qualification phase;
 - ix. The Financial Services Department shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation scheme using a Request for Proposal. This may include factors such as qualifications and experience strategy, approach, methodology, scheduling and past performance, facilities equipment, and pricing;
 - x. Directors shall provide the Financial Services Department with a request in writing containing the budget authorization, terms of reference and evaluation criteria to be applied in assessing the proposals submitted;
 - xi. A Selection Committee, composed of a minimum of one representative from the Department and the Director of Financial Services or designate shall review all proposals against the established criteria, reach consensus on the final rating results, and ensure that the final rating results, with supporting documents, are kept in the procurement file.
 - xii. During the proposal process all communication with bidders shall be through the Financial Services Department.

- xiii. Financial Services Department shall forward to the Director an evaluation summary of the procurement, as well as the Committee's recommendation for award of contract to the supplier meeting all mandatory requirements and providing best value as stipulated in the Request for Proposal. Where the lowest bid is not accepted, the Director of the Department is responsible for documenting the determination of best value, in a confidential report to the Management Team prior to award of contract;
- xiv. Reporting will not include summaries of bids, as this information will remain confidential. Any disclosure of information shall be made by the appropriate officer in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O.) 1990, Section 10;
- xv. Unsuccessful proponents may, upon request, attend a debriefing session as required with the Director of Financial Services or designate as well as the Director to review their bid submission. Discussions relating to any bid submissions other than that of the proponent present will be strictly prohibited;
- xvi. The County reserves the right to accept or reject any submissions.

3.11 BLANKET CONTRACT PURCHASES

3.11 (1) A Blanket Order may be used where:

- i. one or more departments repetitively order the same goods or services and the actual demand is not known in advance;
- ii. 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.
- iii. The Purchasing Co-Ordinator shall establish and maintain Blanket Order Contracts that define source and price where available with selected suppliers for all frequently used goods or services;
- iv. Blanket Orders may be issued as the result of a bid process such as Request for Quotation, Request for Tender, Request for Proposal and from Co-operative Purchasing consortium.
- v. To establish prices and select sources, the Director in consultation with the Purchasing Co-Ordinator shall employ the provisions contained in this Policy for the acquisition of goods, services and construction;
- vi. 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;
- vii. Where purchasing action is initiated by a department for frequently used goods or services, it is to be made with the supplier or suppliers listed in the Blanket Order Contract;
- viii. In a Request for Blanket Order, 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 said usage.
- ix. Blanket Orders shall be issued for a specific time period with all ordering departments responsible for maintaining purchases within budget allocations.

3.12 SINGLE/SOLE SOURCING

- 3.12(1) i. In circumstances where there may be more than one source of supply in the open market, but only one of these is recommended for consideration on the grounds that it is more cost effective or beneficial to the County and where the expenditure will exceed \$25,000.00, approval must be obtained from the Senior Management Team and County Council prior to negotiations with the single source. The Director or designate shall be responsible for submitting a report detailing the rationale supporting the use of the single source.
- ii. If the Director requires goods, services or equipment deemed to be available from only one source of supply, and where the expenditure will exceed \$25,000.00, the Director shall initiate a report to County Council requesting that the tendering procedure be waived and

that the Director in consultation with the Director of Financial Services or the Chief Administrative Officer be authorized to negotiate with the sole source supplier.

3.13 PROCUREMENT IN EMERGENCIES

3.13(1) An “*Emergency*” includes:

- i. an imminent or actual danger to the life, health or safety of an official or an employee while acting on the County’s behalf;
- ii. an imminent or actual danger of injury to or destruction of real or personal property belonging to the County;
- iii. an unexpected interruption of an essential public service;
- iv. an emergency as defined by the Emergency Plans Act, R.S.O. 1990, Chapter E.9 and the emergency plan formulated thereunder by the County;
- v. a spill of a pollutant as contemplated by Part X of the Environmental Protection Act, R.S.O. 1990, Chapter E. 19 and,
- vi. mandate of a non-compliance order.

3.13 (2) This method of purchasing may be used when the circumstances warrant immediate action or when health and safety or the public interest are in jeopardy, and where this method of purchasing would result in an over-expenditure or a non-budgeted expenditure of \$2,500.00 or more. The Director must consult with the Warden or designate for approval prior to making an emergency purchase and must be reported to Council at the next scheduled meeting.

3.14 DIRECT NEGOTIATION

3.14(1) Unless otherwise provided in accordance with the Purchasing By-Law and this Policy, goods and services may be purchased using the Direct Negotiation method only if one or more of the following conditions apply;

- i. the required goods and services are reasonably available from only one source (also known as single source), by reason of the scarcity of supply in the market or the existence of exclusive rights held by any supplier or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes;
- ii. The required goods and services will be additional to similar goods and services being supplied under an existing contract (i.e. contract extension or renewal);
- iii. An attempt to purchase the required goods and services has been made in good faith using a method other than Direct Negotiation within this policy which has failed to identify a successful supplier and it is not reasonable or desirable that a further attempt to purchase the goods and services be made using a method other than Direct Negotiation;
- iv. The goods and services are required as a result of an emergency, which would not reasonably permit the use of a method other than Direct Negotiation;
- v. The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience.

3.14(2) Any expenditure **exceeding \$50,000.00** for a one-time purchase or over an annual basis must be reported to Council.

3.15 LEASING

3.15 (1) The Council of the County of Elgin may enter into a leasing agreement in accordance with the Municipal Act, 2001, O.Reg.46/94,O.Reg. 266/02.

3.15 (2) In certain circumstances, it may be economically advisable for the County to enter into a Financing Lease to acquire the right to use capital property and equipment rather than an outright purchase.

3.15(3) Leasing is approved as an acceptable means to acquire municipal capital facilities when one or more of the following conditions (goals) are met:

- i. The municipal capital facility cannot be purchased;
- ii. The lease arrangement provide financially attractive interest rates over the entire life of the lease;
- iii. The risk of obsolescence on the leased asset rests with the lessor;
- iv. The leased asset has a high purchase value and is not required on an ongoing basis;
- v. Short term revenues versus capital needs;

3.15(4) A by-law is required for all lease agreements with the exception of leases made in emergency situations. These leases will be reported to Council at the first available opportunity. A bylaw is not required for leases that are short term in nature of 120 days or less.

3.15 (5) Once each fiscal year the Director of Financial Services shall provide a report to Council outlining all current leasing arrangements.

4.0 DISPUTE RESOLUTION

4.1 Disputes shall be resolved as follows:

- i. Meeting between the bidder, the Director of the Department and the Purchasing Co-Ordinator,
- ii. If (i) does not lead to a resolution, the decision can be appealed to the Director of Financial Services and the Chief Administrative Officer,

5.0 EXCEPTIONS

5.(1) A Department may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to County Council. Such one time exemption may be granted by resolution.

6.0 GUARANTEES OF CONTRACT EXECUTION AND PERFORMANCE

6.(1) For all tenders valued at over \$100,000, the following guarantees, bonds, certificates and insurance must form part of the contract unless other securities are deemed appropriate as determined by the Director.

- 1) Bid Bond or Bid Deposit (Certified Cheque)
- 2) Insurance
- 3) Certificate of Clearance from the Workplace Safety and Insurance Board (WSIB)
- 4) Performance Bond valued at 100% of the amount of the Tender bid.
- 5) Labour and Materials Bond valued at 100% of the amount of the Tender bid.

6.(2) In addition to these requirements, the Director shall select additional appropriate means to guarantee execution and performance of the contract. Means may include one or more of, but are not limited to, financial bonds, letters of credit, agreement to bond or other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks. Only those able to bind the Corporation are authorized to execute the agreements/contracts.

6.3 Contracts valued at less than \$100,000 may include guarantees at the discretion of the Director.

6.4 The Bid Bond or Bid Deposit amount shall be as specified in the following table:

Total Tender Amount	Bid Deposit Required
\$100,000.01 to \$250,000.00	\$10,000.00
\$250,000.01 to \$500,000.00	\$20,000.00
\$500,000.01 to \$1,000,000.00	\$40,000.00
\$1,000,000.01 to \$2,000,000.00	\$75,000.00
\$2,000,000.01 and Over	\$150,000.00

Financial Services is authorized to cash and deposit any bid deposit cheques in the County's possession which are forfeited as a result of non-compliance with the terms, conditions and/or specifications of a sealed bid.

7.0 INSURANCE

7.1 (1) The standard insurance minimums are as follows:

- \$2 million – commercial general liability policy
- \$2 million - for each occurrence for bodily injury and property damage
- \$2 million – automobile liability policy
- \$2 million – homeowners(e.g. for rental of facilities)
- \$5 million – commercial general liability and automobile liability policies – for contracts exceeding \$100,000.00
- \$5 million - for each occurrence for bodily injury and property damage for contracts exceeding \$100,000.00
- \$1 million – professional errors and omissions liability
- Builder's Risk – the amount of the project cost

7.1 (2) Bid documents must clearly indicate insurance requirements to be provided by the successful bidder's insurance company.

7.2 Prior to commencement of work and where deemed appropriate, evidence of Insurance Coverage satisfactory to the Director, must be obtained ensuring indemnification of the County of Elgin from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the contract.

7.3 (1) The successful bidder must furnish the County at his/her cost a "certified copy" of a liability insurance policy covering public liability and property damage for no less than the minimum amounts stated in 7.1 (1) to the satisfaction of the County and in force for the entire contract period. The policy must contain:

- i. a "Cross Liability" clause or endorsement;
- ii. an endorsement certifying that **The Corporation of the County of Elgin** and the successful bidder are included as an additional named insured;
- iii. an endorsement to the effect that the policy or policies will not be altered, cancelled or allowed to lapse without thirty days prior written notice to Elgin County.

- 7.3 (2) Contractor's Liability Insurance Policy shall not contain any exclusions of liability for damage, etc. to property, building or land arising from;
- i. the removal or weakening of support of any property, building or land whether such support be natural or otherwise;
 - ii. the use of explosives for blasting;
 - iii. the vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.00.

8.0 EXCLUSION OF BIDDERS

8.1 EXCLUSION OF BIDDERS IN LITIGATION

- 8.1(1) The County may, in its absolute discretion, reject a Tender or Proposal submitted by the bidder if the bidder, or any officer or director of the bidder is or has been engaged, either directly or indirectly through another corporation, in a legal action against the County, its elected or appointed officers and employees in relation to:
- i. any other contract or services; or
 - ii. any matter arising from the County's exercise of its powers, duties, or functions.
- 8.1(2) In determining whether or not to reject a quotation, tender or proposal under this clause, 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 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.

8.2 EXCLUSION OF BIDDERS DUE TO POOR PERFORMANCE

- 8.2(1) The Director shall document evidence and advise Financial Services in writing where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety violations. The Financial Services Department shall centralize the information for future reference.
- 8.2(2) The Director of Financial Services may, in consultation with the County Solicitor, prohibit an unsatisfactory supplier from bidding on future contracts for a period of up to three years.

9.0 RECEIPT OF GOODS

- 9.(1) The Director or designate shall,
- i. arrange for prompt inspection of goods on receipt to confirm conformance with the terms of the contract, and
 - ii. inform the Purchasing Co-Ordinator immediately of any discrepancies.

10.0 REPORTING TO SENIOR MANAGEMENT TEAM AND COUNTY COUNCIL

- 10.(1) The Director of Financial Services or designate shall submit to the Senior Management Team and County Council an information report (semi-annually) containing the details relevant to the exercise of delegated authority for all contracts awarded that exceed \$5,000.00 including amendments and renewals. The Director of Financial Services shall certify in the report that the awards are in compliance with the Purchasing Policy.

11.0 ACCESS TO INFORMATION

- 11.(1) 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 Privacy Act., R.S.O. 1990, as amended.
- 11.(2) All records and information pertaining to tenders, proposals and other sealed bids, which reveal a trade secret or scientific, technical, commercial, financial or other labour relations information, supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:
- i. prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organizations;
 - ii. result in similar information no longer being supplied to the County where it is in the public interest that similar information continue to be so supplied;
 - iii. result in undue loss or gain to any person, group, committee or financial institution or agency; or
 - iv. result in information whose disclosure could reasonably be expected to be injurious to the financial interests of the County.

12.0 ADVERTISING

- 12.1(1) Advertising for Quotations, Tenders or Proposals estimated to exceed \$50,000.00 excluding taxes and freight shall be placed in all local newspapers having a minimum circulation of 4000.
- 12.1(2) In compliance with trade laws, purchases in excess of \$50,000.00 shall also be posted on the County web site to ensure access to all vendors across Canada. Bid documents of a lesser amount may also be posted on the County web site.
- 12.2 Contracts estimated to exceed \$100,000 in value may also be advertised in the London Free Press and/or a trade paper at the discretion of the Director.

13.0 RETENTION OF DOCUMENTATION

- 13.1(1) All background information, information submitted by vendors, and any other relevant information involved in obtaining prices for goods and services shall be retained for the entire budget year and six (6) years in records retention.
- 13.1(2) All background information, information submitted by successful vendor, resulting in a contract or agreement shall be retained for a minimum of twenty (20) years in record retention.

APPENDIX A
LEVELS OF CONTRACT APPROVAL AUTHORITY

Note: Sales taxes, excise taxes, goods and service taxes and duties shall be excluded 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 pre-authorized expenditure limit.

In the case of multi-year supply and/or service contracts, the pre-authorized expenditure limit shall refer to the estimated annual expenditure under the contract.

Value	Procurement Process	Approved Authority	Source of Bid	Report Status
\$5,000 or less	No formal quotes required.	Director.	Purchases made from the competitive market place.	No report to Council required.
Greater than \$5,000 but less than \$50,000	<u>Informal Quotations</u> (3 quotes required – written) or Direct negotiation as a result of Single or Sole Source.	Director.	3 written quotes to be obtained.	No Report to Council required if within 10% of the approved budget allocation.
Greater than \$50,000 but less than \$100,000	<u>Formal Quotations</u> (3 written quotes required)	Director and Director of Financial Services	Advertised in Local paper and on County web site.	No Report to Council required if within approved budget.
Greater than \$100,000	<u>Request for Tender</u>	County Council	Advertised on web site, local paper, may advertise in regional and/or trade paper.	Report to Council
Less than \$50,000	<u>Request for Proposal</u> In place of a Tender or Quotation when goods and services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.	Director and Director of Financial Services. The evaluation criteria and process shall be approved by the Director prior to issuance of the Request for Proposal.	Advertise on web site, may advertise in local and/or regional, and/or trade paper.	No Report to Council required if within approved budget allocation.
Greater than \$50,000	<u>Request for Proposal</u> The evaluation criteria and process shall be approved by Council resolution prior to the issuance of the Request for Proposal. When the preferred proposal i) Exceeds the approved budget appropriation and/or ii) exceeds \$50,000.00, the Director shall submit a report to Council for direction.	County Council	Advertise on web site, local paper and regional, and/or trade paper.	Report to Council.

APPENDIX B
GOODS AND SERVICES NOT SUBJECT TO THIS POLICY

1. Petty Cash Items
2. Training and Education including:
 - i. Conferences
 - ii. Courses
 - iii. Conventions
 - iv. Magazines
 - v. Memberships
 - vi. Periodicals
 - vii. Seminars
 - viii. Staff Development
 - ix. Staff Workshops
 - x. Staff Relations
3. Refundable Employee Expenses including:
 - i. Cash Advances
 - ii. Meal Allowances
 - iii. Travel Expenses
 - iv. Accommodation
4. Employer's General Expenses including:
 - i. Payroll Deduction Remittances
 - ii. Medicals
 - iii. Insurance Premiums
 - iv. Tax Remittances
5. Licenses, certificates.
6. Ongoing maintenance for existing computer hardware and software.
7. Professional and skilled services provided to individuals as part of approved programs within the Corporation including but not limited to medical services, counseling services.
8. Consulting Services (up to \$100,000) where a previously retained firm has provided similar services or has an intimate knowledge of the project and it would be beneficial to have that same firm provide new or extended services.
9. Other Professional and Special Services up to \$100,000 including:
 - i. Additional non-recurring Accounting and Auditing Services
 - ii. Legal Services
 - iii. Banking Services where covered by agreements
 - iv. Public Debenture Sales
 - v. Group Benefits
 - vi. Realty Services regarding the Lease, Acquisition, Demolition, Sale of Land and Appraisal of Land.

APPENDIX "C"
IRREGULARITIES CONTAINED IN BIDS

IRREGULARITY	RESPONSE
Late Bids	Automatic rejection, not read publicly and returned unopened to the bidder.
Unsealed Envelopes	Automatic Rejection.
Insufficient Financial Security (No Bid Deposit or Insufficient Bid Deposit)	Automatic Rejection.
Failure to insert the name of the Bonding Company in the space provided in the Form of Tender.	Automatic Rejection.
Incomplete, illegible or obscure bids or bids which contain additions not called for, erasures, alterations, errors or irregularities of any kind.	May be rejected as informal.
Documents, in which all necessary Addenda have not been acknowledged.	Automatic Rejection.
Failure to attend mandatory site visit.	Automatic Rejection.
Bids received on documents other than those provided by the County of Elgin.	Automatic Rejection.
Failure to insert the Tenderer's business name in one of the two spaces provided in the Form of Tender.	Automatic Rejection.
Failure to include signature of the person authorized to bind the Tenderer in the space provided in the Form of Tender.	Automatic Rejection.
Conditions placed by the Tenderer on the Total Contract Price.	Automatic Rejection
Bids Containing Minor Mathematical Errors	a) 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. b) If both the unit price and the total price are left blank, then both shall be considered as zero. c) If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity. d) If the total price is left blank for a lump sum item, it shall be considered zero. e) If the Tender contains an error in addition and/or subtraction and/or transcription <u>in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied)</u> , the error shall be corrected and the corrected total contract price shall govern. f) Tenders containing prices which appear to be so unbalanced as to likely affect the interest of the County adversely may be rejected.

APPENDIX "D" DEFINITIONS

In this policy, unless a contrary intention appears:

"Agreement" means a formal written legal agreement or contract for the supply of goods, services, equipment or construction;

"Blanket Order" shall mean the agreement wherein a vendor will sell certain items to the County for an agreed period of time with established terms and conditions;

"Bid" shall mean a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the County;

"Bid Deposit" shall mean a financial guarantee to ensure the successful bidder will enter into an agreement;

"Contract" means any formal or deliberate written agreement for the purchase of goods, services, equipment or construction;

"Contract Record" is a document which outlines the terms and conditions of the agreement;

"Council" shall mean the Municipal Council of the Corporation of the County of Elgin;

"Declaration Respecting Workers' Compensation Act, R.S.O. 1990/Corporation Tax Act"
"Certificate of Clearance" means a declaration that a bidder has paid all assessments or compensation payable and has otherwise complied with all requirements of the Workplace Safety and Insurance Board and that the bidder has paid all taxes and/or penalties imposed on it pursuant to the Corporation Tax Act, R.S.O. 1990;

"Director" refers to a head of a department operating within the County of Elgin being responsible for: Administrative Services, Library Services, Financial Services, Engineering Services, Information Technology, Terrace Lodge, Elgin Manor, Bobier Villa, Human Resources;

"Emergency" means an occurrence resulting from an unforeseen action or consequence of an unforeseen event, (trigger event) which must be remedied on a time sensitive basis to avoid a material financial risk, serious delays, injury, further damage or to restore or maintain services;

"Executed Agreement" means a form of agreement, either incorporated in the bid documents or prepared by the County, to be executed by the successful bidder and the County;

"Goods and Services" includes supplies, materials and equipment of every kind required to be used to carry out the operations of a department;

"In-House Bids" also known as "Managed Bids" shall mean that during the Public Procurement Process, an agency within the Corporation of the County of Elgin is not permitted to submit a bid.

"Insurance Documents" shall mean 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 contained in the bid documents;

"Irregularities Contained in Bids" is defined in Appendix C and include the appropriate response to those irregularities;

"Labour and Material Bond" means a bond issued by a surety company on the County of Elgin standard Form of Bond to ensure that the contractor will pay his or her suppliers and thereby protects the Corporation against items which might be granted to a supplier should the contractor not make proper payments;

"Letter of 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;

"Lowest Acceptable Bid" means the lowest price submitted which meets the requirements and specifications as set out in the bid request, minor deviations excepted;

"Normal Operating Expenditure" means expenditure of an operational recurring nature and does not include one-time special or Capital expenditure;

"Performance Bond" means a bond issued by a surety company on the County of Elgin standard Form of Bond executed in connection with a contract and which secures the performance and fulfillment of the undertakings, covenants, terms, conditions and agreements contained in the contracts;

"Procure" "Procurement" "Purchase" means to acquire by purchase, rental, lease or trade;

"Professional Service Supplier" means a supplier of services requiring professional skills for a defined service requirement including,

- i. Architects, auditors, engineers, designers, management and financial consultants;
- ii. Firms or individuals having specialized competence in environmental, planning or other disciplines;
- iii. Information Technology

"Purchasing Designate or Delegate" means a person authorized by the Director to execute the purchase of goods and services;

"Quotation Summary Form" means a written request in an approved format and duly authorize to obtain goods and services;

"Quotation" means a request for prices on specific goods and/or services from selected vendors which are submitted verbally, in writing or transmitted by facsimile as specified in the Request for Quotation;

"Request for Expression of Interest" 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;

"Request for Information" is used prior to issuing a tender call as a general market research tool to determine what products and services are available, scope out business requirements, and/or estimate project costs;

"Request for Proposal" 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;

"Sealed Bid" means a formal sealed response received as a part of a quotation, tender or proposal;

"Single Source" means there is more than one source in the open market but only for reasons of function or service one vendor is recommended for consideration of the particular goods and/or services;

"Sole Source" means there is only one source of supply of particular goods and services;

"Supplier" means any individual or organization providing goods or services to the County of Elgin including but not limited to contractors, consultants, vendors, service organizations, etc.;

"Tender" means a sealed bid which contains an offer in writing to execute some specified services, or to supply certain specified goods, at a certain price, in response to a publicly advertised request for bids;

"Value Analysis" typically refers to a life cycle costing approach to valuing a given alternative, which calculates the long-term expected impacts of implementing the particular option.

APPENDIX "E"

Guidelines for the Execution of Purchases

These guidelines are provided to assist the Director and/or designate should they choose to exercise their authority to purchase goods or services. Guidelines are organized by objective as follows:

Objective 1: Corporate Efficiency

Purchases under this authority must be for unique Departmental requirements, and therefore not duplicated in other Departments, such that Corporate purchasing power or standardization is not a factor in costing. Requirements cannot be split in order to qualify for this process.

Objective 2: Competitive Process

A competitive process is undertaken whereby a minimum of 3 bids is obtained, and the lowest compliant bid is awarded the contract. Care must be taken as to how bids are sought, bidder lists are maintained and how competition is encouraged. Although a minimum of 3 bids is required, an open process without a minimum number of bids will be more competitive, and is encouraged.

Objective 3: Open Process

Departmental needs are communicated to bidders, who are able to bid on goods or services they are qualified to provide. There should be no limitation of bids to an established listing.

Objective 4: Transparent Process

The process is undertaken based on clear definition of the product or service requirement, and a clear outline of the review and criteria to be undertaken. The decision to choose the low bidder will be based solely on the requirements as documented, the bidder document, and the application of the review criteria. The same decision should be arrived at each time given the same set of facts, which will facilitate the dispute resolution process.

Objective 5: Fair Process

The process will be fair, such that no action is undertaken by the County staff to allow any given bidder an unfair advantage. This does not however, require County action to ensure that existing conditions are changed to ensure that any conversion costs from an incumbent to another supplier are ignored in an evaluation – it is in the best interest of the County to ensure that such "leveling of the playing field" is not required.

Objective 6: Insurance and Risk Management

A Liability Insurance Form and WSIB Certificates of Clearance may be submitted as deemed appropriate at the commencement of the project and periodically as the work is completed. The Director may choose to request Performance and Labour and Material Bonds for informal quotations if it is believed to serve the County's best interest.

Objective 7: Authorization for Payment

Quotation Summary Form must be completed, ensuring that the appropriate account has sufficient funds to pay for the contract.

Objective 8: Reporting of Items Conducted under Delegated Authority

The Director of Finance shall produce a report of all purchases in excess of \$5,000 carried out under this authority, in a semi-annual reporting of contracts to Council.

Objective 9: Standardization

In order to assist in cross training, enable multiple bidders to understand the process requirements and ensure that legal and insurance risks are controlled, standard formats will be used for Requests for Quotations. These forms will be updated by Financial Services as appropriate.