

THE CORPORATION OF THE TOWN OF DEEP RIVER

BY-LAW NUMBER 29-2025

A BY-LAW TO AMEND BY-LAW 01-2022 CORPORATE POLICIES AND PROCEDURES MANUAL, TO INCLUDE POLICY F00-5: TOWN OF DEEP RIVER PROCUREMENT POLICY.

AND WHEREAS Council adopted By-Law Number 01-2022 on January 12, 2022 approving the Corporate Policies and Procedures Manual for the Corporation of the Town of Deep River;

AND WHEREAS Council deems it necessary and expedient to amend the Corporate Policies and Procedures Manual from time to time to meet changing requirements as policies are added, removed, or amended;

AND WHEREAS Council of the Corporation of the Town of Deep River deems it expedient to amend the Corporate Policies and Procedures Manual to include a Town of Deep River Procurement Policy;

NOW THEREFORE BE IT RESOLVED THAT the Council of the Corporation of the Town of Deep River enacts as follows:

1. THAT the Corporate Policies and Procedures Manual is hereby amended to include Policy Number F-005, a Procurement Policy attached to this By-Law as Schedule 'A'.
2. THAT this By-Law shall take effect and come into force upon final passing thereof.
3. THAT all former policies and procedures for Procurement are hereby repealed.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 21ST DAY OF MAY, 2025.



Suzanne D'eon, Mayor

Jackie Mellon, Clerk

By signing this By-Law on May 21, 2025, Mayor D'eon will not exercise the power to veto this By-Law.

SCHEDULE 'A' TO BY-LAW 29-2025

Town of Deep River
F-005
Procurement Policy

The Corporation of the Town of Deep River**Town of Deep River****POLICY / PROCEDURE MANUAL**

Corporate Policies and Procedures				
DEPARTMENT: Finance				POLICY NO.: F-005
POLICY: Procurement Policy				
DATE OF ORIGIN: May 21, 2025	REVIEW DATE:	REVISION DATE:	APPLICABLE TO: Council and All Employees	PAGE #: 1 to 37

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11. DEFINITIONS

1. POLICY STATEMENT

The Town of Deep River will purchase goods and services for its operations as outlined in this policy.

2. PURPOSE

The purpose of this policy is to:

- 2.1.1. Ensure that publicly funded goods and services, including construction, consulting services, professional services and information technology, are acquired by the Town through a process that is open, fair and transparent;
- 2.1.2. Ensure that Town procurement processes are managed consistently;
- 2.1.3. Outline Town responsibilities throughout each stage of the procurement process and provide greater control over procurement activities; and
- 2.1.4. Provide guidance on ethical public sector purchasing.

3. GOALS and OBJECTIVES

The goals and objectives of the Procurement Policy are:

3.1. Accountability

- 3.1.1. To ensure the results of the Town's procurement processes and decisions are appropriate.
- 3.1.2. To ensure obligation of the Town to answer for procurement results and for the way that procurement responsibilities are delegated. Accountability, unlike responsibility, cannot be delegated.

3.2. Fairness

- 3.2.1. To ensure that all Vendors have an equal opportunity to provide goods and services to the Town.
- 3.2.2. To ensure that all policies are applied equally to all bidders.
- 3.2.3. Councillors and employees must not:
 - a) purchase or offer to purchase, on behalf of the Town, any goods and services, except in accordance with this Policy;
 - b) 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 Town
 - c) 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 Town to any claim, demand, action or proceeding as a result.

3.3. Objectivity

3.3.1. To ensure that the procurement of goods and services is approached in an unbiased way, not influenced by personal preferences, prejudices or interpretations.

3.4. Openness and Transparency

3.4.1. To ensure the Town is transparent to all stakeholders.

3.4.2. To ensure clarity and disclosure about the process for arriving at procurement decisions. Procurement for the Town is undertaken within the context of legal considerations about confidentiality and the protection of privacy. Our policies are governed by these considerations.

3.4.3. To ensure wherever possible that all stakeholders have equal access to information on procurement opportunities, processes and results.

3.5. Process Standardization

3.5.1. Standardized processes remove inefficiencies and create a level playing field.

3.6. Value for Money

3.6.1. To ensure the Town maximizes the value they receive from public funds by delivering goods and services at the optimal total lifecycle cost.

3.7. Environmentally Friendly Purchasing

3.7.1. To encourage the procurement of goods and services with due regard to the preservation of the natural environment and the promotion of waste reduction and recycling of waste materials.

3.7.2. 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 affecting the intended use of the Commodity.

4. SCOPE

4.1.1. This policy applies to all individuals making purchases on behalf of the Town.

4.1.2. Section 270 (1) and 270 (2) of the Municipal Act 2001, S.O. 2001, Chapter 25 requires a municipality and local boards to adopt and maintain policies with respect to its procurement of goods and services.

4.1.3. The Town must conduct procurement activities according to the law in Ontario, including contract law, the law of competitive processes, privacy legislation, accessibility legislation and any other applicable legislation.

5. RESPONSIBILITY

- 5.1.1. Directors are responsible for procurement activities within their departments and are accountable for achieving the specific objectives of the procurement project.
- 5.1.2. Directors and the CAO have authority to award contracts in the circumstances specified in this Policy, provided the delegated power is exercised within the limits prescribed in this Policy and the requirements of this Policy are met.
- 5.1.3. The CAO has the authority to instruct Directors not to award contracts but to submit recommendations to Council for approval. The CAO may provide additional restrictions concerning procurement, where such action is considered necessary and in the best interest of the Town.

6. GENERAL

6.1. Applicability & Restrictions

- 6.1.1. All commodities required by the Town shall be purchased in accordance with this Policy, unless:
 - a) The Council directs that any particular purchase of a commodity shall be carried out in some other manner;
 - b) An exemption to this Policy applies; or
 - c) Any applicable law requires that the purchase of a commodity be carried out in some other manner.
- 6.1.2. Where exceptions apply, the purchase of those commodities shall be carried out in accordance with the resolution 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.
- 6.1.3. All Town employees, volunteers and Councillors shall follow the guidelines of this Policy.
- 6.1.4. Due to a higher level of due diligence required, no employee, elected official or volunteer acting on behalf of the Town shall be considered for an award of contract without prior approval of:
 - a) \$10,000 or less, the CAO;
 - b) over \$10,000, Council.
- 6.1.5. No contract or purchase shall be divided to avoid the requirements of this Policy.
- 6.1.6. Where a Director is authorized to do any act pursuant to this Policy, such act may be done by such Director's authorized designate.
- 6.1.7. Purchase requisitions for services, where the services could result in the establishment of an employee - employer relationship, are not permitted.

6.1.8. Where this Policy identifies delegated authority limits for contract awards, the value of a contract shall be the sum of:

- a) all costs to be paid to the supplier under the contract including freight and other charges; but
- b) excluding all taxes and tax rebates.

6.2.Unsolicited Quotations or Proposals

6.2.1. Unsolicited Quotations or Proposals will not be accepted.

6.3.Standardization

6.3.1. It shall be the Policy of the Town, wherever possible to standardize goods and services purchased to allow for:

- a) reducing the number of goods and services required;
- b) increased volume on common items or service;
- c) maximizing volume buying opportunities;
- d) providing economies of scale;
- e) reducing handling, training and storage costs;
- f) minimizing maintenance costs;
- g) cooperative purchasing activities; or
- h) more competitive bid results.

6.4.Co-operative or Collaborative Purchasing

6.4.1. Collaborative procurement is a coordinated event that facilitates purchasing on behalf of multiple organizations. It may be facilitated through buying groups or co-operative ventures with other municipalities.

6.4.2. The Town may participate with other government agencies or public authorities in the cooperative Acquisition ventures where it is determined to be in the best interest of the Town to do so.

6.5.Privilege Clause

6.5.1. When using the privilege clause which reads in part "the lowest or any tender may not necessarily be accepted", the specific reasons why the bid is not accepted must be documented in our internal files. These may be shared with the vendor if requested.

6.6.Personal Purchases

6.6.1. The Town 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.

6.7. Trade Agreements

- 6.7.1. Procurement by the Town may be subject to the provisions of various trade agreements, including but not limited to the Agreement on Internal Trade (AIT) and the Ontario–Quebec Trade Cooperation Agreement (Ontario–Quebec Agreement), North American Free Trade Agreement (NAFTA) or Comprehensive Economic and Trade Agreement (CETA).
- 6.7.2. Where an applicable trade agreement is in conflict with this Policy, the trade agreement shall take precedence.
- 6.7.3. Where an exemption, exception or non-application clause exists in the Agreement on Internal Trade (AIT) or other trade agreement, the Town may apply that clause when procuring goods or services. The applicability of such a clause must be formally established.

6.8. Conflict of Interest

- 6.8.1. All paid employees or elected officials shall disclose annually (and as circumstances change) any business or personal relationship they might have outside of Town business which might create a potential conflict of interest relative to the procurement of goods or services.
- 6.8.2. All employees authorized to purchase on behalf of the Town shall be required to declare any known, potential or perceived Conflict of Interest to the CAO, Mayor and Treasurer.
- 6.8.3. All consultants (e.g. architects, engineers, etc.) retained by the Town shall disclose to the Town prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Town as directed by the Director, may at its discretion, withhold the assignment from the consultant until the matter is resolved. Furthermore, if during the conduct of a Town assignment, a consultant is retained by another client giving rise to a potential conflict of interest, the consultant then shall so inform the Town. If a significant conflict of interest is deemed by the Director to exist, then the consultant shall refuse the new assignment or shall take such steps that are deemed necessary to remove the conflict of interest or risk forfeiting the Town's contract without penalty to the Town.
- 6.8.4. Where a conflict of interest arises, it must be evaluated, and an appropriate mitigating action must be taken.

7. ADMINISTRATION

7.1. Segregation of Duties

- 7.1.1. The Town provides for segregation of at least three of the five functional procurement roles per the following chart:

Procurement Function	Responsibility
Requisition	Administration Assistants, Supervisors, Managers or Directors place requisitions.
Budgeting	Budgets are approved by Council.
Commitment	Commitment is made by Director, CAO or Council depending on dollar value.
Receipt	Goods and services are received by the department making the requisition.
Payment	Payments are processed by the Finance Department.

7.1.2. Responsibilities for these roles must lie with different departments or, at a minimum, with different individuals.

7.2. Procurement Approval Authority Level Schedule (PAALS)

7.2.1. Goods and services excluding professional and consulting services:

- a) The Town adheres to an established Procurement Approval Authority Level Schedule (PAALS) for procurement of goods and services excluding professional and consulting services (*Schedule A – Procurement Approval Authority Level Schedule*).
- b) The PAALS identifies, for each procurement method, authorities that are allowed to approve procurements for different dollar thresholds.
- c) The PAALS has been approved by Council.
- d) Prior to commencement, any procurement of goods and services excluding professional and consulting services must be approved by an appropriate authority in accordance with the PAALS of the Town.
- e) Prior to commencement, any non-competitive procurement of goods and services greater than \$25,000 excluding professional and consulting services must be approved by an authority one level higher than the PAALS requirements for competitive procurement.

7.2.2. Any procurement of professional or consulting services must be approved in accordance with the Procurement Approval Authority Schedule for Professional and Consulting Services.

- 7.2.3. The Town must conduct an open competitive procurement process where the estimated value of procurement of goods or services is greater than \$25,000. Any exemptions must be in accordance with the applicable trade agreements.
- 7.2.4. The following are authorized procedures and project cost limits for the procurement of goods, services or construction:

Procurement Method	Project Cost
Petty Cash	\$100 or less
Credit Card/Purchasing Card	\$10,000 or less
Direct Acquisition (e.g. on account; by invoice)	\$25,000 or less
Request for Quotation	\$25,000.01 to \$75,000
Request for Tender	>\$75,000
Request for Proposal	>\$75,000
Request for Standing Order	Individual items less than \$10,000
Aggregated Purchasing Arrangements	If available

7.3. Contracts Requiring Prescribed Council Approval

- 7.3.1. Despite any other provision of this Policy, the following contracts are subject to Council approval:
- a) any contract requiring approval from the Ontario Municipal Board or successor;
 - b) any contract prescribed by Statute to be made by Council;
 - c) where the cost amount proposed for acceptance is higher than the Council approved departmental budget, and the necessary adjustments cannot be made within the departmental budget;
 - d) where a Substantive Objection emanating from the bid solicitation has been filed with the Director or with the CAO;
 - e) where a major irregularity precludes the award of a tender to the supplier submitting the Lowest Responsive Bid; and
 - f) where authority to approve has not been expressly delegated

7.4. Availability of Approved Funds

- 7.4.1. Departmental expenditures are authorized by Council each year as part of the Annual Budget process. Upon Council's approval of budget 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 irregular result (e.g. insufficient bids) or bids received over the allocated budgeted figure.
- 7.4.2. 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

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of the Director 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.

7.4.3. Where a requirement exists to initiate a project for which goods, services or construction are required and funds are not contained in appropriate accounts within the Council approved departmental budget to meet the proposed expenditure, the Director shall, prior to the commencement of the purchasing process, submit a report through to Council containing:

- a) information surrounding the requirement to contract;
- b) the terms of reference to be provided in the contract, and
- c) information on the availability of the funds within existing estimates, which were originally approved by Council for other purposes or on the requirement for additional funds.

7.4.4. Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:

- a) the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates; and
- b) the requirement for the goods 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.

7.5. Procurement Records Retention

7.5.1. For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information must be retained in a recoverable form for a period of seven years.

7.5.2. The Town's Retention Policy states how documents are handled and stored in order to maintain the suppliers' confidential and commercially sensitive information.

8. COMPETITIVE METHODS OF PROCUREMENT

The following processes are used to give effect to the purpose of this Policy:

8.1. Competitive Purchases (RFP/Tender/RFQ)

8.1.1. The Town will provide preference to those businesses that can attest to being an "Ontario Business", a "Canadian Business", or a "Canadian Trade Partner Country", as defined below.

8.1.2. "Ontario Business" means:

- a) supplies, manufacturer or distributor of any business structure that conducts its activities on a permanent basis in Ontario and either:
- b) has its headquarters or main office in Ontario, or
- c) has at least 250 full time employees in Ontario at the time of this procurement process

8.1.3. "Canadian Business" means:

- a) A corporation or limited partnership existing pursuant to the Laws of Canada or any of the provinces or territories thereof, and which has ongoing commercial activities in Canada; or
- b) An individual (including sole proprietors) or a general partnership which has a business address in Canada, and which has ongoing commercial activities in Canada

8.1.4. "Canadian Trade Partner Country" means a country that is a signatory to one or more of the following trade agreements:

- a) Comprehensive Economic and Trade Agreement (CETA);
- b) World Trade Organization's Agreement on Government Procurement (WTO-GPA);
- c) Comprehensive and Progressive Agreement for Trans-Pacific Partnerships (CPTPP); or
- d) Canada-UK Trade Continuity Agreement (Canada-UK TCA)

8.2. Information Gathering – Request for Information (RFI)

8.2.1. Where results of informal supplier or product research are insufficient, formal processes such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) may be used if warranted, taking into consideration the time and effort required to conduct them.

8.2.2. A response to RFI or RFEI must not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.

8.3.Request for Expressions of Interest (RFEOI)

- 8.3.1. For use when there is uncertainty regarding the market availability and interest in providing the Goods and/or Services;
- 8.3.2. The submissions received may assist with a potential future evaluation and Award.
- 8.3.3. An RFEOI submission does not create any contractual obligation between the Town and the respondent.

8.4.Request for Supplier Pre-Qualification (RFSPQ)

- 8.4.1. A Request for Supplier Pre-Qualification may be used and precede a request for Tenders, Quotations, or Proposals in order to identify and pre-select bidders, where it is deemed that the nature and complexity of the work involved warrants the time and effort to pre-select the most experienced and qualified bidders
- 8.4.2. The Request for Supplier Pre-Qualification (RFSPQ) enables the Town to gather information about supplier capabilities and qualifications in order to pre- qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions
- 8.4.3. Terms and conditions of the RFSPQ document must contain language that disclaims any obligation of the Town to call on any supplier to provide goods or services as a result of pre-qualification

8.5.Informal Request for Quotations (IRFQ)

- 8.5.1. An Informal Request for Quotations, conducted by means of e-mail, telephone, fax or other similar methods, Vendor catalogues or Vendor advertisement, to two or more bidders, where possible, may be used when the goal is to obtain low dollar value (e.g. \$25,000 or less), prompt service procurement of goods and services in a cost-effective manner.

8.6.Purchases \$25,000 or Less – Direct Acquisition

- 8.6.1. Purchases \$25,000 or less may be purchased by Direct Acquisition (e.g. on account, by invoice).
- 8.6.2. For purchases \$25,000 or less in value, the Director may delegate their authority to a designate, provided the designate follow the requirements of this Policy.
- 8.6.3. Purchases shall be made from the competitive marketplace wherever possible.
- 8.6.4. A Director in conjunction with the Treasurer shall have authority to establish a Petty Cash fund in such an amount to meet the requirements of the department for the Acquisition of goods, services or construction having a value of \$100 or less.
- 8.6.5. Expenditures \$100 or less including purchases of goods, services and construction may be made from Petty Cash in any one instance. Petty Cash should only be used when it is not feasible to use a Procurement Card.

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8.6.6. All Petty Cash disbursements shall be evidenced by receipts, which shall be submitted to the Finance Division when the Petty Cash fund is being replenished.

8.7. Purchases \$25,000.01 to \$75,000 – Request for Quotation (RFQ)

8.7.1. The procedure used to make purchases exceeding \$25,000 and \$75,000 or less shall include evidence that the Director obtained two or more written quotes. In the event that two quotes are not received, approval from the CAO is required to accept a quote, otherwise, the call shall be re-issued.

8.7.2. Requirements exceeding \$25,000 and \$75,000 or less, should be handled by the Request for Quotation procedure; however, there may be requirements estimated at \$75,000 or less where it will be more appropriate to solicit bids using a Request for Tender, Request for Proposal or Request for Standing Order.

8.7.3. In advance of a solicitation, the Director shall be responsible for the development of specifications, terms and conditions for the purchase of goods, services or construction.

8.7.4. A Request for Quotations shall be used to obtain goods and services whenever the requirements can be precisely defined and the goal is that the lowest bid meeting the requirements specified would be accepted, subject to any other provisions in this Policy.

8.7.5. Request for Quotation shall be used where a requirement can be fully defined and best value for the Town can be achieved, by an award selection made on the basis of the Lowest Responsive Bid.

8.7.6. Bid solicitation is done primarily on an invitational basis from a predetermined bidders list but may be supplemented with public advertising of the procurement opportunity.

8.7.7. The Director may award contracts up to \$75,000 emanating from a Request for Quote provided that:

- a) The award is to the Lowest Responsive Bidder, and
- b) Sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions

8.7.8. Written documentation respecting the award of the contract is to be kept in a procurement file.

8.8. Purchases Over \$75,000 – Request For Tender (RFT)

8.8.1. Request for Tenders procedures, shall be used where a requirement can be fully defined.

8.8.2. A Request for Tender shall be used for purchases over \$75,000, where all of the following criteria apply:

- a) two or more sources are considered capable of supplying the requirement;
- b) the requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria;

- c) the market conditions are such that tenders can be submitted on a common pricing basis; and
- d) it is intended to accept the Lowest Responsive Bid.

8.8.3. A Request for Tenders shall be used to obtain bids for construction, whenever the requirements can be precisely defined and best value for the Town can be achieved, by an award selection made on the basis of the Lowest Responsive Bid meeting the requirements specified in the Request would be accepted, subject to any other provisions in this Policy

8.8.4. In advance of a solicitation, the Director or designate, shall develop the relevant specifications, terms and conditions for the Acquisition of goods, services and construction.

8.8.5. The Director shall recommend the award of contract to the Lowest Responsive Bidder.

8.8.6. The CAO may award contracts up to \$150,000 emanating from a Request for Tender provided that:

- a) The award is to the Lowest Responsive Bidder, and
- b) Sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions

8.8.7. Written notification respecting the award of the contract is to be kept in a procurement file.

8.8.8. An agreement or contract shall be used by the Director to award the contract.

8.8.9. Awards emanating from a Request for Tender that exceed \$150,000 require the approval of the CAO and Mayor provided that:

- a) The award is to the Lowest Responsive Bidder, and
- b) Sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions

8.8.10. Awards emanating from a Request for Tender that exceed \$150,000 and exceed approved budget require the approval of Council.

8.9. Purchases Over \$75,000 – Request For Proposal (RFP)

8.9.1. A Request for Proposal shall be used to obtain goods and services of a unique or complex nature where:

- a) all or part of the requirements cannot be precisely defined;
- b) it is not practical to prepare precise specifications which permit bids or readily comparable products;
- c) the requirements of the Town are best described in a general performance specification;
- d) innovative solutions are sought; or
- e) alternatives to detailed specifications will be considered.

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- 8.9.2. The process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices prior to selection.
- 8.9.3. The expectation is that the proposal offered by the highest-ranking proponent meeting the requirements of the specified request would be accepted.
- 8.9.4. Proposals will be evaluated on the basis of quantitative and qualitative criteria by the Evaluation Committee.
- 8.9.5. Request for Proposals will normally be evaluated and scored according to the following criteria:
- a) understanding of the assignment;
 - b) capabilities of firm or project team;
 - c) previous experience on assignments of a similar nature;
 - d) past performance in the provision of services to the Town or local municipalities in the Town;
 - e) quality of submission;
 - f) cost savings and/or process improvements for the Town;
 - g) project schedule;
 - h) cost; and
 - i) other criteria, as may be appropriate, for the services being sought.
- 8.9.6. The Request for Proposal document issued by the Town will identify the weighting given to each criterion.
- 8.9.7. Request for Proposals are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission. If only one proposal is received, the Director has the option of not opening the proposal and closing the call for proposals.
- 8.9.8. A Request for Proposal should be used where one or more of the criteria for issuing a Request for Tender cannot be met, such as:
- a) owing to the nature of the requirement, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution rather than on price alone;
 - b) it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement prior to selection.
- 8.9.9. In advance of a solicitation, the Director or designate, shall develop terms of reference and evaluation criteria to be applied in assessing the Proposals submitted.
- 8.9.10. Where the requirement is not straightforward or an excessive workload would be required to evaluate Proposals, either due to their complexity, length, number or any combination thereof, a multi-step procedure may be used that would include a pre-qualification stage, to ensure the workload is at a manageable level.

8.9.11. An Evaluation Committee shall be established to review all Proposals against pre-established criteria and reach consensus on the final rating results. The final rating results with supporting documents are to be kept in a procurement file.

8.9.12. The CAO may award a contract of up to \$150,000, emanating from a Request for Proposal provided that:

- a) sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions;
- b) the award is made to the supplier meeting all mandatory requirements and providing best value, as stipulated in the Request for Proposal; and
- c) the provisions of this Policy are followed.

8.9.13. Awards emanating from a Request for Proposal that are greater than \$150,000 require approval from the CAO and Mayor provided that:

- a) sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions;
- b) the award is made to the supplier meeting all mandatory requirements and providing best value, as stipulated in the Request for Proposal; and
- c) the provisions of this Policy are followed.

8.9.14. Awards emanating from a Request for Proposal that are greater than \$150,000 and do not have sufficient funds available and identified in appropriate accounts require the approval of Council.

8.9.15. An agreement shall be used by the Director to award the contract.

8.9.16. Written notification respecting the award of the contract is to be kept in a procurement file.

8.10. Standing Order Purchases

8.10.1. A Request for Standing Order may be used where:

- a) one or more departments repetitively order the same goods or services, and the actual demand is not known in advance for the next twelve-month period; or
- b) a need is anticipated for a range of goods, services and construction for a specific purpose, but the actual demand is not known at the outset for the next twelve-month period and delivery is to be made when a requirement arises; or
- c) the individual price of each purpose does not exceed \$10,000.

8.10.2. Each department shall establish and maintain Standing Orders that define source and price with selected suppliers for all frequently used goods or services.

8.10.3. To establish prices and select sources, the department shall employ the provisions contained in this Policy for the Acquisition of goods, services and construction.

- 8.10.4. More than one supplier may be selected, where it is in the best interest of the Town and the bid solicitation allows for more than one.
- 8.10.5. Where a purchasing action is initiated by a department for frequently used goods or services, for which a Standing Order is in place and the value of the purchasing action does not exceed \$10,000, it is to be made with the supplier or suppliers listed in the Standing Order.
- 8.10.6. In a Request for Standing Order, the expected quantity of the specified goods or services to be purchased over the time period of the agreement, will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.
- 8.10.7. A call-up against a Standing Order is considered to be an individual contract and the normal contract award prescribed limits apply, unless otherwise stated in the original approval document.

8.11. Vendors of record

- 8.11.1. The Town utilizes the Ministry of Government and Consumer Services' Vendor of Record (VOR), LAS Canoe Procurement Group, Kinetic GPO, and other group purchasing organizations when they meet our needs.
- 8.11.2. When this type of procurement process is used directly for procuring goods or services, a standing agreement/offer is in place. The goals are to have a qualified, reliable, cost-effective provider available when the need arises without facing the administrative costs of obtaining several quotes.
- 8.11.3. VOR procurement may be used when:
- a) there is a repetitive need for the good or service;
 - b) the actual quantity required cannot be precisely anticipated, but delivery is to be made when a requirement arises; or
 - c) the criteria for evaluating the bids can be fully defined in advance and price is the primary factor.

9. NON-COMPETITIVE PROCUREMENT

9.1. General

9.1.1. The requirement for competitive Bid Solicitation for Goods and/or Services may be waived under joint authority of the appropriate Director and the CAO, under one or more of the following circumstances:

- a) The goods and services are only available from one source or one supplier because there is:
 - i. a statutory or market-based monopoly;
 - ii. scarcity of supply in the market;
 - iii. existence of exclusive rights (patent, copyright or licence);
 - iv. a need for compatibility with goods and services previously acquired and there are no reasonable alternatives, substitutes or accommodations; or
 - v. a need to avoid violating warranties and guarantees where service is required.
- b) An attempt to purchase the required goods and services has been made in good faith using a competitive method and has failed to identify a successful supplier or resulted in no bids.
- c) The goods and services are required as a result of an emergency, which would not reasonably permit the use of the other methods permitted.
- d) The required goods and services are to be supplied by a particular Vendor or supplier having special knowledge, skills, expertise or experience which cannot be provided by any other supplier.
- e) The nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidential matters.
- f) Where only one source of supply would be acceptable and/or cost effective due to compatibility, or safety and liability concerns,
- g) Where the possibility of a Follow-On Contract was identified in the original bid solicitation.
- h) Where the requirement is for a utility for which there exists a monopoly.
- i) Where purchases are being made from a Vendor of record that is available to the Town.

9.2. Direct Acquisition

9.2.1. The Director or CAO may directly select a supplier to provide professional services without obtaining quotes where the total cost of the professional services does not exceed \$25,000.

9.2.2. Staff making direct acquisitions should consider giving priority to goods and services in the following order:

- a) Local Business;
- b) Ontario Business;
- c) Canadian Business; then
- d) Canadian Trade Partner Country.

9.2.3. It is understood that prioritizing the sourcing of purchases to Canadian made and/or Canadian owned businesses may result in higher cost and/or inconvenience (i.e. longer delivery).

9.2.4. If direct acquisition purchases are required to be made, and a Canadian solution is not available, consideration should be given to alternative/substitute solutions or delaying/foregoing the purchase.

9.3. Sole Source Procurement

9.3.1. Sole sourcing is the procurement of a good or service that is unique to a particular Vendor and cannot be obtained from another source.

9.3.2. Purchase by negotiation may be adopted, if in the judgment of the Treasurer and in consultation with the requisitioning Director any of the following conditions apply:

- a) goods and 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:
 - i. components or replacement parts for which there is no substitute;
 - ii. there is only one Vendor who can provide the Commodity by the specified date required; or
 - iii. specific standards are adopted by Council.
- c) work is required at a location where a contractor 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 Town;
 - i. 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;
 - ii. when only one bid/proposal is received through the procurement process, and it is impractical to recall the requirements of the call for quotations/proposals; and
 - iii. there is documented evidence that the extension or reinstatement of an existing contract would prove most cost effective or beneficial.

9.4. Single Source

- 9.4.1. Single sourcing is the procurement of a good or service from a particular Vendor rather than through solicitation of bids from other Vendors who can also provide the same item.
- 9.4.2. 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:
- a) compatibility with an existing product, facility or service is required; and
 - b) the Vendor for function or service has skills related to and existing knowledge of the nature of the service.
- 9.4.3. The Director requesting a Sole or Single Source must provide documentation outlining the justification of the request via e-mail to the Treasurer and the CAO. Further approval may be required by the CAO and Mayor or Council per the approval levels as set out in this Policy.

9.5. Emergency Procurement

- 9.5.1. 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 Director or the CAO to be:
- a) a threat to public health;
 - b) the welfare of persons or of public property; or
 - c) the security of the Town's interests and the occurrence requires the immediate delivery of goods or services, and time does not permit for competitive bids.
- 9.5.2. Wherever feasible, the Director shall secure by the most open market procedure at the lowest obtainable price, any goods and services required for procurement \$25,000 or less:
- 9.5.3. In the event of an emergency situation requiring expenditures in excess of \$25,000, the Director shall obtain the prior approval of the CAO.
- 9.5.4. An information report shall be submitted to Council explaining the actions taken and the reason(s) therefore.

9.6. Volatile Market Conditions

- 9.6.1. Notwithstanding the provisions of this Policy, where market conditions are such that long term price protection cannot be obtained for goods and services, the Director will obtain competitive prices for short term commitments until such time a reasonable price protection and firm market pricing is restored.
- 9.6.2. The Director, subject to Council approval, may extend a current contract until market conditions stabilize.

10. CONTRACT AND PROCESS CONSIDERATIONS

10.1. Follow-On Contracts

- 10.1.1. Where a reasonable likelihood exists that on completion of a contract, it will be necessary to award a non-competitive contract for Follow-On goods or services, the Director shall ensure that the possibility of a Follow-On contract will be identified in the original bid solicitation.
- 10.1.2. Directors may authorize Follow-On goods or services provided total amended value of the contract is within the approval authority of the Director.
- 10.1.3. The CAO may authorize Follow-On goods or services provided the total amended value of the contract is within the CAO's approval authority.
- 10.1.4. Contracts that exceed the CAO's approval limits must be approved by Council.
- 10.1.5. Contract Amendments and Revisions (scope change)
- 10.1.6. No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- 10.1.7. Amendments to contracts are subject to the identification and availability of sufficient funds in the appropriate accounts within Council approved department budget, including authorized revisions.
- 10.1.8. Directors may authorize amendments to contracts provided that the total amended value of the contract is within the approval authority of the Director.
- 10.1.9. The CAO's approval is required for amendments to contracts where the total amended value of the procurement reaches the CAO's approval threshold.
- 10.1.10. Council approval is required for amendments to contracts where the total amended value exceeds the CAO's approval threshold.

10.2. Contract Renewals

- 10.2.1. Where the original contract contains an option to renew or a renewal clause stipulating the provisions of what is acceptable for a renewal, the Director may authorize the renewal without Council approval by by-law provided that:
 - a) the supplier's performance in supplying the goods, services or construction, is considered to have met the requirements of the contract,
 - b) the Director agrees that the renewal option is in the best interest of the Town, and,
 - c) funds are available in appropriate accounts within the Council approved budget, including authorized revisions, to meet the proposed expenditure.
- 10.2.2. Where a contract contains an option for renewal, the authorization from the Director shall include a written explanation to the CAO as to why the renewal is in the best interest of the Town, which shall include comments on the market situation and trends.

10.3. PROCESS CONSIDERATIONS

10.4. Notification of Competitive Procurement Documents

- 10.4.1. Request for Quotations do not require formal advertising.
- 10.4.2. Request for Tenders must be advertised on an Electronic Tendering System that is readily accessible by all Canadian suppliers (e.g. Merx) and the Town's website. Additionally, at the discretion of the Director, RFTs may be advertised in a local, regional, and/or construction newspaper. The Director may elect to use this process for projects valued \$25,000 or under.
- 10.4.3. Request for Proposals must be advertised on an Electronic Tendering System that is readily accessible by all Canadian suppliers (e.g. Merx) and the Town's website. Additionally, at the discretion of the Director, RFPs may be advertised in a local, regional, and/or construction newspaper. The Director may elect to use this process for projects valued \$25,000 or under.
- 10.4.4. Request for Standing Orders require that an advertisement be placed in at least one local newspaper with circulation in all or a major portion of the Town. Notice must also be placed on the Town's website.
- 10.4.5. At the discretion of the Director, and in consultation with the CAO, other means of notification may be used.

10.5. Timelines for Posting Competitive Procurements

- 10.5.1. The Town must provide suppliers a minimum response time of 15 calendar days for procurement of goods and services valued at \$25,000 or more.
- 10.5.2. The Town must consider providing suppliers a minimum response time of 30 calendar days for procurements of high complexity, risk, and/or dollar value.

10.6. Local Services

- 10.6.1. Only services which are expected to be filled locally are advertised in the local paper (e.g. roadside grass mowing, garage door installations).
- 10.6.2. Diesel and propane are sourced locally by direct request (telephone or e-mail).
- 10.6.3. Direct requests maybe sent to any organizations that may be able to provide the goods or services required.
- 10.6.4. At the discretion of the Director, and in consultation with the CAO, other means of notification may be used.

10.7. Bids and Contract Administration

- 10.7.1. Bids will be accepted in electronic format either through the Bidding System, via email, or by way of sealed paper form. This will ensure confidentiality and security, including maintaining the "sealed" nature of Bids.
- 10.7.2. Where Bids are received in response to a Bid Solicitation but exceed budget, are not responsive to the requirement or do not represent Fair Market Value, a revised solicitation shall be issued in an effort to obtain an acceptable Bid.

10.7.3. A Director may waive the need for a revised Bid Solicitation and enter negotiations with the Lowest Responsive Bidder or the Highest Responsive Bidder for a revenue-driven Bid selection, emanating from a Bid Solicitation under the following circumstances:

- a) the total cost of the Lowest Responsive Bid is in excess of the funds approved by Council for the project; or,
- b) the total revenue of the Highest Responsive Bid is less than that anticipated by Council; or,
- c) a Director and the CAO agree that the changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the Bid Solicitation.

10.7.4. In the case of building Construction Contracts, where the total cost of the Lowest Responsive Bid is in excess of the approval made by Council, negotiations shall be made in accordance with the guidelines established by the most current Canadian Construction Documents Committee.

10.7.5. If two (2) equal Bids are received, 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 CAO or their designate, in the presence of the Director or their designate and the Treasurer or their designate.

10.8. Contract Execution and Performance

10.8.1. The Director may require that a Bid be accompanied by a Bid Deposit or other similar security, to guarantee entry into a Contract.

10.8.2. In addition to security, the successful Bidder may be required to provide a Performance Bond to guarantee the faithful performance of the Contract and a Payment Bond to guarantee the payment for labour and materials to be supplied in connection with the Contract.

10.8.3. The Director 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.

10.8.4. At the discretion of a Director, prior to the commencement of work, evidence of liability insurance coverage may be obtained (by the Director), ensuring indemnification of the Town of Renfrew from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the Contract. When evidence of liability insurance coverage is obtained, it shall satisfy the requirements of the Treasurer.

10.8.5. Prior to payment to a Vendor, an Independent Operator Status or Certificate of Clearance from the Workplace Safety and Insurance Board shall be required by the Director, ensuring all premiums or levies have been paid to the Board to date.

10.8.6. A Director shall ensure that the guarantee means selected will:

- a) not be excessive but sufficient to cover financial risks to the Town;

- b) provide flexibility in applying leverage on a Vendor so that the penalty is proportional to the deficiencies; and,
- c) comply with Provincial Statutes and Regulations.

10.8.7. Financial security for Contract performance shall only be required where the Town will be exposed to costs if the Contractor does not complete the requirements of the Contract.

10.8.8. The Treasurer may release the Holdback funds on Construction Contracts upon:

- a) the Contractor submitting a Statutory Declaration that all accounts have been paid and that all documents have been received for all damage claims;
- b) receipt of clearance from the Workplace Safety and Insurance Board for any arrears of Workplace Safety and Insurance Board assessment;
- c) all the requirements of the Construction Act being satisfied;
- d) where applicable, staff may conduct a title search without the assistance of the Town Solicitor to ensure that liens have not been registered; and,
- e) certification from the Director, under whom the work has been performed, that the conditions of the Contract have been satisfied.

10.9. Bid Irregularities

10.9.1. The process for administering irregularities contained in Bids pertaining to all Contracts, are set out in *Schedule B*.

10.9.2. For an irregularity listed in the first column of *Schedule B*, the applicable response is identified in the second column of *Schedule B*.

10.10. Contractual Agreements

10.10.1. The Award of Contract may be made by way of a Formal Agreement, Supplier Invoice, and/or a PO.

10.10.2. It shall be the responsibility of a Director to determine if it is in the best interest of the Town to establish a Formal Agreement with the Vendor.

10.10.3. Where a Formal Agreement is required as part of the Award of a Contract, it should be executed in accordance with the Delegated Authority on purchasing limits as outlined in this Policy.

10.11. Execution and Custody of Documents

10.11.1. A Director, or designate, is authorized to execute Formal Agreements in the name of the Town for which the Award was made by Delegated Authority. Where a Formal Agreement is required as part of the Award of Contract, it should be executed in accordance with the Delegated Authority on purchasing limits as outlined this Policy.

10.11.2. A Director, or designate, shall have the authority to execute POs issued in accordance with these provisions.

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10.11.3. A Director, or designate, shall be responsible for the safeguarding of original purchasing and Contract documentation, for the contracting of Goods and/or Services, for which the Award is made by Delegated Authority.

10.12. Term of Council

10.12.1. Where a Contract may extend beyond the term of the Council, the Contract shall contain provisions to minimize the financial liability of the Town, should the subsequent Council not approve sufficient funds to complete the Contract, and the Contract must be terminated by the Town.

10.13. Supplier Performance

10.13.1. A Director shall document evidence and advise the CAO and Treasurer in writing, where the performance of a Vendor has been unsatisfactory in terms of failure to meet Contract specifications, terms and conditions or for Health and Safety violations.

10.13.2. The CAO may, in consultation with the Director and the Town Solicitor, prohibit an unsatisfactory Vendor from participating in future Bid Solicitations.

10.14. Receipt of Goods

10.14.1. A Director, or designate, shall arrange for the prompt inspection of goods on receipt to confirm conformance with the terms of the Contract and inform the Treasurer of discrepancies immediately.

10.14.2. A Director, or designate, shall coordinate an appropriate course of action with the Treasurer, for any non-performance or discrepancies.

10.15. Access to Information

10.15.1. The disclosure of information received relevant to the issue of Bid Solicitations or the Award of Contracts emanating from Bid Solicitations, shall be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

11. DEFINITIONS

- 11.1.1. "Accountability" means the obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.
- 11.1.2. "Agreement" means a legal document that binds the Corporation of the Town and all other parties, subject to the provisions of the contract.
- 11.1.3. "Acquisition" means the process used for obtaining goods and services.
- 11.1.4. "Approval Authority" means the authority delegated by the Town to a person designated to occupy a position to approve on its behalf one or more procurement functions within the plan-to-pay cycle up to specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.
- 11.1.5. "Award" means the acceptance of a Bid or Proposal in accordance with this Policy.
- 11.1.6. "Best Value" means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan.
- 11.1.7. "Bid" means a document (in the form of a Quotation, Tender or Proposal) received by the Town in response to a Request.
- 11.1.8. "Bidder" means a Person who submits a bid.
- 11.1.9. "Bid Protest" means a dispute raised against the methods employed or decisions made by a contracting authority in the administration of a proposal, tender, or quotation process.
- 11.1.10. "Bonds" means Sureties to protect the Town 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 Bonds.
- 11.1.11. "Call" means a solicitation from the Town to potential Vendors to submit a bid or a Formal or Informal Quotation.
- 11.1.12. "Change Order" means written order issued from the Town; that changes the scope or specifications of any project.
- 11.1.13. "Chief Administrative Officer" means the Town's employee with that title or designate appointed to act in that capacity.
- 11.1.14. "Town" means The Corporation of the Town of Deep River.
- 11.1.15. "Clerk" means the Municipal Clerk for the Corporation of the Town of Deep River.
- 11.1.16. "Commodity" means goods and/or services.
- 11.1.17. "Competitive" is an adjective describing a procurement process. The process is Competitive where two or more persons act independently to try to secure the Town's business by offering the most favourable terms and conditions.

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- 11.1.18. "Competitive Procurement" means a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.
- 11.1.19. "Conflict of Interest" means a situation in which private interests, or financial or other personal considerations have the potential to compromise or bias an employee's professional judgment and objectivity in acting in the best interest of the Town. 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. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgment is likely to be compromised.
- 11.1.20. "Construction" means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.
- 11.1.21. "Consultant" means the provider of a Commodity who, by virtue of professional expertise or service is contracted by the Town 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 Town for a particular legal matter; an appraiser providing an opinion of value on an asset; etc.
- 11.1.22. "Consulting Services" means the provision of expertise or strategic advice that is presented for consideration and decision-making.
- 11.1.23. "Contract" means a formal legal agreement, usually in writing, between two or more Persons. It is an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; and sufficient certainty of terms.
- 11.1.24. "Corporate Signing Authority" means the Mayor and CAO or other individuals designated by Council or this Policy.
- 11.1.25. "Cost Effective Bid" means a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selection process.
- 11.1.26. "Director" means a Town employee with administrative responsibilities for a Town Department.
- 11.1.27. "Designate" means any Town employee authorized in writing by the Director or CAO to act in his stead.

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- 11.1.28. "Developer" means a Person developing a particular project with the Town. "Direct Acquisition" means the direct purchase of goods or services by the user or user department to the approval levels within this Policy.
- 11.1.29. "Direct Appointment" means to hire a consultant based on qualifications and experience through a selection process.
- 11.1.30. "Electronic Tendering System" means a computer-based system that provides suppliers with access to information related to open competitive procurements.
- 11.1.32. "Emergency", in the context of this Policy, means 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 or safety, maintenance of essential services, or a risk of serious financial liability (on the Town's part) arising from environmental conditions.
- 11.1.33. "Evaluation Criteria" means a benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.
- 11.1.34. "Evaluation Matrix" means a tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.
- 11.1.35. "Evaluation Committee" means a group of individuals designated/responsible to make award recommendation. The evaluation team would typically include representatives from the Town and subject matter expert(s). Each member participates to provide business, legal, technical and financial input.
- 11.1.36. "Execute" means to legally bind the Corporation of the Town to the terms and conditions defined within the agreement.
- 11.1.37. "Follow-On" means an order or contract that calls for repeat supply of goods or services, required due to an original order or contract.
- 11.1.38. "Goods and/or Services" means supplies, equipment, property insurance, maintenance, professional and consulting services and service contracts not otherwise provided for.
- 11.1.39. "Informal Quotation" means "quotations" obtained by telephone, fax, in writing, or by any other method of communication.
- 11.1.40. "Insurance Certificate" means 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 Town's requirements.
- 11.1.41. "Irrevocable Letter of Credit" means 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 fulfil all the covenants, undertakings, terms, conditions and agreements contained in the contract.

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11.1.42. "Irregular Result" describes any one of the following occurrences after a Competitive Procurement Process:

- a) all responsive bids, Quotations or Proposals exceed the Budget allocation;
- b) fewer than two (2) bids, Quotations or Proposals are received;
- c) an Award of the Contract to, or the purchase from, the Lowest Responsive Bidder is considered inappropriate for any reason;
- d) the Commodity sought is available from only a single or sole source; or
- e) either or both of this Policy or any Procedure was not followed.

11.1.43. "Invitational Competitive Procurement" means any form of requesting two (2) or more qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/Town.

11.1.44. "Lowest Responsive Bid" means the lowest price submitted which meets the requirements and specifications of as set out in the bid request, minor deviations excepted.

11.1.45. "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 services under the conditions outlined in this Policy.

11.1.46. "Non-discrimination" means fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment.

11.1.47. "Offer" means a promise or a proposal made by one party to another, intending the same to create a legal relationship upon the acceptance of the offer by the other party.

11.1.48. "Open Market Procedure" means obtaining price quotations from suppliers verbally or in writing.

11.1.49. "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.

11.1.50. "Policy" means a matter that Council has adopted by bylaw or that the local board has adopted by resolution.

11.1.51. "Pre-Qualification" means a process by which the Town ensures Vendors can meet all technical and financial responsibilities of contracts with the Town. External Vendors of Commodities are pre-approved and earn the right to submit bids to the Town for specific Commodities. Examples of types of Pre- Qualification criteria include expertise and experience, previous performance, financial stability, personnel and a proven ability to complete projects within the Town's Budget and on time.

11.1.52. "Procedures" means a sequence of steps or actions detailing expectations on how a Policy is to be implemented.

11.1.53. "Procurement" means Acquisition by any means, including by purchase, rental, lease or conditional sale, of goods or services.

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- 11.1.54. "Procurement Card (P-Card)" means an organizational credit card program primarily used for low-cost, non-inventory, non-capital items, such as office supplies. The card allows field employees to obtain goods and services without going through the requisition and authorization procedure. P-cards may be set up to restrict use to specific purchases with pre-defined suppliers or stores, and offer central billings.
- 11.1.55. "Proposal" means an offer to provide goods and services, where it is not practical to prepare precise specifications, or where alternatives to detailed specifications will be considered, which may be subject to further negotiation.
- 11.1.56. "Purchase" means the act of acquiring a Commodity or Service.
- 11.1.57. "Purchase Order" means a written offer to purchase goods or services from a Vendor at an agreed upon price (and other terms and conditions) where such offer has been made on forms prescribed by the Town.
- 11.1.58. "Purchasing Card" means a charge card approved by the Town that can be used by authorized employees of the Town to Purchase in accordance with this Policy.
- 11.1.59. "Quotation" means an offer, both formal and informal, from a supplier to buy or sell goods and services to the Town.
- 11.1.60. "Request" means a formal Request for Expressions of Interest, Information, Pre-Qualification, Proposal or Tender.
- 11.1.61. "Request for Expressions of Interest" means a general market research tool to determine Vendor interest in a proposed procurement. It is used prior to issuing a call for bids or proposals and is not intended to result in the award of a contract.
- 11.1.62. "Request for Information" is a process by which information (such as specifications or availability) is sought from potential Vendors about a Commodity.
- 11.1.63. "Request for Pre-Qualification" means a procurement process used to pre- qualify Vendors for subsequent participation in an invitational Request for Proposal. Responses from proponents are evaluated against selection criteria set out in the solicitation, and a short-list of pre-qualified proponents is created.
- 11.1.64. "Request for Proposals" means a written offer received from a supplier in response to invitation to provide goods or services based on an approved format of the Town containing terms and conditions; the acceptance of which may be subject to further negotiation.
- 11.1.65. "Request for Tender" means a competitive procurement process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.
- 11.1.66. "Responsive and Responsible Vendor" means one who complies with the provisions of the bid solicitation, including specifications, contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed contract based on reputation, references, performance on previous contracts, and adequate financial and other resources.
- 11.1.67. "Segregation of Duties" means a method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of

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power held by any one individual. It puts a barrier in place to prevent errors or fraud that may be perpetrated by one individual.

11.1.68. "Services" means intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they:

- a) cannot be stored or transported;
- b) are instantly perishable; and
- c) come into existence at the time they are bought and consumed.

11.1.69. "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.

11.1.70. "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.

11.1.71. "Standing Orders" are contracts for goods and/or services used on a regular basis in the day-to-day operations of the Town.

11.1.72. "Standardize" means to compare products or services with an established standard that conforms to the requirements of quality products or services that are regularly widely used, and available.

11.1.73. "Supply Chain Activities" means all activities whether directly or indirectly related to organizational plan, source, procure, move, and pay processes.

11.1.74. "Surety" means a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit or any other form as deemed necessary and stated in any quotation, tender or proposal documents issued by the Town.

11.1.75. "Tender" means a written offer, in a specified form, received from a supplier in response to a public invitation to provide goods and services based on an approved format of the Town containing Terms and Conditions.

11.1.76. "Vendor" means a Person from whom the Town makes Purchases of Commodities.

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Schedule A – Procurement Approval Authority Level Schedule

The following are authorized procedures for the procurement of goods, services, and construction.

1. Goods and Services (including Professional and Consulting Services)					
Procurement Amount	Approval Authority	Type of Procurement	Type of Notification	Procurement method and Payment Mechanism	Reporting Status
\$100 or less	Director Designate	or Non-competitive	No notification required	Direct purchase Petty Cash Funds	No report to Council required
\$5,000 or less	Director or Designate	Non-competitive	No notification required	Direct purchase Purchase Card	No report to Council required
\$5,000.01 - \$25,000	Director or Designate	Non-competitive	No notification required	Direct purchase	No report to Council required
\$25,000.01 - \$75,000.00	Director	Competitive RFQ	Direct invitation	Direct purchase	No report to Council required
\$75,000.01 - \$150,000.00	CAO	Competitive RFT or RFP	Advertised on website Posted on Electronic Tendering System	Executed contract/Agreement	No report to Council required
\$150,000.01 or greater	CAO and Mayor	Competitive RFT or RFP	Advertised on website Posted on Electronic Tendering System	Executed contract/Agreement	No report to Council required
\$150,000.01 or more and greater than approved budget by greater of 2% or \$10,000	Council	Competitive RFT or RFP	Advertised on website Posted on Electronic Tendering System	Executed contract/Agreement	Report to Council required

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2. Sole/Single Source Purchase					
Procurement Amount	Approval Authority	Type of Procurement	Type of Notification	Procurement method and Payment Mechanism	Reporting Status
\$10,000.01 to \$25,000	CAO	Non-Competitive	No notification required	Direct purchase	No report to Council required
\$25,000.01 - \$150,000.00	CAO and Mayor	Non-Competitive	No notification required	Executed contract/Agreement	Report to Council required

3. Irregular Results & Contract Renewal					
Procurement Amount	Approval Authority	Type of Procurement	Type of Notification	Procurement method and Payment Mechanism	Reporting Status
Over \$10,000	Director and CAO	Non-Competitive		Direct Purchase Executed Contract/Agreement	Report to Council over \$10,000

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Schedule B – Bid Irregularities

Item	Bid Irregularity	Action
1.	Late bids (any amount of time)	Automatic Rejection
2.	Unsealed tender envelopes	Automatic Rejection
3.	Execution of Agreement to Bind – bond company corporate seal or equivalent proof of authority to bind company or signature missing	Automatic Rejection
4.	Execution to Agreement to Bind – surety company not operating in the province of Ontario	Automatic Rejection
5.	Execution of Bid Bonds –corporate seal or equivalent proof of authority to bind company or signature of the bidder or both missing	Automatic Rejection
6.	Execution of Bid Bonds –corporate seal or equivalent proof of authority to bind company or signature of the binding company missing	Automatic Rejection
7.	Other Bid Security – uncertified cheque	Automatic Rejection
8.	Other Bid Security – cheques drawn on other than approved Bank	Automatic Rejection
9.	Response not labelled properly	Acceptable if received in time
10.	Qualified Response – response qualified or restricted by an attached statement	Acceptable unless otherwise specified in request
11.	Response received on documents other than those provided in request	Automatic rejection, unless the matter is deemed to be trivial or insignificant by the official point of contact
12.	Corporate seal missing or inappropriate on bid documents	Other proof of authority to bind offering entity is acceptable
13.	Insufficient financial security (e.g. no deposit or bid bond or insufficient deposit)	Where security is required and amount is not specified in request, automatic rejection unless insufficiency is trivial or insignificant; Where security is required and amount is specified in request, automatic rejection.
14.	Part bids (all items not bid), response not complete	Automatic rejection, unless deemed to be trivial or insignificant or specifically permitted

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Item	Bid Irregularity	Action
15.	Bids containing minor clerical errors	within the bid document
16.	Uninitialialed changes to the request documents which are minor (e.g. the bidder's address is amended by overwriting but not initialed)	2 working days to correct initial errors. Town reserves right to waive initialing and accept bid
17.	Unit prices in the schedule of prices have been changed but not initialed	2 working days to correct initial errors. Town reserves right to waive initialing and accept bid
188.	Other mathematical errors which are not consistent with the unit prices	2 working days to initial corrections as made by the Town
19.	Alternate items bid in whole or in part	Available for further consideration unless specified otherwise in request
20.	Pages are missing	2 working days to supply unless specified otherwise in request. Town reserves the right to waive the extra pages and accept bid or reject outright.
21.	Bid documents which suggest that the bidder has made a major mistake in calculations or bid	Consultation with a solicitor on a case-by-case basis and report to Council.
22.	Other Irregularities	The CAO and the Director shall have authority to waive irregularities, which are considered to be trivial or insignificant.