

Schedule "A" to By-Law 59-14

PROCUREMENT POLICY

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SECTION 1 DEFINITIONS & INTERPRETATION RULES

Defined Terms: Wherever a word is used in this Policy with its first letter capitalized, the term is being used as it is defined in this section. Where any word is ordinary case, its regularly applied meaning in the English language is intended. Defined terms may be used throughout this policy in different grammatical contexts. For example, the noun "Disposal" is defined. If it appears in its verb form, "Dispose", with its initial letter capitalized, the definition applies, with the appropriate amendment understood.

- 1.1. An "**Agreement**" means a legal document that binds the Corporation of the Township of Ryerson and all other parties, subject to the provisions of the Contract.
- 1.2. An "**Agreement to Bond**" is a letter of form issued by a licensed bonding agency advising that, if the Bidder is successful, the bonding agency will issue required Bonds.
- 1.3. The "**Annual Aggregate Value**" means the total amount anticipated to be spent annually by all departments on a particular type of Good and/or Service.
- 1.4. An "**Award**" is the acceptance of a Bid or Proposal in accordance with this policy.
- 1.5. A "**Bid**" is a document (in the form of a Quotation, Tender or Proposal) received by the Township in response to a Request.
- 1.6. A "**Bidder**" is a Person who submits a Bid.
- 1.7. A "**Blanket Purchase Order**" is a type of Contract. It involves the purchase of a Commodity that will be required frequently or repetitively, and where either the exact quantity of the Commodity required is not precisely known, or the time period during which the Commodity is to be provided is not precisely determined, but, in either case, maximums on both the total price of the Commodity and the time period during which the Commodity is to be supplied are specified in the Contract.
- 1.8. "**Bonds**" are Sureties to protect the Township against any financial loss as a result of non-compliance by a Vendor. This shall, but may not be limited to include Performance and Maintenance Bonds and Labour and Material Payment Bonds.
- 1.9. "**Call**" is a solicitation from the Township to potential Vendors to submit a Bid or a Formal or Informal Quotation.
- 1.10. "**Change Order**" a written order issued from the Township that changes the scope or specifications of any project.
- 1.11. "**Clerk**" means the Municipal CAO/Clerk for the Corporation of the Township of Ryerson.
- 1.12. "**Commodity**" means Goods and/or Services.

- 1.13. “**Competitive**” is an adjective describing that aspect of the Procurement Process in which two or more Persons act independently to try to secure the Township’s business by offering the most favourable terms and conditions.
- 1.14. “**Conflict of Interest**” refers to a situation in which private interest or personal considerations may affect an employee’s judgment in acting in the best interest of the Township of Ryerson. It includes using an employee’s position, confidential information or corporate time, material or facilities for private gain or advancement or the expectation of private gain or advancement.
- 1.15. “**Consultant**” means the provider of a Commodity who, by virtue of professional expertise or service is contracted by the Township to undertake a specific task or assignment. Examples include: a planner completing a specific study; an architect or engineer drawing plans for a particular building or project; a lawyer representing the Township for a particular legal matter; an appraiser providing an opinion of value on an asset; etc.
- 1.16. “**Contract**” means a formal legal Agreement, usually in writing, between two or more Persons. In the context of this policy, Contracts are entered into for the acquisition of Commodities for money or other consideration.
- 1.17. “**Corporate Signing Authority**” means the Reeve, Deputy Reeve, Clerk, Treasurer, Deputy Clerk, or other individuals designated by Council or this Policy.
- 1.18. “**Council**” means the elected Council of the Township. A “Councillor” is any member of the Council.
- 1.19. “**Department**” means an administrative unit of the Township.
- 1.20. A “**Designate**” is any Township employee authorized in writing by the Department Head or Clerk to act in his/her stead.
- 1.21. A “**Developer**” is a Person developing a particular project with the Township.
- 1.22. A “**Direct Acquisition**” is the Direct Purchase of Goods and/or Services by the user or user Department subject to the approval levels within this Policy.
- 1.23. A “**Department Head**” is a Township employee with administrative responsibilities for a Township Department.
- 1.24. The “**Disposal**” is the sale, exchange, transfer, destruction or gift of goods owned by the Township which are no longer required for municipal purposes. (In the case of real property, “Disposal” includes a lease with a term of twenty-one years or more.)
- 1.25. An “**Emergency**”, in the context of this Policy, is a situation where the strict application of this Policy will result in danger or damage to Persons or property, or serious delays or non-delivery of services. It may involve, for example, an imminent threat to public health, maintenance of essential services, or a risk or serious financial liability (on the Township’s part) arising from environmental conditions.

- 1.26. An “**Engineer of Record**” is a consulting engineer that has been approved for a period of time to perform engineering tasks for the Township. Approval is granted through a Request for Proposal process and is governed by a Purchase Acknowledgement and/or an Agreement or Contract.
- 1.27. To “**Execute**” means to legally bind the Corporation of the Township of Ryerson to the terms and conditions defined within the Purchase Acknowledgement and/or Agreement.
- 1.28. “**Goods and/or Services**” includes but is not limited to supplies, equipment, property insurance, maintenance, professional and consulting services and service contracts not otherwise provided for.
- 1.29. An “**Informal Quotation**” means Quotations obtained in writing via mail, fax, email or hand delivered.
- 1.30. “**Insurance Certificate**” a certified document 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 Township's requirements.
- 1.31. An “**Irrevocable Letter of Credit**” is an irrevocable document on a financial institution's standard form requesting that the party to whom it is addressed pay the bearer or a Person named therein money as a result of a failure to perform or to fulfill all the covenants, undertakings, terms, conditions and agreements contained in the Contract.
- 1.32. The term “**Irregularity**” describes any one of the following occurrences after a Competitive Procurement Process:
- All responsible and responsive Bids, Quotations or Proposals exceed the Budget allocation;
 - Fewer than three (3) Bids, Quotations or Proposals are received;
 - An Award of the Contract to, or the purchase from, the lowest responsible and responsive Bidder is considered inappropriate for any reason;
 - The Commodity sought is available from only a Single or Sole Source; or
 - Either or both of this Policy or any Procedure was not followed.
- 1.33. “**Lead Contact**” means the Township of Ryerson staff member or Department Head who is named Lead Contact in a Tender or RFP document. All inquiries and information related to the Tender or RFP must be directed to the Lead Contact between the time that a Tender or RFP has been released and the date of Tender/RFP acceptance.
- 1.34. “**Negotiation**” means the action or process of conferring with one or more Vendors leading to an Agreement on the acquisition of the required Goods and/or Services under the conditions outlined in this Policy.
- 1.35. “**Opening/Evaluation Committee**” refers to at least three individuals tasked with reviewing Bids. Any combination of the following, Councillor, Clerk, Department Head and Treasurer with at least one member of the department issuing the Tender or RFP to be present.

- 1.36. “**Person**” refers to a person recognized as a legal entity at law. This is an individual or a corporate entity. Partnerships or unincorporated associations are recognized only as groups of Persons.
- 1.37. “**Pre-Qualification**” is a process by which the Township ensures Vendors can meet all technical and financial responsibilities of contracts with the Township. External Vendors of Commodities are pre-approved and earn the right to submit Bids to the Township for specific Commodities. Examples of types of Pre-Qualification criteria include: expertise and experience, previous performance, financial stability, personnel, ability to provide service support, and a proven ability to complete projects within the Township’s budget and on time.
- 1.38. A “**Procurement Process**” is a method of Purchasing a Commodity. There are several types of Procurement Processes referenced in this Policy. All documents required by the Township will be prepared by the Department Head and Treasurer or their Designate. Council will approve the documents when necessary prior to proceeding with the Procurement Process. Methods are:
- a. **Direct Purchase** – where the Vendor of a Commodity is approached and the Commodity is purchased without a formal or Competitive process;
 - b. **Informal Quotation** – where the staff approach several potential Vendors seeking price Quotations (fixed as to the total price or on a unit basis or both) for specific and defined Commodities, to be submitted in writing;
 - c. **Formal Quotation** – where several potential Vendors are approached to provide price Quotations (fixed as to the total price or on a unit basis or both) for specific and defined Commodities, to be submitted by way of sealed Quotations on or before a specified date and time;
 - d. **Tender** – where potential Vendors submit Bids to supply a defined quantity and quality of Commodity, with all of the material terms, conditions and specifications pre-set (with the exception of the price), and a Contract is formed through selection of one of the Bids submitted without any further Negotiation; and
 - e. **Request for Proposals** – where potential Vendors are invited to propose solutions or methods for particular projects where creative solutions are sought by the Township, for evaluation on criteria other than price, and Negotiation for an eventual Contract occurs as a result of the submission of Bids.
- 1.39. “**Purchase**” means the act of acquiring a Commodity.
- 1.40. A “**Purchase Acknowledgement**” is a Contract in a standardized form, utilized by the Township, and can be in the form of a purchase order. Through a Purchase Acknowledgement, the Township commits to a Vendor that it will Purchase a Commodity at an agreed upon price (and other terms and conditions).
- 1.41. “**Purchasing Card**” means a charge card approved by the Township that can be used by authorized employees of the Township to Purchase in accordance with this Policy.
- 1.42. “**Quotation**” means an offer, both Formal and Informal, from a potential Vendor to buy or sell Goods and/or Services to the Township with regard to specific terms as set by the Township.

- 1.43. The “**Reeve**” is the elected Reeve of the Township or, in his absence, the Person appointed by the Council to act in the Reeve’s stead.
- 1.44. “**Request for Information**” is a process by which information (such as specifications or availability) is sought from potential Vendors about a Commodity.
- 1.45. “**Request for Proposals**” is a type of Procurement Process involving a written offer received from a Bidder in response to an invitation to provide Goods and/or Services based on an approved format of the Township containing terms and conditions; the acceptance of which may be subject to further Negotiation (see Appendix D for Full details).
- 1.46. “**Single Source**” means there is more than one source in the open market but for reasons of function or service, one Vendor is recommended for consideration of the particular Commodity. This denotes a Purchase which is not Competitive.
- 1.47. “**Sole Source**” means there is only one known source of supply of a particular Commodity. This Commodity could be copyrighted or trademarked, or simply not available for general Purchase.
- 1.48. “**Standing Orders**” are contracts for Goods and/or Services used on a regular basis in the day-to-day operations of the Township.
- 1.49. A “**Surety**” means a specified dollar amount in the form of cash, certified cheque, Bid Bond, Performance Bond, Labour and Material Payment Bond, letter of credit or any other form as deemed necessary and stated in Bid documents issued by the Township.
- 1.50. “**Tender**” is a type of Procurement Process involving a written offer, in a specified form, received from a Bidder in response to a public invitation to provide Goods and/or Services based on an approved format of the Township containing Terms and Conditions (see Appendix C for full details).
- 1.51. “**Township**” means The Corporation of the Township of Ryerson.
- 1.52. “**Vendor**” is a Person from whom the Township makes Purchases of Commodities.

SECTION 2 PROCUREMENT PRINCIPLES AND GOALS

The procurement principles of the Corporation of the Township of Ryerson are as follows:

- 2.1. To procure by purchase, rental or lease the required quality and quantity of Goods and/or Services, in an efficient, timely, and cost effective manner;
- 2.2. To encourage open and fair Competitive Bidding for the Purchase and Disposal of Goods and/or Services where practicable;
- 2.3. To ensure ethical practices by all participants in the Procurement Process – including Township Staff, Council and Vendors.

- 2.4. To exercise professional Purchasing practices which obtain the most competitive offers from the most Responsible and Responsive Vendors;
- 2.5. To encourage the Procurement of Goods and/or Services with due regard to the preservation of the natural environment and the promotion of waste reduction and recycling of waste materials;
- 2.6. To encourage innovation and the use of technology which meet Township specifications and industry standards in order to ensure the utilization of the most efficient and effective processes and practices; and
- 2.7. To have regard to the accessibility for persons with disabilities to the Goods and/or Services Purchased by the Township of Ryerson, as well as to the Procurement Process itself.

This Policy will be reviewed every four years by Township of Ryerson Staff to evaluate its effectiveness, to ensure that dollar values are current, and to recommend changes.

SECTION 3 GENERAL CONDITIONS & POLICY OBJECTIVES, PROCEDURES & INSTRUCTIONS

- 3.1. **Accessibility:** When Purchasing Goods and/or Services, the Township will incorporate accessibility design, criteria, and features. Where applicable, Procurement documents will specify the desired accessibility criteria to be met and provide guidelines for the evaluation of Bids in respect of those criteria. Where it is impractical for the Township to incorporate accessibility criteria and features when Purchasing specific Goods and or/ Services, a written explanation will be supplied upon request.
- 3.2. **Confidentiality:** The Township will make every reasonable effort to protect the privacy of those involved in a Procurement Process as per the Municipal Freedom of Information and Protection of Privacy Act.
- 3.3. **Applicability & Exceptions:** All Commodities required by the Township shall be Purchased in accordance with this Policy, unless:
 - The Council directs by resolution that any particular Purchase or Disposal of a Commodity shall be carried out in some other manner;
 - An Exemption to this Policy applies (Appendix A); or
 - Any applicable law requires that the Purchase of a Commodity be carried out in some other manner.
- 3.4. **Where Exceptions Apply:** Where the circumstance mentioned in subsection 3.3 occurs, the Purchase of those Commodities shall be carried out in accordance with any applicable resolution passed by Council or the applicable law, as the case may be, and the provisions of this Policy shall in all other regards continue to apply to the Purchase with all necessary modifications.

- 3.5. **Local Preference:** In accordance with the Discriminatory Business Practices Act, there will be no local preference for Purchases. All things being equal, preference will be given first to Purchases of a Commodity of local manufacture, second to a Commodity offered by a local Vendor, and thirdly to a Commodity of a Canadian owned company.
- 3.6. **Co-operative Purchasing:** The Department Head may participate and shall encourage participation with other governments or Public Agencies in co-operative ventures or Contracts where the best interest of the Township would be served.
- 3.7. **Environmental Purchasing:** All departments shall encourage, wherever possible, specifications which provide for expanded use of durable, reusable Commodities, and Commodities which contain the maximum post-consumer waste and/or recyclable content, without significantly affecting the intended use of the Commodity.
- 3.8. **Privilege Clause:** When using the privilege clause which reads in part "the lowest or any Bid may not necessarily be accepted", the specific reasons must be stated why a Bid may not be accepted. Vendors, Bidders, and Township Staff must still comply with all sections of this Policy.
- 3.9. **Fairness:** Councillors and Staff must not:
- Acquire any Goods and/or Services for personal use in representation of the Township;
 - Purchase or offer to Purchase, on behalf of the Township, any Goods and/or Services, except in accordance with this Policy;
 - Knowingly cause, permit, or omit anything to be done or communicated to anyone which is likely to cause any potential Vendor to have an unfair advantage or disadvantage in obtaining a Contract for the supply of a Commodity to the Township, or any other municipality, Public Agency or public body involved in the Purchase of Commodities either jointly or in cooperation with the Township;
 - Knowingly cause, permit, or omit anything to be done which will jeopardize the legal validity or fairness of any Purchase of a Commodity under this Policy, or which might subject the Township to any claim, demand, action or proceeding as a result.
- 3.10. **Use of Policy:** No employee shall Purchase or agree to Purchase a Commodity unless:
- The Commodity is legitimately required for the purposes of the Township; and
 - The funds for the Purchase of the Commodity are available within the Budget or the request to Purchase is expressly made subject to funding approval of the Council.
- 3.11. **Municipal Promotion:** The Township shall not promote or advertise any Vendor or Commodity in any manner that may be construed as the Township endorsing the Vendor or Commodity.
- 3.12. **Personal Purchases:** The Township will not make Purchases for the personal use of Councillors or employees, or members of staff of Public Agencies, except through programs which may, from time to time, be expressly and specifically approved by Council.

SECTION 4 REQUIREMENT FOR APPROVED FUNDS

- 4.1. Net Departmental expenditures are authorized by Council each year as part of the Annual Budget process. Upon Council's approval of proposed budgetary estimates, this Policy shall govern the levels of authority for approvals required for the expenditures. Capital Purchases approved for specific projects and values shall be considered as approved by Council and further Council approval will be required only in the event of an Irregularity or Bids received over the allocated budgeted figure. Prior to budgetary estimates receiving Council approval, regular operational expenses shall be considered authorized, and capital Purchases shall require a resolution of Council prior to Purchase.
- 4.2. The exercise of authority to award a Contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Council approved budget. Budgets may from time to time be altered by Council resolution. It shall be the responsibility of the Department Head to ensure sufficient funds remain prior to commencement of the Procurement Process. This shall include verifying of budgeted funds to those already committed to ensure available funds with the Treasurer.
- 4.3. Where Goods and/or Services are routinely Purchased or leased on a multi-year basis, the exercise of authority to Award a Contract is subject to:
- The identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates; and
 - The requirement for the Goods and/or Services will continue to exist in subsequent years and in the opinion of the Treasurer, the required funding can reasonably be expected to be made available.
- 4.4. The Treasurer will co-ordinate all leasing requirements including term capitalization rate, lease vs buy (or other) analysis, etc. The Treasurer will ensure that all lease commitments comply with Municipal Act 2001 as amended and regulations made there under.

SECTION 5 EXCEPTIONS & EXEMPTIONS TO METHODS OF ACQUISITION

5.1. Volatile Market Conditions

Notwithstanding the provisions of this policy, where market conditions are such that long term price protection cannot be obtained for Goods and/or Services, such as in the case of a fluctuating Canadian Dollar, the Department Head will obtain competitive prices for short term commitments until such time as reasonable price protection and firm market pricing is restored.

5.2. Sole Source Procurement

Purchase by Negotiation may be adopted, if in the judgment of the Treasurer and in consultation with the requisitioning Department Head any of the following conditions apply:

- a. Goods and/or Services are in short supply due to market conditions;

- b. The sources of supply are restricted to the extent that there is not effective price Competition, or consideration of substitutes is precluded due to any of the following:
 - components or replacement parts for which there is no substitute.
 - there is only one Vendor who can provide the Commodity by the specified date required.
 - specific standards are adopted by Council.
- c. Work is required where a Vendor has already been secured through a Tender process, with established unit prices by another party, and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed for the Township;
- d. After the RFP process has closed, it may be necessary for discussion to clarify and/or make significant revision(s) to the initially defined requirements of the call for Quotations/Proposals;
- e. When only one Bid is received through the Procurement Process and it is impractical to recall the requirements of the call for Bids; and
- f. There is documented evidence that the extension or reinstatement of an existing Contract would prove most cost effective or beneficial.

5.3. **Single Source**

When there is more than one source in the open market, but for reasons of standardization, function or service, one Vendor is recommended for consideration of the particular Commodity, such as:

- Compatibility with an existing product, facility or service is required; and
- The Vendor for function or service has skills related to and existing knowledge of the nature of the service,

the Department Head requesting Sole or Single Source must submit a Sole/Single Source Approval Form to the Treasurer outlining the justification of the request. Upon approval by the Treasurer further approval shall be required by Council for purchases over \$ 5,000.

5.4. **Service Contract Renewal**

Prior to the expiration of an existing Contract for service (e.g., consulting, cleaning services), the Department Head shall prepare a report for Council summarizing the performance of the Vendor over the term of the Contract. Upon review of the report, Council may extend the term of the Contract provided that:

5.5. **Exercise of Contract Renewal Options**

Prior to the expiration of an existing Contract for service (e.g., consulting, cleaning services), the Department Head shall prepare a report for Council summarizing the performance of the Vendor over the term of the Contract. Upon review of the report, Council may extend the term of the Contract provided that:

- i. the Vendor's performance in supplying the Goods and/or Services is considered to have met the requirements of the Contract; and
- ii. the Council and Department Head agree that the exercise of the option is in the best interest of the Township.

5.6. Emergency Procurement

Notwithstanding the provisions of this policy, the following shall only apply in case of an Emergency, when an event occurs that is determined by a Department Head or the Clerk to be a threat to:

- the public health;
- the welfare of persons or of public property; or
- the security of the Township's interests and the occurrence requires the immediate delivery of Goods and/or Services and time does not permit for competitive Bids.

The above criteria are to be applied on the basis of:

i) **Procurement under \$ 10,000:**

Wherever feasible, the Department Head shall secure by the most open market procedure at the lowest obtainable price, any Goods and/or Services required.

ii) **Procurement over \$ 10,000:**

The Department Head shall obtain the prior approval of the Clerk or Treasurer. An information report shall be submitted to Council explaining the actions taken and the reason(s) therefore.

SECTION 6 METHODS OF PROCUREMENT

Notwithstanding any other provisions of this Policy, the acquisition of the items listed in Appendix "A" do not fall under the guidelines of this Procurement Policy and shall be subject to applicable Policies and Procedures established from time to time.

6.1. Procurement of Goods and/or Services

Where the required Goods and/or Services can be specified, (and such Goods and/or Services are not covered by a Standing Order), they shall be acquired by Purchase Acknowledgement.

Where it is estimated that the value of the Goods and/or Services, inclusive of all delivery charges, will cost:

a. **\$ 0 to \$ 2,000.00**

- Petty Cash, Direct Acquisition ("On-Account") or Purchase Card is acceptable.
- No Purchase Acknowledgement is required.

b. **\$ 2,000.01 to \$ 10,000.00**

- The user department shall obtain 3 written Quotations, where possible and practicable.
- Purchase Acknowledgement submitted with recorded Quotations to be kept on file.
- No report to Council is necessary once current year budget is approved.
- The approved Purchase Acknowledgement shall initiate the Purchase.

c. **\$ 10,000.01 to \$ 25,000.00**

- The Department Head shall issue a Formal Quotation. A minimum of three written Quotations (where possible) are to be received by the Department before the Township commits to a Vendor.

- If only one Quotation is received, the Township may exercise its right to cancel the call for Quotations. Quotations are not formally opened in public, nor is it required to disclose prices or terms at the time of submission or at any time thereafter.
- All Procurement Processes for Goods and/or Services exceeding \$ 10,000.01 are awarded by Council. The Opening/Evaluation Committee shall provide a written recommendation to Council after the opening meeting.
- The approved Purchase Acknowledgement shall initiate the Purchase.

d. **\$ 25,000.01 and over**

- The Department Head shall issue a Tender for all approved Goods and/or Services based on defined requirements (see Appendix C) advertised on the Township website at a minimum
- Tenders require a reply by a designated date and time, signed by a Corporate Officer, authorized to bind the Bidder. Any requested Bid deposits, security or Bonds must be included with the Bid. Replies are delivered directly to the Township Office and are opened at a public Tender opening meeting. If only one Bid is received, the Township has the option of not opening the Bid and closing the call for Tender.
- Each sealed Bid received in response to a formal Bid request is reviewed to determine whether a Bid Irregularity exists, action is taken according to the nature of the Irregularity (see Appendix B).
- A report to Council is required. The Opening/Evaluation Committee shall provide a written recommendation to Council after the opening meeting.
- Upon Council's approval, the Department Head shall ensure that a Contract is executed by the Reeve and Clerk or Treasurer, or a Purchase Acknowledgement is issued.

6.2. **Requests for Proposals** (see Appendix D for details)

This method of acquisition shall only be used for the solicitation of Bids when the requirements for Goods and/or Services cannot be definitely specified, the requirements of the Township are best described in a general performance specification, and innovative solutions are sought. Depending on its terms, the Process may involve Negotiations subsequent to the submission of Bids on any or all of the specifications, contract terms, and prices.

Request for Proposals are not formally opened in public nor is it required to disclose prices or terms at the time of submission. If only one Bid is received, the Department Head has the option of not opening the Bid and closing the Request for Proposal.

A Request for Proposals may be issued to select an Engineer of Record for a finite term and for projects of a type to be included in the general performance specification.

Where the required Goods and/or Services cannot be specified and it is estimated that the value of the Goods and/or Services (excluding all taxes) cost:

a. **\$ 5,000.00 or less**

- A written Bid must be acquired by the initiating Department.
- No report to Council is required.
- A Purchase Acknowledgement must be issued.

b. Over \$ 5,000.00

- Proposal guideline documents shall be processed through the Department and shall be advertised on the Township website at a minimum.
- Bids will be evaluated on the basis of quantitative and qualitative criteria, established and rated by the Evaluation Team.
- A report to Council is required from the Issuing Department for Council consideration and approval.
- Upon Council's approval, a Contract must be executed by the Reeve and the Clerk or Treasurer.

METHODS OF PROCUREMENT – SUMMARY TEMPLATE

The following is a summary of authorized procedures for the Procurement of Goods and/or Services.

COST OF PROCUREMENT	TYPE OF PROCUREMENT	SOURCE OF BIDS	TYPE OF CONTRACT	AUTHORITY	REPORTING STATUS
1. GOODS AND SERVICES					
Under \$2,000.00			Petty Cash Funds Direct acquisition (on account) P. Card (if no standing orders are in place)	Department Head	No report to Council required
\$2,000.01 to \$10,000.00		Purchase made from competitive marketplace where possible & practicable	Purchase Card (if no standing orders are in place) or Purchase Acknowledgement	Department Head	No report to Council required

COST OF PROCUREMENT	TYPE OF PROCUREMENT	SOURCE OF BIDS	TYPE OF CONTRACT	AUTHORITY	REPORTING STATUS
\$10,000.01 to \$25,000.00	Formal Quotation: Documented quotations	Advertised on website	Purchase Acknowledgement	Department Head & Treasurer	Report to Council
Over \$25,000.01	Bid acquired by Tender Process	Advertised on website	Purchase Acknowledgement & Executed Contract/Agreement	Council	Report to Council
Sale of Surplus Goods				Treasurer &/or Council	Report to Council over \$3,000.00
2. REQUEST FOR PROPOSALS					
Under \$5,000.00	RFP		Purchase Acknowledgement	Department Head	No report to Council required
Over \$5,000.00	RFP	Advertised on website	Contract		Report to Council required
3. SOLE/SINGLE SOURCE PURCHASES					
\$ 5,000.00 & over				Department Head & Treasurer	Report to Council
4. IRREGULARITIES & CONTRACT RENEWAL					
\$ 5,000.00 & over					Report to Council

SECTION 7 REPORTING

GOODS AND/OR SERVICES and PROFESSIONAL AND CONSULTING SERVICES

7.1. Where the:

- a. value of the Goods and/or Services is less than \$10,000.00; **and**
- b. procedures defined by this Policy have been followed; **and**
- c. Purchase is within the approved Department net budget amount; **and**
- d. lowest responsive Bid is being recommended; **then**

no report to Council is required and the Department Head shall execute a Purchase Acknowledgement or arrange for a Contract to be signed by the Department Head or Corporate Signing Officer(s).

- 7.2. Council approval is required where the:
- a. value of the Goods and/or Services is over \$10,000.00; **or**
 - b. the Procurement Policy is being waived; **or**
 - c. Purchase exceeds the approved capital budget; **or**
 - d. lowest responsive Bid is not being recommended; **or**
 - e. there was no provision in the budget for the item, **or**
 - f. Clerk requests that a report be presented for Council consideration and approval.

Based on the above criteria, a Purchase Acknowledgement shall be issued and/or Contract executed by the Reeve and the Clerk or Treasurer in accordance with the reporting guidelines in this Policy.

- 7.3. All Contracts will be held by the Treasurer with copies being sent to the issuing Department. The Department shall be responsible for ensuring executed Contracts are forwarded to the Vendor.

SECTION 8 DISPOSAL OF SURPLUS GOODS

- 8.1. The Department Head shall notify the Treasurer once any item has been deemed as surplus assets for Disposal. If the value is greater than \$3,000.00, the Treasurer shall obtain the approval of Council prior to Disposal.

- 8.2. Revenue generated from the Disposal of assets may be credited to the appropriate equipment replacement reserve for future Purchase of Goods and/or Services.

SECTION 9 CONFLICT OF INTEREST

- 9.1. All employees and Councillors shall disclose as soon as they become aware of (and as circumstances change) any business or personal relationship they might have which might create a potential, perceived, or real conflict of interest relative to the Procurement of Goods and/or Services for the Township.

- 9.2. All employees authorized to Purchase on behalf of the Township shall be required to declare any known or perceived Conflict of Interest to the Township.

- 9.3. All Vendors shall disclose any perceived, potential, or real conflict of interest to the Township in the Bid documents. If such a conflict of interest does exist, the Township, as directed by the Department Head, may, at its discretion, temporarily halt the Purchase from the Vendor until the matter is resolved. Furthermore, if during the conduct of a Township assignment, a Vendor becomes aware of a potential, perceived, or real conflict of interest, then the Vendor shall so inform the Township immediately.

APPENDIX “A” – GOODS AND/OR SERVICES “EXEMPT”

Petty Cash Items

Training and Education

- Conferences/courses
- Conventions/Seminars
- Memberships
- Periodicals/magazine subscriptions
- Staff training/development/workshops

Employee Expenses

- Advances
- Meal allowances
- Travel & Hotel accommodation
- Entertainment
- Miscellaneous – Non-Travel

Employer’s General Expenses

- Payroll deduction remittances
- Licenses (vehicles, radios, etc.)
- Debenture payments
- Grants to agencies
- Insurance Claim Payments
- Real Estate Costs
- Courier and freight
- Licenses
- Payments of damages
- Tax remittances
- Charges to/from other Government or Crown Corporations
- Employee income
- Employee benefit payments and premiums
- Petty Cash Replenishments
- Sinking Fund Payments
- Building Lease Payments
- General IT manufacturer’s warranty agreements
- Charges to and from Area Municipalities in association with legal agreements

Professional and Special Services

- Committee fees
- Temporary Help
- Banking and Underwriting Services where covered by Agreements
- Workers Compensation Payments
- Legal Services
- Audit Services
- Planning Services
- Benefit Agent
- Honoraria
- Donations
- Arbitrators
- Legal settlements

Utilities

- Postage
- Telephone/Cable Services
- Water and sewer charges
- Hydro
- Natural Gas
- Fuel for vehicles

APPENDIX “B” – BID IRREGULARITY

BID IRREGULARITY

A Bid Irregularity or Irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a Bid request and the information provided in a Bid response.

For the purpose of this policy, Irregularities are further classified as “Major Irregularities” or “Minor Irregularities”.

A “**Major Irregularity**” is a deviation from the Bid request that affects the price, quality, quantity or delivery, and is material to the Award. If the deviation is permitted, the Bidder could gain an unfair advantage over competitors. The Department Head must reject any Bid, which contains a Major Irregularity. The Bidder will be notified of the rejection due to the Major Irregularity.

A “**Minor Irregularity**” is a deviation from the Bid request which affects form rather than substance. The effect on the price, quality, quantity or delivery is not material to the Award. If the deviation is permitted or corrected, the Bidder would not gain an unfair advantage over competitors. The Department Head may permit the Bidder to correct a Minor Irregularity.

MATHEMATICAL ERRORS – RECTIFIED BY STAFF

The Department Head will correct errors in mathematical extensions and/or taxes, and the unit price will govern. If, based on the corrected total the required Bid deposit is insufficient, the Bidder shall be notified and will be given 24 hours to rectify the issue or the Bid will be automatically rejected.

ACTION TAKEN:

The Department Head and Treasurer will be responsible for all action taken in dealing with Irregularities, and will act in accordance with the nature of the Irregularity:

- Major Irregularity (automatic rejection)
- Minor Irregularity (bidder may rectify)
- Mathematical error (additions or extensions) as above

In the event that the Bidder withdraws their Bid due to the identification of a Major Irregularity, the Township may disqualify such Bidder from participating in Township Quotations/Tenders/Requests for Proposals for a period of up to one year.

APPENDIX "C" – TENDER PROCESS

Where the quantity and quality of a Commodity has been defined, Tenders will be called for all Commodities with a value exceeding \$ 25,000.00 by way of public advertising or invitational Bid.

Advertising

The Department Head will advertise and distribute Tenders:

- All public Tenders are advertised on the Township of Ryerson Website. Additionally, at the discretion of the Department Head and/or Council, Tenders may be advertised in a local, regional and/or construction newspaper and/or on procurement websites (e.g., Biddingo, Merx).
- Advertisements must include the following information (if applicable): title, Tender number, brief description of the Commodity being Tendered, site meeting time/date/location, contact names for Purchasing inquiries, document fee, and location for pick up and drop off of Bid documents.
- In some instances, the Tender may be advertised to pre-qualify potential Bidders. Pre-qualification of Bidders includes the screening of potential Vendors in which such factors as financial capability, reputation, qualified staff and equipment management, ability to support, and product quality are considered. After evaluation of responses, only those Vendors who are Pre-Qualified are allowed to submit Bids.

Where possible, at least fifteen days' notice shall be given between the date of the advertisement/notice and the closing time of the Tender, in accordance with the Ontario/Quebec Trade Agreement if applicable. However, a Tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the Commodity being Tendered.

A Bidder may be disqualified for contacting or questioning Township Staff or Council regarding details of the Tender unless that person is the Township's Lead Contact.

All Bids must be addressed to the Lead Contact, Township of Ryerson, on documents provided and returned in the envelope if provided with the Tender package.

Release of Tender Documents

- (a) Privilege Clause: All Tender documents shall contain the following statement "The lowest or any Bid will not necessarily be accepted and the Township reserves the right to award any portion of this Tender", or words to that effect.
- (b) Bond Agreement: Where a Performance and/or Maintenance Bond and/or Labour and Material Payment Bond is required, the Tender document must contain an "Agreement to Bond", to be executed by the Bidder and returned with the Bid.
- (c) Bid Surety Requirements: Bid deposits and Bid Bonds are guarantees that a Bidder will enter into a Contract with the Township.

Where deemed necessary by the Department Head, or where labour (or services) and material are involved, a Bid deposit or Bid

Bond is required in an amount equal to ten (10%) per cent of the Bid price.

Bid deposits must be cash, certified cheque, bank draft, money order, irrevocable letter of credit or Bid Bond.

Any Bid received without the required Bid deposit or Bid Bond shall be disqualified.

- (d) Performance and Maintenance Bonds: Performance Bonds guarantee performance of the terms of the Contract. This Bond protects the Township from financial loss should the Vendor fail to perform the Contract in accordance with its terms and conditions. Maintenance Bonds provide upkeep of a project for a specified period of time after the project is completed. This Bond guarantees against defective workmanship or materials.

Where deemed necessary by the Department Head, or where the Township could experience significant financial loss should a Vendor's failure to perform the Contract within the terms and conditions of the Contract, a Performance Bond is required.

Where deemed necessary by the Department Head, or where the Township could experience significant financial loss or other harm as a result of defective workmanship or materials, a Maintenance Bond is required.

Performance and/or Maintenance Bonds must be in the amount of fifty (50%) per cent of the Contract price for Contracts up to One Hundred Thousand (\$ 100,000.00) Dollars. Where the Contract price exceeds One Hundred Thousand (\$ 100,000.00) Dollars, the Performance and/or Maintenance Bonds must be in the amount of one hundred (100%) per cent of the Contract price.

- (e) Labour and Material Payment Bonds: Labour and Material Payment Bonds are guarantees that the Vendor will make payment for obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the project.

Where deemed necessary by the Department Head, or where the Township could experience significant financial loss should a Vendor fail to pay its obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the Contract, a Labour and Material Payment Bond shall be required.

Labour and Material Payment Bonds shall be in the amount of fifty (50%) per cent of the Total Award Price, up to One Hundred Thousand (\$ 100,000.00) Dollars, and one hundred (100%) per cent of the Total Award Price over One Hundred Thousand (\$ 100,000.00) Dollars.

- (f) Insurance: Where deemed necessary by the Department Head, or where the Township could experience significant financial loss, the Tender shall require that an insurance certificate be provided. The insurance coverage must be a minimum of Two Million (\$ 2,000,000.00) Dollars for liability, bodily injury and property, unless alternatively stated in the Tender document. The insurance policy

will require that the Township be added as an additional named insured (for the project in question) and that the Township be notified in advance in the event that the insurance policy is cancelled or changed in any manner.

(g) Occupational Health and Safety: All Tender document forms and Contracts shall require that the Occupational Health and Safety Act be complied with.

(h) Workplace Safety and Insurance Board Certificate (WSIB): All Tender document forms and Contracts involving a labour component shall require a WSIB Certificate of Clearance from the Vendor.

Receipt and Opening of Bid Documents

The Township will refuse to accept any Bid that is:

- Not sealed
- Received after the closing deadline
- Submitted after a Tender has been cancelled.

Requests for withdrawal of a Bid shall be allowed if the request is made before the closing time for the Tender to which it applies. Requests must be directed to the Lead Contact by letter or in person, by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a Bid does not disqualify a Bidder from submitting another Bid on the same Tender, subject to the provisions of Appendix B

Tenders close at 4:00 p.m. on the appointed day, and are opened publicly as specified in the Tender documents.

(a) Timed and Dated: When Bids are received they shall be time and date stamped. Bid envelopes shall be dated, timed and initialed by the person receiving the Bid, and placed in a secure location until the Tender opening.

(b) Number of Bids and Bidder Name not to be Divulged: The number of Bids received and the names of Bidders are confidential and shall not be divulged prior to the Tender opening.

(c) Bid envelopes: Bids shall be received in an envelope clearly marked as to contents, including:

- Tender Number and Title
- Name and Address of Bidding Firm

(d) Bids Received After Closing Time and Date: Bids received after the closing time shall be noted and returned unopened to the Bidder, as soon as possible. If a late Bid is received without a return address on the envelope it shall be opened, the address obtained, and then returned. The covering letter will advise why the envelope could not be returned unopened.

(e) Alternative Bids: Unsolicited alternative Bids shall not be considered.

(f) Two Bids for Same Tender - Same Envelope: If two Bids for the same Tender are received in the same envelope, the Bids must be contained in separate envelopes within the exterior envelope and must be marked as Bid A and/or Bid B. If the two Bids are not

contained in separate envelopes within the exterior envelope, then the first Bid in the envelope shall be considered the intended Bid.

(g) Two Bids Same Tender – Different Envelopes: If two Bids for the same Tender are received in different envelopes the envelope with the latest date and time received shall be considered the intended Bid.

(h) Bids Received By: Bids shall be received by the Municipal Office Staff.

(i) Tender Opening: Bids shall be opened in public by Township Staff, preferably in the presence of the Department Head. The names of those individuals in attendance, the time and date of the opening, the names of the firms submitting a Bid, the completeness of each Bid received, and the total Bid price of each Bid shall be recorded at the opening.

Action when Tied Bids Received

All things being equal, and two or more low Bids have been received in the same amount, the names of the tied Bidders shall be placed in a container and the Bid to be recommended to Council for award shall be drawn by the Clerk, in the presence of the Reeve or Council.

Action when all Bids Received are Over Budget

At such time that a Tender closes, the competition is over. If all Bids are over-budget, the Tender shall be cancelled and the scope of the project reviewed prior to re-Tender. If complete re-Tender is not financially viable or the project is required immediately, as determined by the Opening/Evaluation Committee, two procedures are acceptable:

- a) Negotiate with the lowest Bidder(s); or
- b) Re-Tender via post-Tender addendum to the lowest three Bidders, provided that there are tangible changes in the scope of the work, and with a view to bringing the cost of the project within the budget.

Return of Deposit Cheques

(a) Immediately following the Tender opening, all Bid deposit cheques (other than those of the three lowest Bidders) shall be returned to the applicable Bidders by regular mail, or pick-up by the Bidder. In the case of a pick-up, the person picking up the Bid deposit shall execute a receipt.

Upon receipt of the executed Contract (and all other required documents, such as Bonds etc.) in a format acceptable to the Township, the deposit cheques of the second and third low Bidders shall be returned by courier, registered mail or pick-up by the Bidders. The Bid deposit of the successful Bidder will be held as performance Surety until completion of the project.

(b) The Bid deposit cheques that are retained, shall not be cashed unless the deposit is forfeited as set out herein.

Action When Successful Bidder Does Not Finalize Contract

After Tender opening, if the successful Bidder should fail to sign the Contract or fail to provide any required documents (e.g., Bonds) within

the specified time, the Department may grant additional time to fulfill the necessary requirements or may recommend that either:

- a) The Tender be Awarded to the next highest Bidder; or
- b) The Tender is cancelled.

In either case, the deposit of the originally Awarded Bidder is forfeited to the Township.

APPENDIX “D” – REQUEST FOR PROPOSAL PROCESS

REQUESTS FOR PROPOSALS (RFPs) may be called by way of public advertising or invitational Bid, as outlined in the Township's Procurement Policy. In the event that there is an applicable Standing Order for the Commodity, that Standing Order shall be used to a limit of \$5,000.00 as set out herein:

- When the Commodity cannot be definitely specified, or
- When the Commodity is non standard or specialized in nature, or
- The cost is only a minor component making up the Award.

An RFP with a value over \$5,000.00 must be assigned an RFP number by the Treasurer. The following information must be provided:

- Budgeted dollar value
- G/L account number
- Description of work
- Requested closing date
- Site visit date(s) or information session date(s)

The Department Head and support staff will advertise and distribute RFP packages.

Advertising

The Department Head will advertise and distribute Tenders:

- All public RFPs are advertised on the Township of Ryerson Website. Additionally, at the discretion of the Department Head, RFPs may be advertised in a local, regional, and/or construction newspaper and/or on procurement websites (e.g., Biddingo, Merx).
- Advertisements must include the following information (if applicable): title, RFP number, site meeting time/date/location, contact names for Purchasing inquiries, document fee, and location for pick up and drop off of Bid documents.
- In some instances, the RFP may be advertised to pre-qualify potential Bidders. Pre-qualification of Bidders includes the screening of potential Vendors in which such factors as financial capability, reputation, qualified staff and equipment management, ability to support, and product quality are considered. After evaluation of responses, only those Vendors who are Pre-Qualified are allowed to submit Bids.

The closing date is usually 15 calendar days after date of issue. However, an RFP may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s).

The document fee (if applicable) is paid to “The Township of Ryerson” and information is recorded from Bidders as documents are picked up. A copy is available for viewing prior to purchase.

Bids must be addressed to the Lead Contact, Township of Ryerson. The Office Staff will receive all sealed submissions and will date and time stamp and initial all submissions.

The Township of Ryerson will refuse to accept any submission that is:

- Not sealed

- Received after the closing deadline
- Submitted after an RFP has been cancelled.

Requests for withdrawal of a Bid shall be allowed if the request is made before the closing time for the contract to which it applies. Requests must be directed to the Lead Contact by letter or in person by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a Bid does not disqualify a Bidder from submitting another Bid, subject to the provisions of Appendix B

A Bidder may be disqualified for contacting or questioning Township Staff or Council regarding details of the RFP unless that person is the Lead Contact.

Bids received shall be evaluated on the basis of quantitative and qualitative criteria by an Evaluation Committee. Each Evaluation Committee member shall evaluate the Bids separately. The recommended Bid is the one that achieves the highest average overall score based on the combined evaluations of all Evaluation Committee Members.

RFP's with an anticipated value over \$ 5,000.00 require a report from the Department Head to Council for consideration and approval prior to the Award. Following Council's approval, a Contract must be executed by the Reeve and the Clerk or Treasurer.

Once an Award is made by Council, the report recommending an Award shall be a matter of public record.

RFP results, if requested, may be made public by the Department Head.

APPENDIX “E” – MINIMUM STANDARDS & REQUIREMENTS FOR PURCHASING CARD USE

The following are the minimum standards or requirements to govern the use of Purchasing Cards in accordance with this Policy. Other Procedures may be developed in accordance with this Policy.

1.0 Authority

- 1.1 The Reeve, members of Council, Clerk, Treasurer and Township Department Heads are authorized to use a Township Purchasing Card.
- 1.2 Department Heads are empowered to authorize employees within their department to use a Township Purchasing Card in keeping with this Policy and procedures.

2.0 Purchasing Card Coordination

- 2.1 The Treasurer shall be the Purchasing Card Coordinator.
- 2.2 The Card Coordinator is responsible for the Purchasing Card co-ordination function within the Township of Ryerson.

3.0 Purchasing Card Use

- 3.1 Purchasing Cards must not be used:
 - a) When the total Purchase price exceeds the credit limit on the card (in accordance with the Procurement Policy, purchases shall not be split to avoid the approval levels required);
 - b) When the cost of the Goods and/or Services would be significantly increased as a result of using the Purchasing Card and an alternative method of payment is available (e.g., a sizeable discount is provided by the Vendor as a result of not using the Purchasing Card);
 - c) When the Goods and/or Services are available under an existing Blanket Purchase Order or Contract;
 - d) For personal Purchases; and
 - e) To obtain cash advances;
- 3.2 No cardholder may accept cash or a cheque from a Vendor who is making a refund pertaining to a transaction previously charged to a Purchasing Card account. The Vendor in all cases must issue a credit voucher.
- 3.3 Cardholders will be held accountable for any misuse or willful disregard of policies or operating procedures, which result in a loss of money, fraud or collusion.
- 3.4 The Township of Ryerson reserves the right to withdraw Purchasing Card privileges from any employee who has used the Purchasing Card in a manner, which contravenes the Purchasing Card Policy and Procedures. It is the responsibility of the Treasurer to collect the Purchasing Card from employees who have had their privileges revoked and on termination of employment of any employee with the Township of Ryerson.

4.0 **Responsibilities**

4.1 Deputy Reeve's Responsibility

The Deputy Reeve or their delegate is responsible for:

- a) Establishing the credit limit for all card holders and reviewing the same on an ongoing basis;
- b) Reviewing and approving, on a monthly basis, the Purchase Card Monthly Statements for all Purchases charged by all card holders.

4.2 Treasurer's Responsibility

The Treasurer is responsible for:

- a) Ensuring that all employees adhere to this Policy and its procedures;
- b) Ongoing monitoring and controlling the use of Purchase Cards by the Township;
- c) Establishing the credit limit, in consultation with the Deputy Reeve, for all card holders and reviewing the same on an ongoing basis;
- d) Reviewing and approving, on a monthly basis, the Purchase Card Monthly Statements for all Purchases charged;

4.3 Cardholder Responsibility

The Cardholder is responsible for providing supporting documentation (ie. Sales slips, cash register and credit receipts, refund credits, sales tax information,) related to all Purchases made with the Purchasing Card for reconciliation, account verification, payment and audit purposes.