



## POLICY

**TITLE:** PROCUREMENT POLICY  
**NUMBER:** FIN-001  
**CATEGORY:** Finance  
**DATE:** March 22, 2018  
**REFERENCES:** Municipal Act, 2001, S.O. 2001, Sec 270 (1)  
By-Law 2018-30

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### 1.0 POLICY STATEMENT

To ensure openness, fairness, accountability and transparency while protecting the financial best interests of the Municipality of Centre Hastings.

To set out guidelines for the municipality to ensure that the total cost of all purchases of materials, supplies and services provide the lowest total costs, including lifecycle costs that are consistent with the required quality, service, product delivery, efficiency and effectiveness.

To promote and maintain the integrity of the purchasing process and protect Council, vendors and staff involved in the process by providing clear direction and accountabilities and by reviewing the policy every four years or earlier to evaluate its effectiveness.

1.0 Policy Statement .....	1
2.0 Definitions .....	2-5
3.0 General Provisions .....	4
4.0 Operational Purchases .....	6
Prescribed Council Approval.....	6
5.0 Responsibilities and Authorities .....	6
6.0 Notification of Procurement Opportunities .....	6
7.0 Procurement Procedures.....	8
8.0 Purchasing Methods:.....	8
Purchases between \$2,500 and \$10,000 .....	6
Purchases between \$10,000 and \$50,000.....	7
Purchases Exceeding \$50,000: .....	7
Request for Tender (RFT).....	7
Request for Proposal (RFP).....	7
9.0 Vendors of Record .....	8
10.0 Opening Bids .....	10
11.0 Guarantee of Contract Execution and Performance.....	9
12.0 Identical Tenders.....	10
13.0 Emergency Purchases .....	10
14.0 Cooperative Purchasing .....	10
15.0 Submission Irregularities.....	10
16.0 Contractual Agreement.....	10
17.0 Specialized Services (Non-Competitive Procurement) .....	11
18.0 Legal, Financial, Engineering and Planning Consulting Services .....	11
For Small Assignments up to \$ 10,000.....	12
For Mid-Size Projects from \$10,000 to \$50,000 .....	12
For Large Projects greater than \$50,000 or Unique Projects .....	12
19.0 Access to Information .....	12
Appendix A.....	16
Goods and Services “Exempt” from Provisions of the Procurement Policies .....	16
Appendix B.....	17
Administering Irregularities .....	17
Appendix C.....	17
Procurement Authorizations .....	17
Appendix D.....	14
Insurance Requirements.....	14
Appendix E .....	14

## 2.0 DEFINITIONS

As used herein the following definitions shall apply unless otherwise indicated:

“Auction” means a physical or online site where the public sale of goods or properties is sold to the highest bidder;

“Authorized” in relation to a Person, means authorized by this Policy to act on behalf of the Municipality of Centre Hastings to: (i) initiate Bid Requests and other forms of Procurement activities; (ii) govern the conduct of a Bid Request; and (iii) make an Award;

“Authorized Person” means a Person who is Authorized and includes any Designates;

“Award” means the approval given by the Authorized Person to enter into a Contract;

“Bid” means a tender, quotation, proposal or other form of submission from a prospective Vendor in response to a Bid Request;

“Bid Bond” means a written, valid, subsisting, binding and irrevocable undertaking by a surety company to pay to the Municipality of Centre Hastings a specified amount in the event the successful bidder fails to enter into a Contract;

“Bid Deposit” means a certified cheque or bank draft in a specified amount to accompany the tender document;

“Bid Documents” means the documents issued by the Municipality of Centre Hastings in connection with a Bid Request;

“Bid Request” means a written request by the Municipality of Centre Hastings for Bids in connection with the provision of Goods and or Services and includes, without limitation, Requests for Proposals, Requests for Tenders, Requests for Quotations and Calls for Tenders;

“Bidder or Tenderer” means a Person that submits a Bid;

“Construction,” when used to describe a class of Procurement, means a 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 and 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 services related to the construction contract unless they are included in the procurement;

“Contract” means the acceptance by the Municipality of Centre Hastings of a Bid in the form of a duly signed agreement or Purchase Order between a chosen Bidder and the Municipality of Centre Hastings for the provision of Goods and or Services;

“Council” means the Council of the Municipality of Centre Hastings;

“Municipality of Centre Hastings” means the Corporation of the Municipality of Centre Hastings;

“Department” means an organizational business or service unit of the Municipality of Centre Hastings to which Council has allocated a budget;

“Department Head” means the Municipality of Centre Hastings staff person responsible for the directional and operational control of a Department, including, without limitation, the Department’s budget;

“Designate” means a Person to whom authority to conduct Procurement activities has been delegated by the Authorized Person;

“Electronic Tendering System” means a world wide web or Internet based system (such as MERX) that is used by purchasers of Goods and or services to submit Bid Requests;

“Emergency” means an urgent situation involving a real or perceived threat to public health, safety or security and includes threats to financial and property interests;

“Goods and Services” means all supplies, equipment, materials, services (including without limitation, insurance, professional consulting services, and Construction contracts) to be supplied or furnished by a Vendor and all components thereof;

“Irregularity” in reference to the contents of a Bid means a departure from the strict requirements of a Bid Request as reflected by the Bid Documents;

“MASH Annex” means Annex 502.4 to the Agreement on Internal Trade

“MASH entities” means those entities to which the MASH Annex applies, namely:

- Municipalities, municipal organizations, school boards & publicly-funded academic, health and social service entities

“Pecuniary Interest” means a pecuniary interest, whether deemed, direct or indirect, within the meaning of the *Municipal Conflict of Interest Act*, R.S.O. 1990, Chap. M. 50 (the “MCIA”) and specifically excludes any of the exceptions noted under section 4 of the MCIA;

“Person” includes individuals, corporations, partnerships, firms and trusts and may include Council;

“Policy” means this procurement policy;

“Pre-qualification” means the process of selecting a number of prospective Vendors who are determined by CAO/Treasurer and Department Heads to be experienced in the provision of a specific type of Goods and/or Services;

“Purchase” means the acquisition of Goods and/or Services by or on behalf of the Municipality of Centre Hastings by way of purchase, lease, or rental;

“Procurement” means the act of acquisition of Goods and/or Services by or on behalf of the Municipality of Centre Hastings by way of purchase, lease, or rental;

“Request for Proposal” means the process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there could be various options;

“Request for Quote” means the process for obtaining quotes from vendors to offer a quote for the completion of a specific task or project;

“Single Sourcing” means the process of procuring Goods and or Services from a particular Vendor without the utilization of a Bid Request issued to other potential Vendors;

“Total Acquisition Cost” means the Municipality of Centre Hastings’s estimate of the amount of a particular Contract plus any applicable federal and provincial taxes, less any applicable rebates;

“Vendor” means any Person supplying Goods and or Services to the Municipality of Centre Hastings in accordance with the terms of a Contract; and

“Vendor of Record (VOR) Process” means a procurement process in which Bids are sought only from the members of a select group of prospective Vendors as determined by the process outlined in section 5.17.

### **3.0 GENERAL PROVISIONS**

The provisions of this policy shall be followed by all Persons who act on behalf of the Municipality in issuing and/or conducting a Bid Request, and/or making an Award.

Save and except for the provisions of the “Contractual Agreement” section, which provisions apply to all Purchases on behalf of the Municipality, the Purchase of Goods and /or Services listed in Appendix A are exempt from the provisions of this Policy.

The terms of this Policy are applicable to all Municipal activities. Any Person carrying on activities on behalf of the Municipality must refer to the appropriate Department Head or Administrative Designate, all proposals for Purchases of any Goods or Services that will be used by such Person, which will thereafter become the property of the Municipality.

No Contract for Goods, Services or Construction may be divided into two or more parts to avoid the application of the provisions of the By-Law.

No employee shall Purchase, on behalf of the Municipality of Centre Hastings, any Goods, Services or Construction, except in accordance with this By-Law.

Goods and services purchased outside of the provisions of this policy will not be accepted and any invoices received will not be processed for payment.

Lease financing will only be undertaken in accordance with following the guidelines of this policy and the applicable Municipal by-law.

Where an employee is involved in the Award of any Contract, either on his or her own behalf, or while acting for, by, with or through another person, has any pecuniary interest, direct or indirect, in the Contract, the employee, shall

1. Immediately disclose the interest to the Department Head involved in the Award of the Contract and the CAO/Treasurer and shall describe the general nature thereof;
2. Shall not take part in the Award of the Contract; and
3. Shall not attempt in any way to influence the Award of the Contract.

An employee has an indirect pecuniary interest in any Contract in which the Municipality of Centre Hastings is concerned if,

1. The employee or his or her spouse or same-sex partner, son or daughter;
  - a) is a shareholder in, or a director or senior officer of, a corporation that does not offer its securities to the public that has a pecuniary interest in the Contract;
  - b) has a controlling interest in or is a director or senior officer of, a corporation that offers its securities to the public that has a pecuniary interest in the Contract;
  - c) is a member of an incorporated association or partnership, that has a pecuniary interest in the matter, and
2. The employee or his or her spouse or same-sex partner is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the Contract.

All Council members shall conduct themselves in accordance with the Municipal Conflict of Interest Act, RSO 1990, c M50 as amended.

All Procurement activities on behalf of the Municipality of Centre Hastings shall be undertaken in compliance with Section 13 of the Ontarians with Disabilities Act, 2001, S.O. 2001, Chap. 32, and require regard to accessibility for persons with disabilities to the Goods or Services.

The Municipality of Centre Hastings will incorporate accessibility criteria and features into its procurement of Goods and Services and facilities. Where it is impractical for the Municipality to incorporate accessibility criteria and features when procuring or acquiring specific Goods and Services and facilities, the CAO/Treasurer will provide a written explanation, upon request. Bid Documents shall be made available in an accessible format to persons with a disability upon request and at no additional charge.

The Vendor, and all sub-contractors hired by the Vendor in the completion of its work, will meet or exceed compliance with all applicable regulations under the Accessibility for Ontarians with Disabilities Act, 2005 as may be amended from time to time. It is the responsibility of the Vendor to ensure that they are fully aware of, and meet all requirements under the Act.

The provisions of the MASH Annex and the Agreement on the Opening of the Public Procurement for Ontario and Quebec (the "AOPPOQ") are incorporated by reference into this Policy, and shall form a part hereof. In the event of a conflict or inconsistency between any provision of this Policy and a provision of the MASH Annex or the AOPPOQ, the provision of the latter referenced trade agreements shall prevail.

Where the designation of CAO/Treasurer appears throughout this document, it will hereinafter mean CAO/Treasurer or designate.

If a situation arises that is not addressed by this procurement policy, the purchase shall be deemed eligible for special treatment on a case-by-case basis by the CAO/Treasurer and Mayor who will decide on the most cost effective, efficient decision based on the circumstances. Any deficiency will be addressed in future updates of the procurement policy.

## **4.0 OPERATIONAL PURCHASES**

Prior to the approval of the budget, operational purchases up to **50%** of the value of the preceding years budget may be made without Council approval. Approval shall be obtained beyond the **50%** limit.

### **Prescribed Council Approval**

The following Contracts require advance approval by Council:

1. Any contract over \$10,000 where the Total Acquisition Cost (TAC) is greater than the Council Approved Budget;
2. Any contract where a good, service or construction is available from only one source of supply (sole source or single source) and the TAC of such good, service or construction exceeds \$10,000; or where a bid solicitation has been restricted to a sole source or single source of supply because standardization or compatibility is the overriding consideration and the TAC of such good, service or construction exceeds \$10,000;
3. Any contract where the Request for Proposal (RFP) or a Request for Tender (RFT) method of purchase of goods, services or construction is being used and the estimated value of the good, service or construction exceeds \$50,000.

All other contracts may be awarded by approval from CAO/Treasurer and department head in accordance with this policy.

## **5.0 RESPONSIBILITIES AND AUTHORITIES**

Department Heads shall be responsible for and shall have authority for initiating procurement activity as per the summary table provided in Appendix "C".

## **6.0 NOTIFICATION OF PROCUREMENT OPPORTUNITIES**

Notification of procurement opportunities for goods, services or construction exceeding a Total Acquisition Cost of \$50,000 shall be posted to the Municipal website and may be supplemented by other means of notification as appropriate (newspaper, trade website, electronic tendering system, etc.).

## **7.0 PROCUREMENT PROCEDURES**

Where circumstances give rise to an issue of adherence or non-adherence to the requirements of the policy which cannot be resolved to the satisfaction of the Department Head, the Department Head shall advise the CAO/Treasurer who shall have the authority to determine the appropriate action.

All else being equal, local suppliers may be given preference in the vendor selection process.

## **8.0 PURCHASING METHODS**

### **Purchases Less Than (\$2,500) Dollars**

**Purchases under \$150 are exempt from this policy.**

All Petty Cash fund disbursements under \$150 shall be evidenced by receipts, which shall be available for auditing purposes through the CAO/Treasurer.

A documented solicitation of 3 quotations may be undertaken for purchases between \$150 and \$2,500.

### **Purchases between \$2,500 and \$10,000**

Purchases between \$150 and less than \$10,000 may be purchased from a Vendor of Record (VOR). When a VOR is not able to supply the required item, a request for quotation (RFQ) shall be obtained from preferably 3 but no less than two and the lowest supplier may be selected, unless justification to the

CAO/Treasurer to accept a higher bid can be made due to the quality of the product/service provided or the reliability/history of the vendor while considering all lifecycle costs.

### **Purchases between \$10,000 and \$50,000**

**A request for quotation (RFQ)** shall be obtained from 3 vendors and the lowest supplier may be selected, unless justification to the CAO/Treasurer to accept a higher bid can be made due to the quality of the product/service provided or the reliability/history of the vendor while considering all lifecycle costs.

In appropriate circumstances, a Request for **Proposal (RFP)** or a Request for **Tender (RFT)** may be utilized for the purchase of goods, services or construction in this range.

Notwithstanding the aforementioned, the Municipality may, in some special circumstances only receive one Quote, RFP, or RFT from a specific vendor due to the complexity, or specificity of the product or service being acquired. Therefore it would become necessary for the Department Head and CAO/Treasurer or designate to sign off on the purchase, the acceptance of a single supplier selection.

### **Purchases Exceeding \$50,000**

#### **Request for Tender (RFT)**

A Request for Tender (RFT) shall be used for purchases where the following criteria apply;

1. Two or more sources are considered capable of supplying the requirement;
2. The requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria, and
3. It is intended that the Lowest Compliant Bid will be accepted, unless justification to Council to accept a higher bid can be made due to the quality of the product/service provided or the reliability/history of the vendor while considering all lifecycle costs.

The department head and CAO/Treasurer must agree that the prescribed conditions apply.

If required to address issues of efficiency, the CAO/Treasurer and Mayor may award contracts resulting from a Request for Tender provided that all of the rules in this procurement policy are followed (except the prescribed council approval section), the TAC is equal to or less than the Council Approved Budget and a follow up report is made to council at the next meeting.

#### **Request for Proposal (RFP)**

A Request for Proposal (RFP) shall be used where either of the following applies;

1. 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, and
2. It is expected that negotiations with one or more bidders may be required

The department head and CAO/Treasurer must agree that the prescribed conditions apply.

The Department Head shall be a member of the committee formed to evaluate the response to the Request for Proposal.

The applicable Department Head shall establish evaluation criteria, which may include, but are not limited to, factors such as approach, equipment and facilities, experience and qualifications,

methodology, past performance and scheduling, price and strategy. These evaluation criteria must be part of the RFP tender.

A pre-qualification process may be used prior to an invited RFP process.

If required to address issues of efficiency, the CAO/Treasurer and Mayor may award contracts resulting from a Request for Proposal provided that all of the rules in this procurement policy are followed (except the prescribed council approval section), the TAC is equal to or less than the Council Approved Budget and a follow up report is made to council at the next meeting.

The bid documents issued in connection with every competitive Bid Request shall contain:

1. A privilege clause advising Bidders that the lowest or any Bid may not necessarily be accepted;
2. If an RFP the evaluation criteria that will be used to evaluate bids, and
3. A provision reserving the right of the Municipality to cancel the Bid Request at any time up to the Award of a Contract.

## **9.0 VENDORS OF RECORD**

A VOR listing shall be compiled by staff and recommended to Council for approval on an annual basis during budget deliberations as well as updated and presented to council during various times of the year as needed.

The VOR listing shall consist of vendors who have established an acceptable business relationship with the Municipality. The intent of a VOR listing is to avoid the Municipality absorbing the administrative costs of seeking multiple and repetitive quotes.

The Municipality may select the VOR process of procurement if the:

Vendors are included on a Vendor of Record list. The VOR process may be used either directly to Procure Goods and or Services (i.e. without further competition) or it may be used as the basis for a Bid Request.

The Treasurer can add Vendors to the list at any time upon recommendation by an Authorized Person and complete any necessary Credit Applications while maintaining purchase thresholds as determined through this Policy. Any Vendor can be removed from the VOR list at any time upon recommendation to the CAO/Treasurer

A vendor who is the successful bidder in a competitive process for the Municipality and who provides the contracted service consistent with the requirements of the contract in a manner satisfactory to the Authorized Person will be added to the Vendor of Record list.

Where there are multiple VOR for a particular contract, the Department Head shall give consideration to the expertise, experience and availability of the vendor in selecting the most appropriate vendor.

## **10.0 OPENING BIDS**

1. All sealed bids shall be received, stamped, dated & initialed by the receiving employee at the Municipal office where they shall be placed in a secure area;
2. All sealed bids, except Request for Proposals, will be opened in a public area with at least the department head (or designate) and the CAO/Treasurer or designate present;
3. Bids received later than the specified closing time will be returned to the Bidder, and
4. Bidders may withdraw their bids at any time up to the official closing time specified in the Bid Documents in the manner specified therein.



## 11.0 GUARANTEE OF CONTRACT EXECUTION AND PERFORMANCE

The authorized department head, in consultation with the CAO/Treasurer, may require that a bid be accompanied by a bid bond in order to guarantee entry into a Contract, for Requests for Tenders and Requests for Proposals (exceptions will be given for legal, financial, engineering and planning consulting assignments) shall be as follows:

Estimated Total Acquisition Cost (TAC)	Minimum Deposit required
\$50,000 or less	5%
Greater than \$50,000	10%

The bid bond means may include one or more of, but are not limited to, certified cheque, bank draft, irrevocable letter of credit, money order and where appropriate, a bid bond issued by an approved guarantee company properly licensed in the province of Ontario, on bond forms acceptable to the Municipality of Centre Hastings.

For both RFT and RFP procurements, where applicable as determined by the department manager, (exceptions will be given for legal, financial, engineering and planning consulting assignments) prior to the commencement of the work, the successful bidder will be required to provide the following security in addition to the security referred to above, guaranteed by a surety company of good standing;

1. A performance bond to guarantee the performance of a Contract, and
2. A payment bond to guarantee the payment for labour and materials to be supplied in connection with a Contract.

These bonds protect the Municipality from a successful bidder who does not complete the work required in the formal contract. Where this occurs, the surety company may be required to pay the Municipality an amount up to the bond limit. The bond must be taken for 100% of the contract fee and be included as part of the bid itself, otherwise the Municipality will not consider the bid.

Prior to the commencement of work, evidence of insurance coverage satisfactory to the Department Head while following the guidelines in Appendix D must be obtained, ensuring indemnification of the Municipality of Centre Hastings from any and all claims, demands, losses, costs or damages resulting from the performance of a Bidder's obligations under the Contract and from any other risk determined by the Department Head as requiring coverage. The Municipality of Centre Hastings shall be added to the contractor's insurance policy as an "Additional Named Insured."

Prior to commencement of work, a Certificate of Clearance from the Workplace Safety and Insurance Board shall be obtained ensuring all premiums or levies have been paid to the Workplace Safety and Insurance Board and a copy of a liability insurance certificate as required per Appendix D.

After the successful bidder is determined, as well as any other bids to be retained, the Municipality will return the other bid deposits. Once an agreement is completed, the Municipality will return the successful bidder's deposit as well as any other bids held.

For those projects using the OPSS (Ontario Provincial Standards Specifications) based tender documents the value of the Bid Bond required as specified below is consistent.

Total Tender Amount	Minimum Deposit Required
\$ 20,000.00 or less	\$ 500.00
20,000.01 to 50,000.00	1,000.00
50,000.01 to 100,000.00	2,000.00
100,000.01 to 250,000.00	9,000.00
250,000.01 to 500,000.00	19,000.00
500,000.01 to 1,000,000.00	40,000.00
1,000,000.01 to 2,000,000.00	75,000.00
2,000,000.01 and over	150,000.00

## 12.0 IDENTICAL TENDERS

If the Lowest Compliant Bids from two or more bidders are identical in Total Acquisition Cost (TAC) or unit price, the Department Head, in conjunction with the CAO/Treasurer is authorized to enter into negotiations with the bidders who have submitted the identical price in an attempt to obtain a lesser price and shall maintain a record in respect of such negotiations.

The Department Head and CAO/Treasurer shall not reveal information pertaining to such negotiations or the manner in which the final price was determined to any of the bidders concerned. The Department Head shall include as part of the record, a report concerning the results of such negotiations.

When negotiations are not successful in breaking the identical tenders, then the successful bidder shall be determined by coin toss. The coin toss shall be performed in the presence of the CAO/Treasurer and the Department Head in charge of that service.

## 13.0 EMERGENCY PURCHASES

Where an Emergency exists requiring the immediate procurement of Goods, Services or Construction, the CAO/Treasurer may authorize purchase of the required Goods, Services or Construction by the most expedient and economical means subject to the following:

1. Any department head (or designate) may authorize Emergency Purchases having Total Acquisition Costs of \$10,000 or less;
2. For Emergency Purchases having a Total Acquisition Cost greater than \$10,000 and less than \$50,000, Department Heads (or designate) who have written approval of the CAO/Treasurer (or designate) to authorize the Emergency Purchase, and
3. For Emergency Purchases having a Total Acquisition Cost greater than \$50,000, only the Mayor (or designate) and CAO/Treasurer (or designate) may authorize such a Purchase.

## 14.0 COOPERATIVE PURCHASING

The Municipality of Centre Hastings may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interest of the Municipality of Centre Hastings to do so.

The policies of the government agencies or public authorities calling the cooperative Bid Solicitation shall be the accepted policy for that particular purchase.

## 15.0 SUBMISSION IRREGULARITIES

The process for administering irregularities shall be as set out in Appendix "B".

## 16.0 CONTRACTUAL AGREEMENT

Formal agreements shall be entered into when the resulting Contract is complex and will contain terms and conditions other than standard contractual terms and conditions.

It shall be the responsibility of the Department Head, in consultation with the CAO/Treasurer to determine if it is in the best interest of the Municipality of Centre Hastings to establish a formal agreement with the supplier.

Where it is deemed that a formal agreement is required, the formal agreement shall be reviewed by the Department Head and CAO/Treasurer and Legal Counsel as required.

Where a formal agreement is required the CAO/Treasurer shall execute the agreement in the name of the Municipality of Centre Hastings.

## **17.0 SPECIALIZED SERVICES (Non-Competitive Procurement)**

Banking, Audit, Legal, Employee Benefits, Insurance, Engineering and Planning Consulting.

These services are recognized to require a combination of expertise, experience and knowledge of the Municipality's operations, policies and practices. Tendering for these services will be considered on a multi-year (maximum of five-year cycle) basis.

Council may renew an arrangement for the provision of these services by resolution.

Authorized Persons may Award Contracts on a Single Source, noncompetitive basis to suppliers of specialized goods and/or services who are on the Vendor of Record list. The Award of the Contract will be documented to recognize the agreement.

Non-competitive contracting may be justified under the following set of criteria which includes, but is not limited to

- when there is a statutory- or market-based monopoly on the item
- when no bids were received in a competitive process
- when the required item is covered by an exclusive right such as a patent, copyright or exclusive license
- when the purchase is already covered by a lease-purchase agreement where payments are partially or totally credited to the purchase
- when it is necessary to ensure compatibility with existing products or to avoid violating warranty/guarantee requirements when service is required
- when the required item is in short supply due to market conditions
- when competitive sourcing for low value procurement would be uneconomical or would not attract bids
- when competitive procurement may be found to be impractical for such items as meal expenses, incidental travel expenses (e.g. taxi service, phone calls), and training and education expenses
- when an urgent procurement is necessary for fulfilling a statutory order issued by a federal or provincial authority, such as an environmental, public health, or workplace safety compliance order.
- when specialized experience, knowledge or expertise is required
- when by legislation or regulation, the service can be provided only by the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, chartered accountants, lawyers and notaries

## **18.0 LEGAL, FINANCIAL, ENGINEERING AND PLANNING CONSULTING SERVICES**

The requirements for engineering and planning consulting services span a wide range of circumstances. Generally, for unique, high cost projects the Municipality will request written proposals for services. The criteria for selection should be identified in the request for

proposals.

For long term projects, such as landfill management, where the background information and accumulated reporting is important to the understanding of the project, the Municipality may retain a consultant for the life of the project.

**For Small Assignments up to \$ 10,000**

For small, short-term or one time constrained projects, the CAO/Treasurer may select a consultant and report to Council on the selection process.

**For Mid-Size Projects from \$10,000 to \$50,000**

The department head selects a consultant on a rotational and rational basis. Together the assignment requirements and fees are developed, they are confirmed in writing, and the department head provides a report outlining the rational for the selection to the CAO/Treasurer for approval.

**For Large Projects greater than \$50,000 or Unique Projects**

The RFP process identified above is followed.

**19.0 ACCESS TO INFORMATION**

The disclosure of information received relevant to the issue of Bid Solicitations or the Award of Contracts emanating from Bid Solicitations shall be in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.M56*, as amended.

**Appendix A**

**Goods and Services "Exempt" from Provisions of the Procurement Policies**

1. Items under \$150
2. Conferences, Courses, Seminars & Conventions
3. Staff training, development, or workshops
4. Memberships

5. Periodicals, Magazines and Subscriptions
6. Employee / Councilor Expenses
7. Utilities (Postage, Hydro, Telephone, Heating)
8. Advertising services
9. Legal settlements
10. Bailiff or collection agencies
11. Employer's General Expenses

(Payroll, Licenses, Debenture payments, Grants or agencies, Payments of damages, Tax remittances, Charges to/from other Government or Crown Corporations, Employee income, Petty Cash replenishment)

12. Professional and Special Services (Committee fees, Witness fees, Court Reporters' fees, Honoraria, Arbitrators, Mediators, Contracts related to the provision of "controlled acts" by person "governed by a health profession Act" as those expressions are used in the Regulated Health Professions Act, S.S. 1991, c18 as amended

### **Appendix B Administering Irregularities**

<b>Item</b>	<b>Irregularity</b>	<b>Response</b>
1	Late Bids	Automatic rejection and not opened or read publicly
2	Unsealed Bid Envelope	Automatic rejection
2	Bid requirements not completely met	Rejection depends on significance of bid requirements oversight
3	Restricted or qualified bids	Rejection depends on significance of bid restriction or qualification
4	Bids received on documents other than those provided by the Municipality	Automatic rejection
5	Corporate Seal or Authorized Signatory signature missing	<b>48</b> hours to correct
6	Failure to provide securities (when requested)	Automatic rejection
7	Overwrites, strikethroughs, or erasures are not initialed	<b>48</b> hours to initial
8	Documents in which addenda with financial implications have not been acknowledged	Automatic rejection
9		
10	All other irregularities	Depending on the significance of the irregularity, the bid envelope will either be automatically rejected, <b>48</b> hours will be given to correct and initial, or the bid may be accepted with the irregularities

**Appendix C  
Procurement Authorizations**

The following table shall determine the identity of the Authorized Person to make purchases on behalf of the Township.

Total Acquisition Cost	Authorized Person
Less than \$15,000	Department Heads
Greater than \$15,000 and less than \$50,000	Department Head and CAO/Treasurer
Greater than \$50,000	Municipal Council

**Appendix D  
Insurance Requirements**

**INSURANCE**

The standard insurance minimums are as follows:

- \$2 million - general liability policy
- \$2 million - automobile liability policy
- \$2 million - homeowners (e.g. for rental of facilities)
- \$5 million - general liability and automobile liability policies - for contract work done for most Public Works and Environmental Services Department projects which have specific high risk activities such as shoring or blasting
- \$2 million - professional errors and omissions liability
- Builder's Risk – 1.1 times the contract value where new construction abuts existing structures

Bid documents must clearly indicate insurance requirements to be provided by the successful bidder.

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

- a. a "Cross Liability" clause or endorsement;
- b. an endorsement certifying that The Corporation of Municipality of Centre Hastings and the successful bidder are included as an additional named insured;
- c. an endorsement to the effect that the policy or policies will not be altered, cancelled or allowed to lapse without thirty days prior written notice to the Township.
- d. Contractor's Liability Insurance Policy shall not contain any exclusions of liability for damage, etc. to property, building or land arising from:
  - the removal or weakening of support of any property, building or land whether such support be natural or otherwise;
  - the use of explosives for blasting;
  - the vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.00

**Appendix E**

<u>Threshold</u>	<u>Process</u>	<u>Circumstances for Use</u>
Less than \$150.00	Petty Cash	
\$150.00 - \$2,500	A documented solicitation of 3 quotations may be undertaken for purchases between \$100 and \$2,500.	
\$2500 - \$10,000	VOR or RFQ	When a VOR is not able to supply the required item, a request for quotation (RFQ) shall be obtained from preferably 3 but no less than two and the lowest supplier may be selected.
\$10,000 - \$50,000	At the Department Head's discretion RFQ or RFP or RFT	(RFQ) shall be obtained from 3 vendors and the lowest supplier may be selected.  In appropriate circumstances, a Request for Proposal (RFP) or a Request for Tender (RFT) may be utilized for the purchase of goods, services or construction in this range.
Over \$50,000	RFT or RFP	When the requirements are clearly defined.  When the requirements are not specifically delineated.