

# Corporate Policy

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## 2024 Purchasing Policy Rewrite.docx

Approved by:

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By-law:

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## Policy Statement

Section 270 (1) of the Municipal Act, 2001 requires that Grey County adopt a bylaw and maintain a purchasing policy.

## 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.**

The purchasing policy is inclusive of the following:

- the types of procurement processes that shall be used;
- the goals to be achieved by using each type of procurement process;
- the circumstances under which each type of procurement process shall be used;
- the circumstances under which a tendering process is not required;
- how the integrity of each procurement process will be maintained;
- how the interests of the County, the public and persons participating in a procurement process will be protected; and
- how and when the procurement processes will be reviewed to evaluate their effectiveness.

## 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 all stakeholders 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.

## Fairness Monitor

The County may elect to utilize a fairness monitor, as an independent third party, to observe all or part of a procurement process for any project, and to provide an unbiased opinion on the fairness and transparency of the process to County staff or to Council.

## References and Related Documents

(Placeholder for the Bylaw with this Policy)

[Municipal Act, 2001, S.O. 2001, c. 25 | ontario.ca](#)

[Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50 | ontario.ca](#)

[Canadian Free Trade Agreement \(CFTA\)](#)

[Canada-European Union Comprehensive Economic and Trade Agreement \(CETA\)](#)

[Discriminatory Business Practices Act, R.S.O. 1990, c. D.12 | ontario.ca](#)

[Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56 | ontario.ca](#)

[Construction Act, R.S.O. 1990, c. C.30 | ontario.ca](#)

[Construction Lien Act, R.S.O. 1990, c. C.30 | ontario.ca](#)

[Accessibility for Ontarians with Disabilities Act, 2005, S.O. 2005, c. 11 | ontario.ca](#)

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# 1.0 Terminology

## 1.1 Definitions

In this Policy, 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) “Approved Budget” means a budget approved by Council for the current fiscal year.
- c) “Award Letter” refers to a document, which is used to formalize a transaction with a Bidder.
- d) “Award” means the acknowledgement of the authority to proceed to commit to a bidder(s) for acquisition of goods and services.
- e) “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.
- f) “Bid” means an offer or submission received from a bidder in response to a procurement process, which may be subject to acceptance or rejection.
- g) “Bid Irregularities” is defined in Schedule C Bid Irregularities and includes the appropriate response to these irregularities.
- h) “Bid Security” means certified cheques, bank drafts, or bond surety issued by a surety company or other form of negotiable instrument to ensure the successful Bidder will enter into a Contract.
- i) “Bidder” or “Respondent” means an entity who submits a response to an invitation to bid as issued by the County, to supply goods, services or construction.
- j) “Bidding Portal” refers to an online bidding website utilized by the County to facilitate distribution and receipt of a variety of bid types. The Bidding Portal utilized by the County will be indicated in Bid Documents.
- k) “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.

- l) “C.A.O” means the Chief Administrative Officer of the Corporation of the County of Grey, or their delegated authority.
- m) “Clearance Certificate” is a unique number issued by the Workplace Safety and Insurance Board (WSIB) to registered businesses, which shows that a business, contractor or subcontractor is registered and up-to-date.
- n) “Clerk” means the Clerk of the Corporation of the County of Grey, or their delegated authority.
- o) “Competitive Bidding Process” means a procurement method where three or more bidders are given an equal opportunity to submit bids in accordance with County policy and procedures.
- p) “Conflict of Interest” 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;
- q) “Contract” means an agreement between the County and another party for the purchase of goods, services or construction.
- r) “Council” means the municipal Council of the Corporation of the County of Grey.
- s) “County” refers to the Corporation of the County of Grey.
- t) “Delegated Authority” means the Council approved legal right to conduct the tasks outlined in this Policy.
- u) “Deputy CAO’ means the Deputy Chief Administrative Officer of the Corporation of the County of Grey, or their delegated authority.
- v) “Director” means the head of a department operating within the Corporation of the County of Grey, or their delegated authority.
- w) “Department” means a Department within the County that requires the goods, services or construction and for which the Manager or their delegated authority is the contact for the purpose of the procurement process.

- x) “Execute” in relation to any document developed pursuant to this Policy means to sign by the authorized officers of the parties, and “Executed” has a corresponding meaning.
- y) “Goods and Services” includes supplies, technology software and hardware, consulting, materials and equipment of every kind required to carry out the operations of a department.
- z) “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.
- aa) “Insurance Documents” means certified documents, including a certificate of insurance, issued by an insurance company licensed to operate by the Government of Canada or the Province of Ontario certifying that the successful Bidder is insured in accordance with the County’s insurance requirements as specified in the bid documents.
- bb) “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.
- cc) “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 their direct subcontractors and/or suppliers for labour and materials to protect the County against liability to the contractor’s direct subcontractor and suppliers should the Contractor not make proper payments.
- dd) “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.
- ee) “Manager” means the head of a department within the County who reports to the Director, and is responsible for procurement processes of their respective department, or their delegated authority.
- ff) “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.



- gg) “Prequalification” means a solicitation for details on bidders’ backgrounds, capabilities and resources, and the goods or services they are offering to pre-select bidders to be invited to submit bids on a subsequent competition.
- hh) “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.
- ii) Purchasing Manager means the Purchasing Manager for the Corporation of the County of Grey, or delegated authority.
- jj) “Purchase Order” means the purchasing document used to formalize a purchasing transaction with a Supplier or Vendor.
- kk) “Request for Expression of Interest (EOI)” is a focused market research tool used to determine bidder interest in a proposed procurement.
- ll) “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.
- mm) “Request for Pre-Qualification (RFPQ)” is a procurement process used to prequalify bidders for subsequent participation in an invitational bidding opportunity, rotational roster or other prescribed method as may be appropriate.
- nn) “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 bidders to propose solutions or methods to arrive at the desired result and each proposal is evaluated based on defined criteria.
- oo) “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.
- pp) “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.
- qq) “Rotational Roster” means a list of pre-qualified Suppliers and Vendors, which is utilized to provide services to the County.

- rr) “Senior Management” includes the CAO, Deputy CAO, and all Directors of the County.
- ss) “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.
- tt) “Sole Source” means when there is only one available supplier of the required goods or services.
- uu) “Supplier” and “Vendor” means any individual, entity, company or organization providing goods or services, including construction, to the County, including but not limited to contractors, consultants and service organizations.
- vv) “Unsolicited Proposal” means submission from any source whereby a Department believes that the proposal may be of benefit to the County and the information has not been submitted in response to a bid call.
- ww) “Warden” means the Warden for the Corporation of the County of Grey.

## 2.0 General

### 2.1 Administration

- a) The Purchasing Manager, or delegated authority, will administer this Policy.

### 2.2 Questions

- a) Any questions involving the meaning or application of this Policy are to be submitted to the Purchasing Manager who will resolve the question.

### 2.3 Compliance

- a) No contract or purchase shall be divided to avoid any requirements of this Policy.
- b) Departments shall initiate purchases only for unique Department requirements to ensure that purchases are not duplicated in other Departments, and to take advantage of corporate purchasing power. When staff have decided that corporate purchasing power is a factor and the goods or services involve more than one Department, the Purchasing Manager may issue the bid document on behalf of all relevant Departments.
- c) Notwithstanding the provisions of this Policy, 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.

- d) No County employee or member of Council is permitted to negotiate with a Supplier, or accept an offer from a supplier, to purchase a good or service for personal use, utilizing a contract that is being offered by the Supplier to the County.
- e) The County will not consider In House Bids for goods and services which competes with the private sector during any procurement process.

## 3.0 Authorization

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. Only Council has the authority to add or remove items from the approved annual budget. Staff do not have authority to add or remove items from an approved budget to account for shortfalls in other projects.

### 3.1 Authority to Award

- a) Schedule “A”, attached to and forming part of this Policy, 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) Authorization limits for payment are outlined on Schedule “B”, attached to and forming part of this Policy

### 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 (with approved Council resolution) 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) An approved Council resolution is required to procure up to 50% of the gross expenditures of the future year(s) of the current 10-year approved capital forecast.

## 4.0 Procurement Methods

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

Direct Purchase	Request for Quotation	Request for Tender	Request for Proposal and other Methods
Up to \$20,000	\$20,001 to \$75,000	Over \$75,000	Any \$ Amount

### 4.1 Direct Purchase

- a) Direct Purchases, as described below, may be used when:
  - i) The dollar value of the goods or services is less than \$20,000; or
  - ii) The goods or services are not covered under a standing contract.
- b) Staff is authorized to use a direct purchase method for making small order purchases with approval of their Manager or Director as appropriate.
- c) Staff is encouraged to obtain three quotes wherever possible. Obtaining competitive quotes is considered good business practice and should be exercised.
- d) Direct purchases should be made using one of the following methods and in accordance with any existing policies and/or procedures associated with each:
  - i) In writing via; email, vendor quotation or other written means;
  - ii) a Purchase Order, if available;
  - iii) a pre-arranged method whereby the Supplier has agreed to invoice the County;

- iv) a corporate credit card; or
- v) petty cash.

#### 4.2 Request for Quotation (RFQ)

- a) RFQ procedures will be used when:
  - i) The budgeted cost of the item is between \$20,001 and \$75,000;
  - ii) The ability exists to detail what is being purchased;
  - iii) Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets specifications;
  - iv) It is the Department's responsibility to prepare the specification and review the document prior to issuance. The Purchasing Manager will create and issue the RFQ.
- b) The RFQ method allows potential bidders to be invited to participate in the quotation process. Departments are required to provide contact information for a minimum of three operative bidders.
- c) A fair and competitive process is undertaken whereby a minimum of three quotes are sought using fair and ethical purchasing practices and the lowest compliant bidder is awarded the Contract. These bids must be kept on file for a minimum of seven years for auditing purposes. Although a minimum of three quotes is sought, an open process without a minimum number of bids will be more competitive and is encouraged.
- d) A summary of bids will be prepared and awarded to the lowest compliant bidder subject to signed approval, as per Schedule "A". This summary will be kept with the Purchasing Manager. Any irregularities resulting in rejection of a bid shall be documented and kept in the procurement file.

#### 4.3 Request for Tenders (RFT)

- a) RFT procedures shall be used when:
  - i) the cost of the item is greater than \$75,000;
  - ii) the ability exists to detail what is being purchased;
  - iii) 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.

- b) The Department is responsible for providing detailed specifications to the Purchasing Manager. The Purchasing Manager shall incorporate the specification section of the Request for Tender and facilitate the tendering process.
- c) All RFTs shall be advertised in accordance with Section 8.00 of this Policy.
- d) All tendered bids will be issued and received within the Bidding Portal, unless decided otherwise by the Purchasing Manager.
- e) The Purchasing Manager and a representative from the Department will open Bids and review pricing. Prior to award, the Purchasing Manager shall review all bids received to ensure there are no irregularities and that all terms and conditions have been met. The Department will review the bids and advise the Purchasing Manager of any non-compliance to specifications.
- f) In accordance with Schedule A procedures, the Department in consultation with the Purchasing Manager or Consultant (as applicable), will provide a recommendation for award.
- g) If an award report is required, it 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.

#### 4.4 Request for Proposals (RFP)

- a) RFP procedures shall be used when:
  - i) the solution to the requirement cannot be accurately specified
  - ii) innovative solutions are required
  - iii) To achieve Best Value, the Award selection will be made based on a previously fully disclosed evaluation method involving a combination of mandatory and desirable requirements.
- b) The RFP method of purchase is a competitive method of purchase that may result in further negotiation with the short-listed and/or successful highest ranked bidder prior to a purchase order or contract being finalized.
- c) 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 and approved by Council prior to being issued.

- d) The Department shall provide the Terms of Reference section of the RFP and the Purchasing Manager will incorporate it into the approved Request for Proposal process.
- e) All RFPs shall disclose the weighted evaluation criteria that will be used to make an Award.
- f) The Purchasing 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 Department, with input from the Purchasing Manager where required.
- g) The Department may identify appropriate criteria from the list maintained by the Purchasing 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.
- h) 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%.
- i) All RFPs shall be advertised in accordance with Section 8.00 of this Policy.
- j) RFP's will be accepted through the Bidding Portal unless it is not possible to do so.
- k) Public openings are not required with the RFP process. The County will only disclose the names of the Respondents who submitted in results posted to the Bidding Portal.
- l) 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, and reach consensus on the final rating results. The Purchasing Manager will facilitate the scoring process of the submissions and keep any supporting documents in the respective procurement file.
- m) When required in accordance with Section 10, the Department in consultation with the Purchasing Manager or Consultant (as applicable) shall submit a comprehensive report to Council which will

contain a recommendation for award to the Respondent meeting all mandatory requirements and providing Best Value as stipulated in the RFP.

- n) Public reporting will not include summaries of rankings, including pricing for unsuccessful bids, as this information will remain confidential. Any public disclosure of information shall be made by the Clerk in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990.
- o) Unsuccessful Respondents may, upon request, attend a debriefing session with the Purchasing Manager to review the scoring results of their proposal. Discussions relating to any proposal of any other Respondent will be strictly prohibited. This debriefing session is intended to provide general feedback regarding the Proponent's rating on various criteria to allow the Proponent to understand where future improvements might be applicable.

#### 4.5 Rotational Rosters

- a) A Rotational Roster is the result of a competitive bidding process, which prequalifies bidders to be placed on a list where they will be provided an equal opportunity to perform work for the County as it becomes available.
- b) Rotational rosters can only be utilized where budget is predetermined for maintenance requirements.
- c) Once bidders have been selected through the prequalification and evaluation processes, they are placed on a roster based on an undisclosed score. The number of bidders placed on a rotational roster should reasonably reflect the requirement over a period of five years. Only those bidders placed on the roster will have the opportunity to perform work.
- d) Rotational Rosters may only be used to obtain services.
- e) When services are required the appropriate roster is utilized to select the Supplier.
- f) Subsequent service requirements will follow the same process allowing the next bidder on the list the opportunity to perform work for the County. If a bidder declines a specific project, that bidder moves to the bottom of the roster as if the bidder had accepted the project.
- g) Departments in accordance with the goals and objectives of this Policy shall maintain rotational Rosters.



- h) A Rotational Roster will be valid for a period no longer than five years from the date it was established, at which time the competitive bidding process will be conducted to re-establish the Roster.
- i) Purchases awarded to a bidder on a rotational roster shall not exceed \$75,000 per project.
- j) Each roster will remain open to allow for the addition of bidders.

#### 4.6 Cooperative Purchasing

- a) Grey County supports membership in cooperative initiatives that the Purchasing Manager deems beneficial to the County. The Purchasing Manager has the authority to participate in Group Purchasing Opportunities (GPO's) such as but not limited to:
  - i) Vendor of Record provided by the Ministry of Public and Business Service Delivery and Procurement;
  - ii) Ontario Education Collaborative Marketplace (OECM);
  - iii) Local Authority Services (LAS);
  - iv) Canoe Procurement Group of Canada;
  - v) Kinetic GPO; and
  - vi) Public Services and Procurement Canada
- b) The policies of the GPO calling the cooperative bid solicitation are to be the accepted procedure for that purchase unless additional terms specific to the County are negotiated with the successful bidder.
- c) Award of a Contract shall be in accordance with Schedule "A" Authority to Award.

#### 4.7 Single Sourcing

- a) Single Sourcing is a method of procurement whereby there is more than one bidder 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:
  - i) Expiration of a contract has occurred, and user group wants to maintain and ensure the level of service and pricing.
  - ii) Disclosure of information in an open contract competition would breach some duty of confidentiality or compromise security.

- iii) Compatibility of a purchase with existing equipment, product standards, facilities or professional services is an overriding consideration (i.e. fleet management, parts standardization).
  - iv) There is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular vendor.
  - v) An unforeseeable situation of urgency exists and the Goods and/or Services cannot be obtained in time by means of open procurement.
  - vi) The County has a rental contract with a purchase option and such purchase option is beneficial to the County.
  - vii) 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 County.
  - viii) An attempt to acquire the goods and/or services by soliciting competitive bids has been made in good faith but has failed to identify more than one willing and compliant supplier.
  - ix) There are no bids in response to a Bid Solicitation.
  - x) When competitive procurement may be found to be impractical.
  - xi) 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
  - xii) 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.
  - xiii) When an urgent procurement is necessary for fulfilling a statutory order issued by a federal or provincial authority (i.e. a compliance order)
- b) Any Single Source purchase with an amount between \$20,000 and \$74,999 must be submitted to the Purchasing Manager by the applicable Director. Approval will come from the Purchasing Manager in consultation with the Director of Finance.
  - c) Any Single Source purchase exceeding the amount of \$75,000 must be approved by Council. Input must be sought from the Purchasing

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

#### 4.8 Sole Sourcing

- a) 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:
  - i) One vendor possessing the unique ability or capability to meet the requirements of the Corporation due to a patent, sales/distributor agreement or copyright.
  - ii) Service is obtained from a public utility.
  - iii) The supply relates to necessary unique replacement parts from an exclusive source of supply.
  - iv) 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.
  - v) To maintain warranty or service agreement compliance for purchased products.
  - vi) When the required item is covered by an exclusive right such as a patent, copyright or exclusive license.
- b) Any Sole Source purchase with an amount between \$20,000 and \$74,999 must be submitted to the Purchasing Manager by the applicable Director. Approval will come from the Purchasing Manager in consultation with the Director of Finance.
- c) Any Sole Source purchase exceeding the amount of \$75,000 must be approved by Council. Input must be sought from the Purchasing Manager to ensure the purchasing principles in this Policy are taken into consideration and risk to the County is managed.

#### 4.9 Negotiation

- a) Negotiation may only be used under the following circumstances:
  - i) those outlined in sole and single sourcing;
  - ii) as a result of an RFP process, if required;
  - iii) 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 County be unable to reach an agreement with the lowest compliant bidder, the County 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 10 – whichever is deemed to be in the best interest of the County;

- iv) there is only one source of supply;
  - v) the lowest bid meeting specifications is in excess of available budget;
  - vi) all bids received failed to meet the specifications and/or tender terms and conditions and it is impractical to recall tenders or formal quotes.
- b) Under the direction and control of the Purchasing Manager, the requirement for competitive bid solicitation for goods and services may be waived under the authority of this Policy and replaced with negotiations as it relates to the circumstances within Sections 4.7 Single Sourcing and Section 4.8 Sole Sourcing.

#### 4.10 Emergency Purchases

- a) Notwithstanding the provisions of this by-law, an emergency purchase shall be made, with authorization from a Director, when an event occurs that is determined by the Warden, the C.A.O. or Director, to be a threat to any of the following:
- i) an imminent or actual danger to the welfare of any person or the destruction of public property or tangible or intangible assets of the County;
  - ii) the security of the County's interests and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive call for Bids;
  - iii) an unexpected interruption of an essential public service;
  - iv) an emergency as defined by the Emergency Management Act, 2007 and the emergency plan formulated 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;
  - vi) mandate of a non-compliance order;
- b) The Process for an emergency purchase will include the following:

- i) non-competitive procurement or negotiation methods may be utilized;
- ii) any Purchase Order or contract issued under such conditions together with a source of financing shall be justified and reported by the Department in the quarterly purchasing report (over \$75,000).

#### 4.11 Requests for Expressions of Interest (REOI)

- a) Requests for Expression of Interest may be issued to obtain information on the availability and interest of suppliers of any goods or services.
- b) Requests for Expression of Interest are used to assess vendor capabilities, or to conduct market research, without the intention of evaluating the responses or awarding a contract.
- c) An REOI 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.

#### 4.12 Requests for Information (RFI)

- a) RFI may be issued by staff in conjunction with Purchasing to provide staff with an understanding of potential solutions/needs.
- b) 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 Bidders.
- c) RFI may or may not lead to a formal bid process.

#### 4.13 Request for Prequalification (RFPQ)

- a) RFPQ may be issued to prequalify bidders 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 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.
- b) A Bidder may be pre-qualified by providing an acceptable response to a Request for Pre-Qualification. Selection of pre-qualified bidders will be based on fully disclosed evaluation criteria, which may include: experience from similar work; verification of applicable licenses and

certificates; financial capability and other criteria deemed important by the County.

- c) As a result of pre-qualification, the County will only allow those pre-qualified Bidders to participate in the subsequent bidding process for the scope of work and/or services as specified in the RFPQ document.
- d) Pre-qualification may be used on a project specific basis or for a group of projects that are similar in scope for which the same category of Supplier would be utilized.

#### 4.14 Blanket Order Contracts

- a) 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.
- b) A Blanket Order Contract 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) it is beneficial for the County to enter into a multi-year contract for goods or services to provide efficiencies or economies of scale.
  - iv) To establish prices and select sources, Department Managers shall employ a procurement method contained in this Policy for the acquisition of goods and services.
- c) The Blanket Order Contract shall contain standard language provided by the Purchasing Manager. The Department shall maintain each contract in accordance with its terms and conditions and this Policy.
- d) Blanket Order Contracts should, when applicable, define source and price with the selected supplier(s) for all frequently used goods or services;
- e) 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;
- f) A Department shall initiate a purchase for frequently used goods or services with the Supplier(s) listed in the Blanket Order Contract;
- g) 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;

- h) The term of a Blanket Order Contract will be determined by the Purchasing Manager in consultation with the Department. 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.

## 5.0 Technology Procurement

- a) The procurement of information technology goods and services, including software applications, requires consideration of extra criteria specific to technology. These issues include:
  - i) Cybersecurity consideration and assessment;
  - ii) Compatibility with existing systems;
  - iii) Requirements to integrate with current applications;
  - iv) Adherence to design and technology standards.
- b) Any process to procure technology, whether competitive and open or single- / sole-source procurements requires the following:
  - i) Director of Information Technology (“IT”) or their delegated authority to approve of the technology requirements laid out in the RFP or design specifications;
  - ii) Director of Information Technology (“IT”) or their delegated authority will provide cybersecurity requirements to be included in procurement documents. Bidders that fail the County’s cybersecurity assessments may be eliminated from the procurement process.
  - iii) Vendors that require access to Grey County’s network or systems or have access any sensitive data under that County’s control, are required to sign a non-disclosure agreement before the contract can be started.

## 6.0 Agreements and Contracts

### 6.1 Form of Agreements and Contracts

- a) An Award pursuant to this Policy may be made by way of Contract, Agreement, Award Letter or Purchase Order.

- i) An Award Letter and/or Purchase Order is to be used when the bid document contains the required terms and conditions to form a contract. The Purchase Order will be completed in accordance with the procedures associated with the County's Purchase Order system, where available.
- ii) Following award and if required, an Agreement may be considered. It shall be the responsibility of the Department, in consultation with the Purchasing Manager, Clerks and/or a Consultant or County Solicitor, if necessary, to determine if it is in the best interests of the County to enter into an Agreement with the Successful Bidder.

## 6.2 Requirements Prior to Commencement of Work

- a) The County will not authorize the commencement of any work until all required documentation identified in the bid document, or agreement has been received in the satisfactory form. Such documentation may include but is not limited to:
  - i) executed bonding
  - ii) insurance documentation
  - iii) clearance certificate or applicable documentation from WSIB
  - iv) any other documentation required to facilitate the execution of the Contract as detailed in all procurement documents.

## 6.3 Exercise of Contract Extension

- a) Where a bid document for goods or services contains an option for renewal, the Department 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 Department 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".

## 6.4 Execution and Custody of Documents



- a) Applicable contracts and agreements which are outside of the procurement process are signed in accordance with the Delegation of Duties Bylaw.
- 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.

#### 6.5 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.

### 7.0 Vendor Performance

- a) A Department may complete an evaluation of an awarded Vendor's performance on any project at any time during the work activities, and/or upon completion of the project. Performance issues shall be noted in writing. Performance issues shall also be noted in any site meeting or project meeting minutes for resolution purposes during the project.
- b) The Department will complete the Performance Report for the Vendor with a copy provided to the Purchasing Manager and filed in the Department's project file. The report shall evaluate the performance of the Vendor on standard criteria developed. All documentation pertaining to any substandard evaluations and comments will be provided to the Purchasing Manager.
- c) The Department will forward a copy of the completed evaluation to the Vendor for their records.

### 8.0 Public Notice

#### 8.1 Advertising

- a) The minimum form of advertising for opportunities of \$75,000 or more will be a posting on the County website via a link to the Bidding Portal.
- b) All bidding opportunities will be available in compliance with CFTA/CETA obligations.

- c) If a pre-qualification process has taken place to short-list potential Bidders 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 it is over \$75,000.
- d) Advertising in any publication or website is the financial responsibility of, and at the discretion of, the Department.
- e) These advertising provisions do not apply to direct purchases, sole and single sourcing, negotiation, emergency purchasing, and other procurement processes initiated by the County in which bid documents are supplied to selected prospective bidders as provided in this Policy.

## 9.0 Risk Management

### 9.1 Bid Security and Guarantees

- a) The Purchasing Manager, in consultation with the Department, will determine whether a bid deposit or bid bond is required for a project and select the appropriate means to guarantee execution and performance of a contract. The means may include one or more of but are not limited to; bid deposits, bonds, financial bonds, or other forms of security deposits, provisions for liquidated damages, progress payments, and holdbacks.
- b) The Purchasing Manager 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.
- c) The amount of the bid deposit or bid bond, if required, will be reflective of the project budget while offering adequate protection to the County in case of default by the bidder selected for award, and will be no less than 10% of the bid price.
- d) Construction contracts that exceed \$500,000 will adhere to the requirements of the Construction Act and the Construction Lien Act for guarantees.

### 9.2 Bid Deposits

- a) Bid Deposits shall be clearly specified in the bid documents.
- b) The method of bid deposits accepted by the County are:
  - i) Certified Cheque, Bank Draft or Money Order made payable to the Corporation of the County of Grey
  - ii) Irrevocable Letters of Credit that are unconditional, issued from a banking institution, naming the Corporation of the County of Grey as the beneficiary.
- c) 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.
- d) All Bid Deposits must be in their original form and include authorized signatures. Photocopies and facsimiles are not acceptable.
- e) The County is authorized to access any Bid Deposit in its' possession that is forfeited as a result of bid withdrawal after closing.
- f) Bid deposits in the County's possession that are forfeited, will be shared prorata in a joint procurement process.
- g) 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.
- h) The County reserves the right to utilize the bid deposit of a Supplier or Vendor awarded a contract as performance security.

### 9.3 Bid Bonds and Agreements to Bond

- a) Bid Bonds and Agreements to Bond must be 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.
- b) Bid Bonds and Agreements to Bond must be irrevocable for a minimum of sixty days but can be requested to remain irrevocable for a longer period at the discretion of the County.
- c) The bid document will state in greater detail, that the County will only accept Bid Bonds and Agreement to Bonds in an electronic or digital form that are verifiable with respect to the totality and wholeness of the bond form.
- d) Bonds failing the verification process will NOT be considered to be valid.

- e) Bonds passing the verification process will be treated as original and authentic.

#### 9.4 Performance Bonds and Labour and Material Bonds

- a) The Purchasing Manager will request the following guarantees for Contracts over \$500,000 as required under the Construction Act of Ontario:
  - b) Performance Bond to guarantee the faithful performance of the Contract for no less than 50% of the bid amount;
  - c) Labour & Material Bond for no less than 50% of the bid amount to guarantee the payment for labour and materials that are supplied from the contractor's direct suppliers and subcontractors in connection with the contract.
  - d) Maintenance Bond to guarantee the fulfillment of the contractor's obligation under the warranty clause of the contract.

#### 9.5 Holdbacks

- a) A 10% holdback shall be mandatory on all construction contracts exceeding \$500,000.
- b) Additional holdbacks may be permitted in compliance with other County policies as applicable.
- c) Holdbacks will be released by the County's Finance Department upon receipt of authorization from the Department Manager, to release the holdback.
- d) 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 Department Manager 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 Department Manager to notify the Contractor of the holdback to address the deficiency.
- e) Prior to providing notice to release the holdback, the Department must ensure all of the following:
  - i) All terms and conditions of the contract have been completed to the satisfaction of the Department Manager;
  - ii) Receipt of a current clearance certificate from WSIB;

- iii) Receipt of Statutory Declaration of progress payment distribution by the contract All requirements of the Construction Lien Act (as amended) have been satisfied.

## 9.6 Insurance

- a) Prior to execution of the contract, or where deemed appropriate by the County's Insurer, Purchasing Manager or Department, evidence of satisfactory insurance coverage must be obtained from the successful bidder's insurance agent or broker, ensuring indemnification of the County from any and all claims, demands, losses, costs or damages resulting from the performance of the successful bidder's obligations under the Contract.
- b) Insurance coverage and limits may 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) homeowner's liability Policy (for leasing of facilities, entrance permits, etc.)
  - iv) professional errors and omissions liability
  - v) Builder's Risk
  - vi) Cyber risk
  - vii) Abuse liability
- d) All standard bid documents must indicate the insurance requirements to be provided by the successful Bidder.
- e) All Suppliers and Vendors must supply a Certificate of Insurance (COI) confirming the required coverage for the duration of the contract. The COI must include, as a minimum, naming the County as an additional insured inclusive of a cross-liability clause.

## 9.7 Workplace Safety and Insurance

- a) All Suppliers and Vendors must provide the County with evidence of WSIB coverage prior to starting work as follows:
  - i) A current WSIB clearance certificate; OR

- ii) Independent operator status as determined by WSIB

## 9.8 Dispute Resolution

- a) In the event that a Supplier identifies a dispute regarding any process outlined in this policy, the County shall follow the steps below:
  - i) meeting between the Supplier, the Director of the Department and the Purchasing Manager
  - ii) if (i) does not lead to a resolution, the decision can be appealed to the Director of Finance who will then convene a Review Committee.
  - iii) The Review Committee shall hear from both County staff and the Supplier at a time and place decided by the Committee. The Review Committee shall be comprised of the Chief Administrative Officer, Director of Financial Services and two (2) Directors or their designates. A quorum of the Review Committee shall be two of the four members.
- b) The decision of the Review Committee shall be in writing, a copy of which shall be provided to the Supplier and the Purchasing Manager.
- c) The decision of the Review Committee shall be final.

## 9.9 Exclusion of Bidders in Litigation

- a) The County may, in its absolute discretion, reject a bid or proposal submitted by a 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 arbitral process, against the County.

- c) 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.

#### 9.10 Suspension of Vendors

- a) The Purchasing Manager, in consultation with the Department, 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.
- b) The County may consider the following actions to address unsatisfactory performance of a Vendor:
  - i) place Vendor on a probationary list for a minimum of two years during which time it shall be permitted to bid or propose work for the County; the work of those on probation will be closely monitored;
  - ii) suspend Vendor from bidding on any contracts with the County during a three- year period, followed by a one-year probationary period after re-instatement.
- c) The County will advise the Vendor in writing of the action taken.
- d) The Vendor may request a meeting with the County to discuss the suspension and shall have 20 calendar days following delivery of the notice to request an appeal. This appeal shall be forwarded to the Purchasing Manager.
- e) The appeal will be conducted in accordance with the Dispute Resolution section of this Policy.
- f) In reaching a decision, the Dispute Committee shall be entitled to rely upon a completed performance evaluation 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 County reserves the right to not renew contracts, or accept the suspended Vendor as a subcontractor for any contract during the term of the suspension.
- i) A Vendor whose bidding rights have been suspended may request, in writing to the Purchasing Manager, reinstatement of bidding rights at any time after the expiry date of the suspension period specified in the written notice given.

#### 9.11 Tie Bids

- a) Two Bids - In the case of tie bids between two responsive and responsible Bidders and, where multiple awards are not an alternative for award, the County shall determine the successful Bidder by coin toss. The Purchasing Manager and at least two members of the Department must be present for the coin toss.
- b) Three Bidders or More - 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. The Purchasing Manager and at least two members of the Department must be present for the draw.

#### 9.12 Scope and Contract Changes

- a) Projects awarded at \$75,000 and under - Any change orders or contract changes that are in excess of \$7,500 over the awarded amount (regardless of the approved budget amount), must be approved by the Director of Finance, prior to issuing a change order request to the Supplier.
- b) Projects awarded over \$75,000 - Any change orders or contract changes that are in excess of 10% over the awarded amount (regardless of the approved budget amount), must be submitted to the Purchasing Manager for the approval by the Director of Finance and the Chief Administrative Officer, prior to issuing a change order request to the Supplier.
- c) Completed projects awarded over \$500,000 - Project awarded over \$500,000 that went over budget by 20% or more of the awarded amount including contingency, will be communicated by the



Department Director in a separate report (not within the quarterly report) to Council.

## 10.0 Reporting to Council

### 10.1 Council

- a) Reports requiring Council approval will be prepared by the Department and the Purchasing Manager. The following procurements are subject to Council approval:
  - i) When Provincial or Federal government requires Council to approve.
  - ii) The award cannot be accommodated within an approved budget and requires a Council approved budget transfer, or a pre-commitment against a future year's capital budget.
  - iii) The Chief Administrative Officer or Director of Finance deems it in the County's best interest that Council approves the award.
  - iv) Single and Sole Source awards exceeding \$75,000.
  - v) Council has specifically directed that Council approve the award.
  - vi) Any project awarded over \$500,000 that has change orders exceeding the awarded amount by 20% or more (Information Only).
  - vii) Requests for additional funds for goods or services not included in the current year's budget.
  - viii) Any contract where the award is not being recommended to the lowest compliant bidder.
  - ix) Any contract anticipated to be financed by debentures.
  - x) Where authority to award has not been expressly delegated.

### 10.2 Quarterly Update

- a) Each Department, in consultation with the Purchasing Manager, will provide a quarterly report to Council, for contracts exceeding \$75,000 and contracts resulting in revenue exceeding \$75,000, which will highlight all budgetary changes if applicable.

### 10.3 Award of Contracts for Tenders

- a) Tenders requiring Council approval in accordance with Section 10 should include the following information in the report to Council:

- i) date the RFP was issued and date of closing
- ii) description of Supplies/Services being procured
- iii) number of bids submitted at time of closing
- iv) number of submissions disqualified or rejected as informal
- v) names and prices, exclusive of all applicable taxes, of all bids meeting requirements
- vi) source of funding
- vii) any other pertinent information

#### 10.4 Award of Contracts for Requests for Proposal

- a) Proposals requiring Council approval in accordance with Section 10 should include the following information in the report to Council:
  - i) description of Supplies/Services being procured
  - ii) date the RFP was issued and date of closing
  - iii) number of proposals received
  - iv) number of proposals disqualified or rejected at time of opening
  - v) names of bidders from whom proposals were received (that were not disqualified)
  - vi) list of pre-established criteria and weighting used to evaluate the submissions with applicable description of the process
  - vii) positions of the members of the evaluation committee
  - viii) source of funding

## 11.0 Standardization

### 11.1 Standardization of Documents

- a) 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 Policy
- b) The standard formats and language for the above documents will be developed by the Purchasing Manager, 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 Department.
  - 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 the Purchasing Manager. Where the County's standard documents are not being used, the document shall be provided to the Purchasing Manager for review prior to issuance or execution. The Purchasing Manager will recommend review by an outside legal entity if deemed to be in the best interest of the County.

#### 11.2 Standardization of Goods and Services

- a) 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.

## 12.0 Accessibility and Procurement

- a) The County, to the extent possible, shall incorporate accessibility design, criteria and features, when procuring or acquiring goods, services or facilities in accordance with the AODA. Where it is not practicable to incorporate the said accessibility design, criteria and features when procuring or acquiring goods, services or facilities, the County shall be prepared to provide, upon request, an explanation as to why this is the case. (Ontario Regulation 191/11).

- b) The County will require that anyone providing goods, services, or facilities on behalf of the County has received training on the accessible customer service standard (IASR) and the Ontario Human Rights Code. (Ontario Regulation 191/11).

## 13.0 Materials Management and Inventory Control

### 13.1 Responsibility of Director

- a) All Directors 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.

### 13.2 Disposal of Surplus Goods

- a) All Directors, in consultation with the Purchasing Manager, shall be responsible for the disposal of all surplus goods.
- b) All Directors shall notify the Purchasing Manager when items become obsolete or surplus to their requirements.
- c) The Purchasing Manager, with the assistance of the Department, shall ascertain whether items falling under their respective authorities can be of use to another municipality or Department rather than being disposed of. This may be by way of an email informing to municipalities and other departments of the availability or some other way of ascertaining interest.
- d) Items that are not of interest to another municipality or Department 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 County, such as 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 of the item. In establishing a minimum bid, the Department may consult with the current online auction provider.
- f) The 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, and not for the purpose of being re-sold. All donated surplus assets must be approved by the Director of Finance.

## 14.0 Conflict of Interest

- a) It is the responsibility of all staff and Council members involved in a procurement process 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.

## 15.0 No Local Preference

- a) The County imparts fair and impartial award recommendations for all contracts and tenders. This means that no extension of preferential treatment is provided to any bidder, 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 bidders 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, s.2., there shall be no local preference given to any Bidder when awarding a Bid for purchase of Goods and Services for the County.

## 16.0 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) The Purchasing Manager shall advise Directors where a procurement action may not conform to an applicable trade agreement as early as possible in the procurement process.

## 17.0 Purchasing Policy and Process

### 17.1 Policy Review

- a) The Purchasing Manager shall review departmental purchasing related files from time to time to determine the effectiveness and integrity of the processes and to monitor Policy adherence.
- b) The Purchasing Manager, on a regular basis, will lead a review of this Policy and make recommendations to be presented to Senior Management for inclusion in a report to Council. This Policy may be reviewed as required.

## Schedule “A” Authority to Award

This Schedule outlines Delegated Authority and Council authority requirements for awarding 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 operational multi-year contracts with a net expenditure over \$75,000 annually, Council approval will not be required. The award and contract length will be presented in the quarterly report.

Service agreements resulting from awards endorsed by Council are delegated to the Director of Finance and the appropriate Department Director for signature.

Authority to Award	Dollar Value	Minimum Method of Procurement
Any employee authorized by Director	Less than \$20,000	Direct Purchase
Manager as authorized by Director	\$20,000 - \$75,000	Request for Quotation / Proposal
Directors, Deputy CAO or CAO	Over \$75,000	Request for Tender / Proposal / Negotiation
Council	unlimited	In accordance with Section 10

NOTE: Any project budgeted over \$75,000 where the award amount is greater than the Council approved budget, must be approved by Director of Finance.

Any project budgeted over \$75,000 where the award amount is greater than the Council approved budget by 20% or more, the Director of Finance and Chief Administrative Officer must approve the expenditure. A report to Council may be recommended.

The Director will be responsible for the explanation of funding for the overage in the quarterly report to Council.

## Schedule “B” - Authority for Payment

Authority limits for payment are as follows:

Position	Detail	Limit
Director including Warden, CAO and Directors	All expenditures	Unlimited
Manager	General Purposes – day-to-day departmental requirements and Payments for approved Contracts/Service Agreements	\$5,000 to \$75,000 or at the discretion of the Director.
Any employee authorized at the discretion of the Director	Day to Day Purchases in accordance with the Departmental Authorization of Account Payable	\$5,000 or less

Authority for payment in this schedule relate to payments of amounts approved in the current year budget, amount approved by Director of Finance or by Council resolution only.

During scheduled absences, Directors are permitted 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 “C” Bid Irregularities

The following list of irregularities should not be considered all inclusive. The Purchasing Manager in consultation with any of the following: Department Director, C.A.O., Director of Finance and the County Solicitor, shall review irregularities not specifically listed and, acting in the best interests of the County, 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.
2.	Insufficient Financial Security (No bid bond/deposit or agreement to bond or insufficient bid bond/deposit)	Automatic Rejection for no bid bond or 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 the Purchasing Manager, 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 acknowledged.	48 hours to submit.
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.

Number	Irregularity	Response
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 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>
13.	Bidding Portal Error	Bidding Portal bid tables containing obvious errors (confusion with unit of measure) will be clarified and may be corrected.
14.	Other minor irregularities	The Purchasing Manager, in conjunction with the Director of Finance shall have authority to waive irregularities, which they jointly consider to be minor.

Number	Irregularity	Response
15.	Any irregularity	Despite all provisions herein contained, the Purchasing Manager in conjunction with the members of Senior Management may waive any irregularity where it considers it to be in the best interest of the County.

## Schedule “D” Goods and Services Exempt from Procurement Policy

The purchasing methods described in this Policy 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, meals, 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/Insurance Claims (procurement process when replacement time allows)
18. Tax Remittances
19. Insurance Premiums
20. Committee fees, witness fees
21. Banking and Financial Services
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. Hairstyling/barber services
26. Clergy services
27. Freight charges
28. Utilities
29. Interpreter Fees and Transcription Fees for POA
30. Performance / Artist’s Fees
31. Employee Group Benefits
32. All legal services and fees