

To:	Warden McQueen and Members of Grey County Council
Committee Date:	December 12, 2019
Subject / Report No:	FR-CW-02-20
Title:	Update of Purchasing Policy
Prepared by:	Mike Alguire, Purchasing and Materials Manager
Reviewed by:	Kevin Wepler, Director of Corporate Services
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee as presented per Resolution CW11-20; Endorsed by County Council January 9, 2020 per Resolution CC13-20;

Recommendation

1. **That Report FR-CW-02-20 Update of Purchasing Policy be received; and**
2. **That the proposed revisions to the Purchasing Policy be endorsed; and**
3. **That By-law 4844-14 being the County's Purchasing Policy be rescinded; and**
4. **That an updated By-law incorporating the revisions be brought forward for County Council's consideration.**

Executive Summary

The County's purchasing policy was last updated in the spring of 2014. According to the policy, the review period should be every 5 years or as required. Some clerical updates are required as well as some updates to streamline the award and change-order procedures. The County Purchasing Policy will continue to have a focus on fair, open and transparent purchasing practices.

Background and Discussion

Every year, purchasing staff generate and facilitate over one hundred procurement documents. It is important that these transactions are conducted with efficiency and transparency. The function of the procurement department is to ensure that the County receives the best value for money, that the bidding community is treated fairly and

accountability is maintained throughout the process The proposed limits that staff will work within have been brought in line with neighbouring municipalities.

Proposed Updates

Generated through best practice updates as discussed with staff and members of the Senior Management Team, the suggested modifications will improve the purchasing process and again, maintain the level of budget accountability of staff.

Some highlighted changes to the existing policy:

- 1) Re-introduction of informal RFQ. Staff will be asked to get a minimum of three quotes for purchases between \$5,000 and \$10,000. Purchasing will assist on all RFQ's between \$10,000 and \$75,000. This is currently up to \$25,000.
- 2) Contracts up to \$500,000, where the project is in the approved budget, can be awarded by the appropriate Director. This upper limit for Directors is currently \$250,000.
- 3) All contracts to be awarded over \$500,000 will need a report.
- 4) All contracts that have been awarded by Directors between \$75,000 and \$500,000 will be reported in a quarterly report. These are currently reported between \$25,000 and \$250,000.
- 5) Revised procedures for scope changes after the project is awarded. There is additional reporting to the Director of Corporate Services/CAO and/or Council depending on the amount that the awarded amount has changed.
- 6) Combining purchasing policy and procedures into one document.

Legal and Legislated Requirements

Section 270 of the Municipal Act states that a municipality shall adopt and maintain a policy with respect to procurement of goods and services.

Financial and Resource Implications

None

Relevant Consultation

- Internal: Senior Management Team, Warden
- External: Neighboring municipalities

Appendices and Attachments

Purchasing Policy

Purchasing Policy

Approved by:

Policy: X-XXX-XXX

By-law:

Date Approved:

Replaces:

Last Revision Date: March 4, 2014

Section:

Scheduled for Review by: July 2024

Policy Statement

Section 270 of the Municipal Act, 2001, as revised by Bill 130 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 municipality, 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 monitoring process for specific procurements, and may engage a fairness monitor as an independent third party to observe all or part of a Procurement Process, to provide related feedback on fairness issues to the Purchasing Agent and the requisitioning Department Head, or to Council for Procurements in excess of \$1,000,000 to provide an unbiased opinion on the fairness and transparency of the process.

References and Related Documents

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

[Municipal Act 2001](#)

[Municipal Conflict of Interest Act](#)

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

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

[Discriminatory Business Practices Act](#)

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

[Construction Act](#)

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1.0 Terminology

1.1 Definitions

- a) In this Policy, unless a contrary intention appears,
- b) “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;
- c) “Approved Budget”- a budget approved by Council for the current fiscal year.
- d) “Award Letter” is a document, which is used when a formal written agreement or a Purchase Order is not required, to formalize a purchasing transaction with the bidder;
- e) “Award” means the acknowledgement of the authority to proceed to commit to an external bidder(s) for acquisition of goods and services;
- f) “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;
- g) “Bid” means an offer or submission received from a bidder in response to a procurement process, which may be subject to acceptance or rejection;
- h) “Bid Deposit” 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 one who submits a response to an invitation to bid as issued by the County;
- j) “Bidder” also means an individual, business, organization, corporation or director or owner thereof who may supply goods, services or construction to the County.
- 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) “Bonfire” is an online bidding portal used by the County to facilitate receipt of a variety of bid types.

- m) "C.A.O" means the Chief Administrative Officer of the Corporation of Grey County;
- n) "Certificate of Clearance" from the Workplace Safety and Insurance Board (WSIB) means a certificate issued by an authorized official of the WSIB certifying that the Board waives its rights under subsection 9(3) of the Workers' Compensation Act, R.S.O. 1990, Chapter W.11 as amended;
- o) "Certificate of Insurance" means a certificate from a reputable insurance company licensed to do business in Ontario providing proof of insurance from the awarded bidder inclusive of the stipulated requirements within the RFX document.
- p) "Coat-tailing"- a prohibited practice where an employee negotiates with a supplier, or accepts an offer from a supplier, to purchase a good or service for personal use at the same price that is being offered by the supplier to the County.
- q) "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;
- r) "Conflict of Interest" in respect of any matter dealt with in this Policy 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;
- s) "Contract" means a written agreement between the County and another party for the purchase of goods, services, or construction pursuant to this Policy;
- t) "Council" means the municipal Council for the Corporation of Grey County;
- u) "County" means the Corporation of Grey County;
- v) "Delegated Authority" means the Council-approved legal right to conduct the tasks outlined in this Policy;
- w) "Senior Managers" is the group of staff consisting of the Directors, County Clerk and the C.A.O. of Grey County;
- x) "Managers" is the group of staff consisting of those that report directly to Directors.
- y) "Director" means the head of a department operating within Grey County being: County Clerk, Paramedic Services, Corporate Services, Housing,

Long Term Care, Planning and Development, Social Services, Legal Services and Transportation Services or their designate;

- z) “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;
- aa) “Goods and Services” includes supplies, materials and equipment of every kind required to carry out the operations of a department;
- bb) “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;
- cc) “Informal Quotation” means a request for prices on specific goods and/or services obtained informally from selected sources, which may or may not be submitted verbally, in writing, electronically or transmitted by facsimile;
- dd) “Insurance Documents” means certified documents issued by an insurance company licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with the County’s insurance requirements as specified in the bid documents;
- ee) “Irregularities Contained in Bids” is defined in Appendix “B” and includes the appropriate response to those irregularities;
- ff) “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;
- gg) “Labour and Material Bond” means a bond issued by a surety company licensed to operate in the Province of Ontario to ensure that the contractor will pay his or her direct Subcontractors and/or Suppliers for labour and materials to protect the Corporation against liability to the contractor’s direct Subcontractor and Suppliers should the Contractor not make proper payments;
- hh) “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.
- ii) “Manager” means the head of a Department within Grey County who is responsible for the procurement processes of their respective Department, or their designate;

- jj) “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;
- kk) “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;
- ll) “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.
- mm) “Professional Service Supplier” means a supplier of services requiring professional skills for a defined service requirement including;
 - i) Architects, engineers and consultants; and
 - ii) Firms or individuals having specialized competence in environmental, planning or other disciplines.
- nn) “Purchase Order” means the purchasing document used to formalize a purchasing transaction with a bidder;
- oo) “Request for Expression of Interest (EOI)” is a focused market research tool used to determine bidder interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well defined and the purchaser has clear expectations for the procurement;
- pp) “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;
- qq) “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;
- rr) “Request for Qualification” 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;
- ss) “Request for Quotation (RFQ)” means a competitive procurement process for obtaining bids based on precisely defined requirements for which a clear or single solution exists, and in accordance with Schedule “A”;

- tt) “Request for Tender (RFT)” means a competitive procurement process for obtaining bids based on precisely defined requirements for which a clear or single solution exists, and in accordance with Schedule “A”; “Respondent” or “Bidder” means one who submits a response to an invitation to bid as issued by the County;
- uu) “Rotational Roster” means a list of pre-qualified Professional Service Suppliers, categorized by field of expertise as adopted by Council, which is utilized to select a bidder to provide services to the County based on a pre-disclosed list of projects, each less than \$100,000, for a specified time period of no longer than three years, whereby the User Department proceeds with the first bidder on the list for the first available job, then the second bidder on the list for the second available job and progresses through the list until the pre-disclosed list of projects is complete or the specified time period has been reached, whichever is first realized;
- vv) “Sealed Bid” means a formal sealed response received in response to a request for bids;
- ww) “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;
- xx) “Sole Source” means when there is only one available supplier of the required goods or services;
- yy) “Supplier” means any individual or organization providing goods or services to Grey County including but not limited to contractors, consultants, respondents, bidders, service organizations etc.;
- zz) “Unsolicited Proposal” means submission from any source whereby a User 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.
- aaa) “User Department” means the Department within Grey County that requires the goods, services or construction and for which the Manager or designate is the contact for the purpose of the procurement process.

2.0 General

2.1 Administration

- a) The Purchasing and Materials Manager, or designate, will administer this Policy.

2.2 Questions

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

2.3 Compliance

- a) No contract or purchase shall be divided to avoid any requirements of this Policy.
- b) User Departments shall initiate purchases only for unique User Department requirements to ensure that purchases are not duplicated in other Departments, and to take advantage of corporate purchasing power. When staff has decided that corporate purchasing power is a factor and the goods or services involve more than one Department, the Purchasing branch 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.

3.0 Authorization

Grey County Council is the ultimate authority for all expenditures. Council provides the authority to initiate procurement processes for goods and services through the authorization of annual budgets, resolution or by-law. Only Council has the authority to remove items from the approved annual budget. Staff do not have authority to delete items from 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) Staff is authorized to use the appropriate procurement methods to procure up to 50% of the gross expenditures contained in the first year of the current capital forecast, with approved Council resolution.

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	Informal Quotation	Request for Quotation	Request for Tender	Request for Proposal
Up to \$5,000	Up to \$10,000	From \$10,000 to \$75,000	Over \$75,000	Any \$\$ amount

4.1 Informal processes

- a) Informal processes may be completed by the user department or purchasing and shall include direct purchase or Informal Quotations. It will also include the Request for Quote process where Purchasing will assist in the document creation with the user department.
- b) Direct Purchase
 - i) Direct purchase, as described below, may be used when:
 - the dollar value of the item is equal to or less than \$5,000; or
 - the item is not covered under a standing contract.

- ii) Staff is authorized to use a direct purchase method for making small order purchases with approval of Manager/Director.
 - iii) Direct purchase should be made using one of the following methods and in accordance with the policies associated with each:
 - In writing, via email or other;
 - a Purchase Order, if available;
 - a pre-arranged method whereby the Supplier has agreed to invoice the County;
 - a corporate credit card; or
 - petty cash.
- c) Informal Quotation
- i) Informal Quotation will be used when:
 - The cost of the item is up to \$10,000;
 - User group is authorized to issue informal quotation requests via written communication to solicit pricing; or
 - Each bidder will receive same information and user group will award to lowest compliant bidder.
 - ii) Staff is authorized to use a direct purchase method for making small order purchases with approval of Manager/Director.
 - iii) Purchase should be made using one of the following methods and in accordance with the policies associated with each:
 - In writing, via email or other;
 - a Purchase Order, if available; or
 - a pre-arranged method whereby the Supplier has agreed to invoice the County;
- d) Request for Quotation (RFQ)
- i) RFQ procedures will be used when:
 - the cost of the item is \$10,000 or greater, but not more than \$75,000;
 - the ability exists to detail what is being purchased;
 - document title will be consecutively numbered based on Purchasing department's numbering and naming convention. User Department shall request such number;
 - Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets specifications; or

- It is the User department's responsibility to prepare the specification and Purchasing will create the Request for Quote. The User department will review the document prior to issuance.
- ii) The RFQ method allows potential bidders to be invited to participate in the quotation process. The User Department is required to provide contact information for a minimum of three operative bidders.
- iii) 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. When possible, on-line submissions (Bonfire portal) are encouraged.
- iv) 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 branch of the Finance Department. Any irregularities resulting in rejection of a bid shall be documented and kept in the procurement file.

4.2 Formal Processes

- a) Formal processes will be issued by Purchasing and shall include Request for Tender or request for Proposal.
- b) Request for Tender (RFT)
 - i) RFT procedures shall be used when:
 - the cost of the item is greater than \$75,000;
 - the ability exists to detail what is being purchased;
 - Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets minimum specifications.
 - ii) The User Department is responsible to provide detailed specifications to Purchasing. The Purchasing group shall incorporate the specification section and administer the Request for Tender. Purchasing will coordinate the tendering process.
 - iii) All RFTs shall be advertised in accordance with Section 8.00 of this Policy;
 - iv) All tendered bids will be received within the Bonfire Portal, unless decided otherwise by the Purchasing Manager;

- v) Bid pricing will be viewed initially by at least one employee of Purchasing with at least one employee of the user Department in attendance;
 - vi) Prior to Award, the User Department or Consultant (as applicable), in consultation with Purchasing shall be responsible for reviewing the bids to verify that all specifications of the tender are met. Purchasing will review the bids to ensure that there are no irregularities contained within the bid and that all terms and conditions as outlined in the bid document have been satisfied at the time of opening;
 - vii) In accordance with Authority to Award procedures, the User Department in consultation with purchasing or Consultant (as applicable), will provide a recommendation for award;
 - viii) 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.
- c) Request for Proposal (RFP)
- i) RFP procedures shall be used when:
 - the solution to the requirement cannot be accurately specified
 - innovative solutions are required
 - To achieve Best Value, the Award selection will be made based on a previously fully disclosed evaluation method involving a combination of mandatory and desirable requirements.
 - ii) The RFP method of purchase is a competitive method of purchase that may result in further negotiation with the short-listed and/or successful bidder prior to a purchase order or contract being finalized;
 - iii) Terms of Reference for RFPs that will have a long-term or large scale, community wide impact, or where community input may be sought (i.e. studies, master plans or other projects leading to Procedure development) will be reported to the appropriate standing committee and approved by County Council prior to being issued;
 - iv) The User Department shall provide the Terms of Reference section of the RFP and Purchasing will incorporate it into the approved Request for Proposal process;
 - v) All RFPs shall disclose the evaluation criteria that will be used to make an Award. Weighted value of the criteria is often disclosed in the Bid documents. In all situations where the weighted value of the criteria is not disclosed in the Bid documents, the weighted value shall

- be determined by the User Department with input from Purchasing prior to the RFP being issued;
- vi) The Purchasing and Materials Manager shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation scheme using a RFP. This may include, but is not limited to, factors such as qualifications and experience, strategy, approach, methodology, scheduling, past performance, facilities, equipment, and pricing. Weighting of the criteria will be the responsibility of the User Department, with input from the Purchasing and Materials Manager where required;
 - vii) The User Department may identify appropriate criteria from the list maintained by the Purchasing and Materials Manager for use in an RFP, but are not limited to criteria from the list. Cost will always be included as a factor, as Best Value includes both quality and cost;
 - viii) The weighting of the Cost section of the evaluative criteria should not exceed 30%, but there may be cases where it will be recommended to be higher than 30%;
 - ix) All RFPs shall be advertised in accordance with Section 8.00 of this Policy;
 - x) RFP's will be accepted through the Bonfire portal unless it is not possible to do so;
 - xi) Public openings are not required with the RFP process. When a public opening is deemed necessary, only the name of the bidders submitting responses to the RFP will be read and posted as received publicly on the Grey County website. Details of the proposals or any financial information will not be publicly disclosed at the opening;
 - xii) An Evaluation Committee, composed of a minimum of two County staff members, and where applicable one consultant who is overseeing the project, shall review all proposals against the established criteria, reach consensus on the final rating results. One member of Finance Staff will facilitate the scoring process of the submissions. Any supporting documents will be forwarded to purchasing and kept in the respective procurement file;
 - xiii) Purchasing or Consultant (as applicable) shall submit a comprehensive report to the appropriate committee which will contain a recommendation for award to the bidder meeting all mandatory requirements and providing Best Value as stipulated in the RFP;
 - xiv) Public reporting will not include summaries of bids, as this information will remain confidential. Any public disclosure of information shall be made by the Deputy Clerk in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990;

- xv) Unsuccessful proponents may, upon their request to the Purchasing Manager, meet with the User Department's Manager or Director, with the Purchasing Manager in attendance to review their bid submission. Discussions relating to any bid submissions other than that of the proponent present will be strictly prohibited.

4.3 Other Processes

a) Blanket Order Contracts

- i) Blanket Order Contracts occur as a result of a previous competitive bid, which establishes the successful bidder as the preferred source for a product, over a specified term.
- ii) A Blanket Order Contract may be used where:
- one or more Departments repetitively order the same goods or services and the actual demand is not known in advance;
 - a need is anticipated for a range of goods and services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises;
 - it is beneficial for the municipality to enter into a multi-year contract for goods or services to provide efficiencies or economies of scale.
 - To establish prices and select sources, Managers shall employ a procurement method contained in this Policy for the acquisition of goods and services.
- iii) The Blanket Order Contract shall contain corporate standard language provided by the Purchasing and Materials Manager. The User Department shall maintain each contract in accordance with its terms and conditions and this Policy. Blanket Order Contracts should, when applicable, define source and price with the selected supplier(s) for all frequently used goods or services;
- iv) More than one supplier may be selected where it is in the best interest of the County and the Bid solicitation allows for more than one;
- v) Purchasing action initiated by a Department for frequently used goods or services shall be made with the supplier(s) listed in the Blanket Order Contract;
- vi) In the bid documents, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage;
- vii) The term of a Blanket Order Contract will be determined in conjunction with the User 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.

b) Rotational Rosters

- i) 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;
- ii) Rotational rosters can only be utilized where budget is predetermined for either maintenance or capital projects;
- iii) 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;
- iv) Rotational Rosters may only be used to obtain Service Suppliers;
- v) When services are required the appropriate roster is utilized to select the service provider;
- vi) Subsequent service requirements will follow the same process allowing the next 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;
- vii) The User Departments in accordance with the goals and objectives of this Policy shall maintain rotational Rosters;
- viii) 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;
- ix) Purchases awarded to a bidder on a rotational roster shall not exceed \$75,000 per project.
- x) Each roster will remain open to allow for the addition of bidders.

c) In House Bidding

- i) Grey County will not consider In House Bids for goods and services that compete with the private sector during any procurement process.

d) Unsolicited Proposals

- i) Unsolicited bids received by the Corporation shall be reviewed by the respective Senior Manager and Purchasing. Approval authority shall be in compliance with Schedule "A";

- ii) Unsolicited proposals must be in writing, detailing information on a product or service that may provide the County with significant value and/or savings. Unsolicited proposals may be accepted and a contract entered into for a maximum of one year, without a competitive bid process, providing the total annual expenditure is less than \$25,000.
- e) Cooperative Purchasing
- i) Grey County supports membership in the Bruce-Grey Cooperative Purchasing Group and also supports any other cooperative initiatives that the Purchasing and Materials Manager deems beneficial to the County. The Purchasing and Materials Manager has the authority to participate with other units of government (such as Vendor of Record provided by the Ministry of Government and Consumer Services or Ontario Education Collaborative Marketplace, LAS, Kinetic GPO or any other legislated cooperatives) in their initiatives for cooperative purchasing and bulk buying of goods. The policies of the public authorities calling the cooperative Bid solicitation are to be the accepted Procedure for that particular purchase unless additional terms specific to the County are negotiated with the successful bidder. Approval authority shall be in compliance with Schedule "A".
- f) Sole and Single Sourcing
- i) Sole Sourcing is a method of procurement whereby a purchase order is issued, or contract awarded without a competitive bidding process due to the fact that the supplier is the only source of supply for the required goods or services. Sole Sourcing will be permitted if one or more of the following circumstances apply:
 - One supplier/contractor possessing the unique ability or capability to meet the requirements of the Corporation due to a patent, sales/distributor agreement or copyright
 - Service is obtained from a public utility
 - The supply relates to necessary unique replacement parts from an exclusive source of supply
 - The supply relates to the purchase of parts that must be compatible with goods previously supplied, and there are no reasonable alternatives to the products.
 - To maintain warranty or service agreement compliance for purchased products.
 - When the required item is covered by an exclusive right such as a patent, copyright or exclusive license

- ii) Single Sourcing is a method of procurement whereby there is more than one 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:
- Expiration of a contract has occurred, and user group wants to maintain and ensure the level of service and pricing.
 - disclosure of information in an open contract competition would breach some duty of confidentiality or compromise security
 - the compatibility of a Purchase with existing equipment, product standards, facilities or service is an overriding consideration (i.e. fleet management, parts standardization)
 - there is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier
 - an unforeseeable situation of urgency exists and the Goods and/or Services cannot be obtained in time by means of open procurement procedures
 - the Corporation has a rental contract with a purchase option and such purchase option is beneficial to the Corporation
 - for matters involving security, police matters or confidential issues, in which case a purchase may be made in a manner that protects the confidentiality of the Supplier or the Corporation
 - there are no bids in response to a Bid Solicitation
 - a roster for Professional Services has been developed in accordance with the Purchasing By-law
 - When competitive procurement may be found to be impractical
 - Where a good is purchased for testing or trial use and there is a clearly established deadline for the testing or trial period that does not exceed 12 months
 - Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt, compound and pre-mixed concrete for use in the construction or repair of roads (Broader Public Sector Guidelines - section 10.3.4.2.1 Single Sourcing)
 - When an urgent procurement is necessary for fulfilling a statutory order issued by a federal or provincial authority (i.e. compliance order)

iii) The use of Sole and Single Sourcing with a particular bidder exceeding \$75,000 must be reported to Council. Any single or sole sourcing with an amount between \$5,000 and \$74,999 must be requested to Purchasing and Materials Manager by applicable Director. Approval will come from Purchasing and Materials Manager in consultation with Director of Corporate Services or Designate. In order for a Department to sole or single source for goods or services exceeding \$75,000, an operating strategy must be presented with Purchasing input and approved by Committee of the Whole, outlining the rationale. Input must be sought from the Purchasing and Materials Manager to ensure the purchasing principles in this Policy are taken into consideration and risk to the County is managed.

g) Negotiation

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

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

h) Procurement in Emergencies

i) Notwithstanding the provisions of this by-law, an emergency purchase shall be made, with authorization from appropriate Director, when an event occurs that is determined by the Warden, the C.A.O. or appropriate Director or Designate, to be a threat to any of the following:

- an imminent or actual danger to the life, health or safety of an official or an employee while acting on the County's behalf;

- an imminent or actual danger of injury to or destruction of real or personal property belonging to the County;
 - the welfare of persons or of public property;
 - the security of the Corporation's interests and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive Call for Bids;
 - an unexpected interruption of an essential public service;
 - an emergency as defined by the Emergency Plans Act, R.S.O. 1990, Chapter E.9 and the emergency plan formulated by the County;
 - a spill of a pollutant as contemplated by Part X of the Environmental Protection Act, R.S.O. 1990, Chapter E.19;
 - mandate of a non-compliance order;
- i) Process for emergency purchase
- non-competitive procurement or negotiation methods may be utilized;
 - any Purchase Order or contract issued under such conditions together with a source of financing shall be justified and reported by the User Department in the quarterly purchasing report (over \$75,000).
- j) Non-Competitive Purchases
- i. Under the direction and control of Purchasing, the requirement for competitive bid solicitation for goods and services may be waived under the authority of this Policy and replaced with negotiations as it relates to the circumstances within section (f) – Single and Sole Sourcing.
- k) Request for Expression of Interest
- i. Requests for Expression of Interest may be issued to obtain information on the availability and interest of suppliers of any goods or services. Requests for Expression of Interest may or may not result in the development of a list of available suppliers.
 - ii. Requests for Expression of Interest are used to assess Supplier capabilities, or to conduct market research, without the intention of evaluating the responses or awarding a contract. An RFEI may not be used to pre-qualify a potential Supplier and must not influence their chances of being a Successful Bidder on any subsequent purchasing opportunity. The information received may be used for

the purposes of developing future documents for a subsequent competitive process.

l) Request for Pre-Qualification (RFPQ)

- i. RFPQ may be issued to prequalify bidders for various projects or purchases. The purpose of a RFPQ is to determine whether the qualifications of a bidder, as required by the County, are at a level that will allow participation in a subsequent bidding opportunity that takes place as a direct result of the Request for Pre-Qualification.
- ii. An RFPQ may be issued to pre-qualify 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 acceptable in order to allow participation in a subsequent bidding opportunity that takes place as a direct result of the Request for Pre-qualification.
- iii. A Bidder may be pre-qualified by providing an acceptable response to a Request for Pre-Qualification or a Request for Roster Candidates. Selection of pre-qualified 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 others.
- iv. As a result of pre-qualification, the County will only allow those pre-qualified Bidders to participate in the bidding process for the scope of work and/or services as specified in the RFPQ or RFRC document.
- v. Pre-qualification may be done: on a project specific basis; for a group of projects that are similar in scope for which the same category of Supplier would be utilized; or for Roster development.

m) Request for Information (RFI)

- i. RFI may be issued by staff in conjunction with Purchasing to provide staff with an understanding of potential solutions/needs.
- ii. An RFI may be issued in advance of a formal bid process to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified Bidders.
- iii. RFI may or may not lead to a formal bid process.

n) Coat-tailing

- i) This is a prohibited practice by the County. An employee cannot negotiate with a supplier, or accept an offer from a supplier, to purchase a good or service for personal use at the same price that is being offered by the supplier to the County.

5.0 Fees

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

6.0 Risk Management

6.1 Bid Deposits/Bid Bond

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

- i) The County will return all bid deposits with the exception of the 2 lowest bids within 14 days of the closing date. Once a contract has been awarded, all but the lowest bid deposit will be returned. The County reserves the right to utilize the awarded companies bid deposit as a performance bond.

6.2 Other Guarantees

- a) Purchasing, in consultation with the User Department shall select the appropriate means to guarantee execution and performance of the Contract. Means may include one or more of but are not limited to; financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks.
- b) Purchasing will request a Performance, Labour & Material or Maintenance Bond for no less than 50% of the bid amount for any procurement anticipated to be over \$500,000 as per the Construction Act of Ontario, Section 85
- c) Performance Bond, to guarantee the faithful performance of the Contract;
- d) Labour and Material Bond to guarantee the payment for labour and materials that are supplied from the contractor's direct suppliers and subcontractors in connection with the contract;
- e) Maintenance Bond to guarantee the fulfillment of the contractor's obligation under the warranty clause of the contract.
- f) Purchasing shall ensure that the guarantee methods selected will:
 - i) not be excessive but sufficient to cover financial risks to the County,
 - ii) provide flexibility in applying leverage on a supplier so that the penalty is proportional to the deficiencies, and
 - iii) comply with provincial statutes and regulations.
- g) Stipulated by the Construction Lien Act as amended, a minimum payment holdback of 10% shall be mandatory on all construction Contracts exceeding \$500,000.
- h) Additional holdbacks may be permitted in compliance with other County policies as applicable.
- i) Holdbacks will be released by the Finance Department upon receipt of a written notice, executed by the user Department Manager to release the holdback.
- j) Holdbacks for deficiencies shall be taken into consideration so as to ensure the deliverables are aligned with the payment being issued. It is the responsibility of the contract manager/project owner to ensure that

approved invoices reflect an adequate reduction for applicable deficiencies prior to the invoice being certified for payment and submitted to the Finance Department for processing. It is the responsibility of the contract manager/project owner to notify the Contractor of the holdback to address the deficiency.

- k) Prior to providing notice to release the holdback, the contract manager/project owner must ensure:
 - i) All terms and conditions of the contract have been completed to the satisfaction of the User group.
 - ii) Receipt of clearance from the WSIB for any arrears
 - iii) Receipt of Statutory Declaration of progress payment distribution by the contract
 - iv) All requirements of the Construction Lien Act (as amended) have been satisfied.

6.3 Insurance

- a) Prior to execution of the contract, or where deemed appropriate by the County's Insurer, Purchasing or User Department, evidence of satisfactory insurance coverage must be obtained from the bidder's insurance agent or broker, ensuring indemnification of Grey County from any and all claims, demands, losses, costs or damages resulting from the performance of a Supplier's obligations under the Contract.
- b) Insurance limits shall be based on the recommendations of the County's Insurer.
- c) The type of insurance required will be relevant to the goods, services or construction being purchased. Requests for insurance may include but are not limited to:
 - i) commercial/general liability
 - ii) automobile liability
 - iii) 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) The appropriate insurance coverage shall be determined by Grey County Insurance Guidelines, in consultation with the User Department,

maintaining an adequate amount of protection to the County. In the event of an unusually large project budget the Purchasing staff may recommend a higher insurance limit to cover the risks adequately.

- f) All hired Contractors/Service Providers must supply a Certificate of Insurance (COI) confirming the required coverage. The certificate must include, as a minimum, naming Grey County as an additional insured inclusive of a cross liability clause.
- g) The successful bidder is required to keep in force the required insurance requirements throughout the course of the project and will not allow the COI to lapse, or change, without giving thirty days written notice to the County of Grey.
- h) Workplace Safety and Insurance Board
 - i. The successful bidder is responsible to provide a WSIB (Workplace Safety and Insurance Board) clearance certificate prior to starting work.
 - ii. If the bidder considers themselves to be an independent operator and does not require a WSIB clearance certificate, application shall be made prior to the project starting for consideration by the WSIB.

6.4 Exclusion of Bidders in Litigation

- a) The County may, in its absolute discretion, reject a bid or proposal submitted by the bidder prior to or after bid opening, if the bidder:
 - i) is a party to litigation with the County; or
 - ii) directly or indirectly, including by common ownership or control or otherwise, is related to a party to litigation with the County; or
 - iii) intends to use a sub-contractor in respect of the specific project who is a party to litigation with the County, or, who, directly or indirectly, including by common ownership or control or otherwise, is related to a party to litigation with the County.
- b) For the purposes of this section, the phrase “party to litigation with the County” includes cases in which the bidder or prospective bidder or any of the parties named above, have advised the County in writing of their intention to commence litigation, or have commenced or have advised the County of their intention to commence an arbitrational process, against the County.
- c) Bids from any bidder in any of the above circumstances may be rejected as non-compliant.

- d) In determining whether or not to reject a bid under this section, the County will consider whether the litigation is likely to affect the bidder's ability to work with the County, its consultants and representatives, and whether the County's experience with the bidder in the matter giving rise to the litigation indicates that the County is likely to incur increased staff and legal costs in the administration of the Contract if it is awarded to the bidder.

6.5 Suspension of Bidders Due to Performance

- a) Purchasing, in consultation with the relevant User Department and, where appropriate, the County Solicitor, may suspend the rights of any bidder to bid on any requirement, where the prior performance of the bidder has been documented to be unsatisfactory. Unsatisfactory performance shall include, but not be limited to, a failure to meet contract specifications, terms and conditions, as well as health and safety violations. The period of suspension will not exceed 3 years.
- b) A bidder whose bidding rights have been suspended may request, in writing to the Purchasing and Materials Manager, reinstatement of bidding rights at any time after the expiry date of the suspension period specified in the written notice given.

6.6 Conflict of Interest

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

6.7 No Local Preference

- a) The County of Grey imparts fair and impartial award recommendations for all contracts and tenders. This means that we do not extend preferential treatment to any 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

6.8 Trade Agreements

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

6.9 Dispute Resolution

- a) In the event any company or person who has been involved in the bidding or purchasing process as described in this Policy identify a dispute in regards to this process, the following dispute resolution steps shall be followed. In each step the county shall keep the resolution process fair and transparent to all concerned.
- b) The company or person identifying a dispute shall be required to state the nature of the dispute in writing giving full details and history of the events leading to the dispute claim and address the written dispute claim to the County Clerk. (Where the Clerk's office is directly involved in the dispute topic, the written dispute claim will be directed to the C.A.O.)
- c) Upon receipt of the written dispute claim, the County Clerk shall request a meeting with all persons named in the dispute claim to discuss the particulars of the dispute claim.
- d) If those attending said meeting shall agree that the matter can best be handled by a written response only, the County Clerk or designate shall with the assistance of those named above prepare a written response and send it to the company or person who issued the dispute claim.
- e) If those attending said meeting shall agree that the matter needs further clarification, such clarification may be requested by an additional written response from the originator of the dispute claim or by the calling of a meeting between those attending the meeting and the originator of the dispute claim.

- f) At a meeting between those who have been named in the written dispute claim and the originator of the dispute claim, the County Clerk or designate shall chair such meeting and appoint a meeting recorder to record all pertinent conversation. If the dispute can be resolved at this meeting a written report of such resolution shall be sent by the County Clerk or designate to all who were in attendance at the meeting.
- g) In the event a resolution could not be achieved at said meeting described in Step e) above and the originator of the dispute claim requests to further prosecute the dispute claim, the County Clerk or designate shall forward the dispute claim to contact the County Solicitor. The dispute claim shall then be handled by the County Solicitor in accordance with established procedures for processing such claim.

6.10 Tie Bids

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

6.11 Scope and Contract Changes

- a) For projects awarded at \$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 Corporate Services (or designate), prior to issuing a change order request to the supplier/bidder.
- b) For 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 purchasing for the approval by the Director of Corporate Services (or designate) and the Chief Administrative Officer, prior to issuing a change order request to the supplier/bidder.
- c) Completed projects awarded over \$500,000 that went over budget by 20% or more of the awarded amount including contingency, will be communicated in a separate report (not within the quarterly report) to the standing committee.

Standardization

6.12 Documents

- a) In order to assist in cross-training, enable multiple bidders to understand the process requirements, ensure accessibility requirements are met and ensure that legal and insurance risks are controlled, standard formats and language, with the exception of specifications, for the following documents shall be used by all staff involved in procurement:
 - i) Request for Quotation
 - ii) Request for Tender
 - iii) Request for Proposal
 - iv) Request for Expression of Interest
 - v) Request for Information
 - vi) Request for Pre-Qualification
 - vii) Blanket Order Contract
 - viii) Rotational Roster
 - ix) Purchase Order
 - x) Advertising, print and electronic
 - xi) Other Contracts which pertain to this Policy
- b) The standard formats and language for the above documents will be developed by Purchasing, with the exception of specifications, and will be updated or amended as appropriate. Review of templates by an outside legal entity is encouraged when necessary prior to approval by the Director of Corporate Services.
- c) Preparation of specifications for RFQs or RFTs and Scope of Work for RFP's shall be the responsibility of the User 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 Purchasing. Where the County's standard documents are not being used, the document shall be provided to Purchasing for review prior to issuance or execution. Purchasing will recommend review by an outside legal entity if deemed to be in the best interest of the County.
- e) Grey County supports standardization among Goods and Services that are used on a regular basis and encourages corporate standards to be adopted where it is deemed beneficial to the County.

7.0 Public Notice

7.1 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 Grey/Bonfire hub.
- 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 Respondents for a subsequent bidding opportunity, advertising is not required for the subsequent bidding opportunity. The pre-qualification process is required to be advertised locally on the County website if over \$75,000.
- d) Advertising in any publication or website is the financial responsibility of, and at the discretion of, the User Department.
- e) These advertising provisions do not apply to sole and single sourcing, negotiation, procurement in emergencies, non-competitive purchases and other procurement processes initiated by the County in which bid documents are supplied to selected prospective bidders as provided in this Policy.

8.0 Contracts

8.1 Contractual Agreement

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

8.2 Requirements Prior to Commencement of Work

- a) Grey County will not authorize any work until all required documentation identified in the bid document, has been received in satisfactory form. The successful bidder shall submit all documentation requested in the bid document to the User Department within fourteen (14) working days of

being awarded the Contract. Such documentation may include but is not limited to:

- i) executed bonding
- ii) insurance documentation
- iii) clearance certificate or applicable documentation from WSIB
- iv) any other documentation required to facilitate the execution of the Contract as detailed in all procurement documents.

8.3 Exercise of Contract Extension

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

8.4 Execution and Custody of Documents

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

8.5 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.

9.0 Reporting

9.1 To Council

Reports requiring Council approval will be prepared by the User Department and Purchasing. The following procurements are subject to Council approval:

- a) Any contract exceeding \$500,000 annually;
- b) Any project awarded over \$500,000 that has change orders exceeding the awarded amount by 20% or more (Information Only).
- c) Any acquisition of goods or services that is not already approved in the current year's budget, such as items requiring pre-budget approval or post-budget amendments, must be reported to Council in order to have the expenditure authorized via resolution;
- d) Any contract where the award is not being recommended to the lowest compliant bidder,
- e) Any contract anticipated to be financed by debentures.
- f) Where authority to award has not been expressly delegated;

9.2 Quarterly Update

Each Department will provide a quarterly update for contracts between \$75,000 and \$500,000, and contracts resulting in revenue exceeding \$75,000, to Committee of the Whole in cooperation with Purchasing, which will highlight all budgetary changes if applicable;

9.3 Award of Contracts for Tenders

Reports to Council for award of contracts for Tenders shall include the following information:

- a) number of bids submitted at time of closing
- b) number of submissions disqualified or rejected as informal
- c) names and prices, exclusive of all applicable taxes, of all bids meeting requirements
- d) source of funding
- e) any other pertinent information

9.4 Award of Contracts for Requests for Proposal

Reports to Council for award of contracts for Requests for Proposal shall include the following information:

- a) description of Supplies/Services being procured
- b) date the RFP was issued and date of closing
- c) number of bid requests distributed, and number of proposals received
- d) number of proposals disqualified or rejected at time of opening

- e) names of bidders from whom proposals were received (that were not disqualified)
- f) list of pre-established criteria and weighting used to evaluate the submissions with applicable description of the process
- g) positions of the members of the evaluation committee
- h) source of funding

10.0 Materials Management and Inventory Control

10.1 Responsibility of Manager

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

10.2 Disposal of Surplus Goods

- a) All Senior Managers, with input from Purchasing shall be responsible for the disposal of all surplus goods.
- b) All Senior Managers shall notify Purchasing when items become obsolete or surplus to their requirements.
- c) Purchasing, with the assistance of the owning group, shall ascertain whether items falling under their respective authorities can be of use to another municipality or Department rather than disposed of. This may be by way of an email informing 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 municipality. An example of this is a public auction website. Trade-in options may also be considered as a form of disposal.
- e) Placing minimum bids for surplus goods going through the disposal process, shall be the responsibility of the department/staff member most familiar with the market value of the item. In establishing a minimum bid, staff may consult with the current online auction provider.
- f) The user department will be credited with the net proceeds from the sale of their surplus assets.
- g) Surplus assets shall not be sold directly to an employee or to a member of Council, although this does not prohibit any employee or member of Council from purchasing Surplus Assets being sold through a public process.

- h) Surplus Assets may be donated to non-profit agencies or non-profit institutions for educational or teaching purposes only. Donated items shall not be re-sold. All donated Surplus Assets must be approved by the Director of Corporate Services.

11.0 Purchasing Policy and Process

11.1 Policy Review

- a) The Purchasing and Materials 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 and Materials Manager, on a regular basis, will lead a review of this Policy and make recommendations to be presented to the Senior Management Team for inclusion in a report to Council. This Policy may be reviewed as required.

12.0 Contractor Performance Report

- a) The County of Grey may complete a Contractor Performance Report for any project. The report shall rate the performance of the bidder, contractor or consultant on standard criteria developed.
- b) Performance issues shall be noted in writing with a copy to the bidder and a copy to the departmental project file. Performance issues shall also be noted in any site meeting or project meeting minutes for resolution purposes.
- c) On completion of the project, the Project manager shall forward the Contractor Performance Report to the bidder with a copy to purchasing. All back-up documents pertaining to any substandard evaluations and comments shall be attached to the evaluation document. The user department will forward a copy of the completed evaluation to the bidder for their records. The bidder may request a meeting with the County and the Project manager to discuss the evaluation and shall have 20 calendar days following delivery of the evaluation to request an appeal. This appeal shall be forwarded to the Manager of Purchasing.
- d) The appeal shall be conducted by a Dispute Committee which shall hear from both Corporation staff and the supplier at a time and place appointed in writing by the Committee. The Dispute Committee shall be comprised of members of the senior management team and the Director of the user department involved. A quorum of the Dispute Committee shall be two of

the four members. The decision of the Dispute Committee shall be in writing and it shall be final.

- e) The performance evaluation shall determine whether a bidder will:
 - i) be allowed to renew a contract with the Corporation;
 - ii) be allowed to respond to future contract opportunities with the Corporation;
 - iii) be placed on a probationary list for a minimum of two years during which time it shall be permitted to bid or propose work for the Corporation; the work of those on probation will be closely monitored;
 - iv) be suspended from bidding on any contracts with the Corporation during a three-year period, followed by a one-year probationary period after re-instatement.
- f) In reaching a decision, the project manager, contract coordinator or project engineer or Dispute Committee shall be entitled to rely upon the evaluation criteria determined in advance of the project and the results of prior performance evaluations relating to other contracts performed by the same bidder.
- g) No bid shall be accepted from the suspended bidder, nor shall any award be issued to the suspended bidder during the term of the suspension.
- h) The results of any Contractor Performance Report may be disclosed to other municipalities or government bodies upon request, where it can be demonstrated that the contractor has listed the Corporation as a work reference.

13.0 Accessibility and Procurement

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

13.1 Our vision

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

13.2 Our Commitment

- a) The County of Grey is committed to integrating accessibility into procurement policies, procedures and practices by:
 - i) Conducting regular reviews and updates of procurement-related directives, policies, procedures and standards

- ii) Embedding accessibility requirements into the procurement process.
 - iii) Conducting reviews to ensure compliance and continuous improvement in procurement practices.
 - iv) Reviewing feedback on the procurement process and taking appropriate action as needed.
 - v) Purchasing services will consider ergonomic design and other safety features when purchasing equipment, machines, devices and tools
- b) Everyone has the right to access public information. If a person cannot access a public document because of a disability, they are being denied their right to access.

Schedule “A” Authority to Award

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

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

When awarding multi-year contracts, with a net expenditure under \$500,000 per annum, Council approval will not be required. Award and contract length must be presented in quarterly report.

Service agreements resulting from awards endorsed by County Council are delegated to the Director of Corporate Services and the appropriate department Director for signature.

Authority to Award	Dollar Value	Minimum Method of Procurement
Any employee authorized by Director	\$5,000 or less	Direct Purchase
Manager as authorized by Director	\$5,000 - \$75,000	Request for Quotation / Proposal
Director	\$75,000 - \$500,000	Request for Tender / Proposal / Negotiation
Council	special cases as determined by Purchasing	Request for Tender / Proposal

NOTE: Any contract budgeted under \$500,000 where the total annual acquisition cost is greater than the Council approved budget by 20% or more, the Director of Corporate Services and Chief Administrative Officer must approve the expenditure. Director will be responsible for explanation of funding of overage and note such funding in quarterly report to Council.

Schedule “B” - Authority for Payment

Authority limits for payment are as follows:

Position	Detail	Limit
Senior Manager 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 Corporate Services or by resolution only.

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

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: departmental staff, C.A.O., Director of Corporate Services and the Director of Legal Services, shall review irregularities not specifically listed and, acting in the best interests of the Corporation, have authority to waive such irregularities, permit correction to the irregularity or reject the submission.

Number	Irregularity	Response
1.	Late Submissions.	Rejection, not opened or read publicly. Submission to be returned to submitter.
2.	Insufficient Financial Security (No bid bond/deposit or agreement to bond or insufficient bid bond/deposit)	Automatic Rejection for no bid deposit. Automatic Rejection for no agreement to bond. 48 hours to correct shortfall in bid deposit if less than required by no more than 10%.
3.	Conditional Bids (Bids qualified or restricted by an attached statement).	Automatic rejection unless, in the opinion of Department and Purchasing, the qualification or restriction is insignificant.
4.	Illegible or obscure Bids, non-initialed erasures, non-initialed alterations.	Automatic rejection.
5.	Documents, in which all necessary Addenda which have significant financial or scope implications in the opinion of the Purchasing Manager and user group, have not been acknowledged.	Automatic rejection.
6.	Documents in which all necessary Addenda which do not have significant financial or scope implications in the opinion of the Purchasing Manager and user group and have not been 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.	Bonfire Error	Bonfire bid tables containing obvious errors (confusion with unit of measure) will be clarified and may be corrected.
14.	Other minor irregularities	Purchasing, in conjunction with the Director of Corporate Services shall have authority to waive irregularities, which they jointly consider to be minor.
15.	Any irregularity	Despite all provisions herein contained, Purchasing in conjunction with the members of the Senior Management Team may waive any irregularity where it considers it to be in the best interest of the County.

Schedule “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. Professional and Special Services up to \$500,000 including:
 - Committee fees, witness fees
 - Banking and Financial Services
 - Realty services regarding lease, acquisition, demolition, sale, disposal or appraisal of land.
 - Advertising services required in radio, television, newspaper or magazines
 - Bailiff or collection agencies
 - Hairstyling/barber services
 - Clergy services
21. Freight charges
22. Utilities
23. Interpreter Fees and Transcription Fees for POA
24. Performance / Artist’s Fees
25. Employee Group Benefits
26. All legal services and fees
27. Professional and special services exceeding \$500,000 must follow the approval process outlined on Schedule A