



TOWNSHIP OF WELLINGTON NORTH

PURCHASING AND PROCUREMENT POLICY

DEPARTMENT	FINANCE	POLICY NUMBER	15.15
EFFECTIVE DATE	September 9, 2015	LEGISLATIVE AUTHORITY	<u>Municipal Act, 2001</u> , c. 25 Part VI, s. 271
APPROVED BY:	Blanket Resolution 2015-345, August 10, 2015 (Original By-law 75-13)		

POLICY Purchasing and Procurement

PURPOSE

- a) To promote the most cost effective and efficient use of municipal funds and resources by acquiring the goods and services at the optimum quality, quantity, price, delivery and performance;
- b) To encourage open competitive bidding on all acquisition and disposal of goods and services where practical;
- c) Unless otherwise approved by Council, to purchase goods and services only as approved in the annual budgets;
- d) Obtain the most competitive offers from the most responsible and responsive vendors. To use vendors who comply with the provisions of the bid solicitation, including specifications and contractual terms and conditions. To use vendors who can be expected to provide satisfactory performance based on reputation, references, past experience, and sufficiency of financial and other resolutions
- e) To structure specifications that do not exclude certain vendors or manufacturers unless there is documented evidence to warrant exclusion;
- f) To always think about the “total acquisition cost” rather than the lowest bid. This includes, but is not limited to such factors as repairs, staff training, suitability, compatibility, warranty, trade-in-values, recycling and disposal concerns. To consider “value for money”;
- g) To acquire goods and services with regard to preservation of the natural environment. This gives reference to the method of manufacture and the method of disposal;
- h) To delegate the appropriate level of authority to enable departments to meet service requirements. To ensure that employees who are responsible for requisitioning and purchasing goods and services are accountable for their actions and decisions;
- i) Township staff will acknowledge that they are utilizing the public’s money and will be held to the highest possible standard when making purchasing decisions;
- j) To participate with other publicly funded bodies in cooperative purchasing activities where they are in the best interest of the municipality.

PROCEDURES AND PRACTICES:

APPROVAL LEVELS

All purchases of goods and services must be approved in the annual budgets. Formal approval of the budget constitutes financial approval to proceed with the procurement process. Budget amendments, capital expenditures not yet approved in the budget or special expenditures must be supported by Council resolution which shall specify the purpose of the expenditure and the funding source.

The ability to incur the actual expenditure is delegated to the appropriate Department Head based on the following approval levels:

UNAPPROVED up to \$20,000.00	Department Heads or Designate
Greater than \$20,000.00 but Less than \$75,000.00	Management Committee
\$75,000.00 or Greater	Council

The dollar limits above refer to gross invoice cost inclusive of applicable taxes.

Between the last regular meeting of Council in any year and the adoption of budgets for the next year, the Treasurer is authorized to pay the accounts of any ordinary business transaction of the Township of Wellington North that are required to maintain services. This shall include accounts or the payment of previously approved capital items and projects.

CO-OPERATIVE PURCHASING

The Township encourages participation in co-operative purchasing arrangements amongst departments, with other municipalities (upper and lower tier), local boards and public agencies within the Province. Co-operatives afford the Township the opportunity to take advantage of economies of scale and the purchasing expertise of larger publicly funded organizations. Examples of acceptable co-operatives include but are not limited to the Guelph Co-operative Purchasing Group (GCPG), Ontario Education Collaborative Marketplace (OECM) and the Provincial Vendor of Record programs.

GENERAL PURCHASING PROCEDURES

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

PROCEDURE	PROJECT COST
Petty cash	\$100.00 or less
Purchasing Card / Direct Purchase	\$2,000.00 or less
Informal Quotation Process	Greater than \$2,000.00 but less than \$20,000.00
Request for Quotation Process (Written)	\$20,000.00 but less than \$75,000.00
Request for Tender (Written)	\$75,000.00 or greater
Request for Proposal (when deemed appropriate)(Written)	\$75,000.00 or greater

The dollar limits above refer to invoice cost inclusive of applicable taxes.

Departments shall be responsible for appropriately forecasting their requirements for materials, goods and services in the preparation of their departmental budgets.

No requisition, purchase or contract shall be divided in order to avoid the requirements of the dollar value limits of this section.

Where goods and services of a similar type are to be supplied on a repetitive basis from one or more suppliers either over a period of time in a calendar year or over the course of a season, those goods and services shall be purchased in accordance with the provisions of this policy applicable to goods and services to be supplied in the whole calendar year or during the course of the entire season as the case may be. The appropriate procedure above will be utilized according to the total dollar value.

Purchases may only be made by agents of the Township if authorized by the responsible Department Head. Agents will give reference to and be bound by the requirements of this policy.

A brief description of each procedure is outlined below. Where more detail is required, separate schedules are contained in the Appendices. In addition, refer to Appendix B – Methods of Purchasing Permitted under Policy.

a) Petty Cash – \$100.00 or Less

A petty cash fund will be maintained in the Treasury Department to meet the requirements of acquisitions of goods and services having a value of \$100.00 or less.

Petty cash should only be used when it is not feasible to use a purchasing card. Petty cash purchases shall be made from the competitive marketplace where practical.

All petty cash disbursements shall be evidenced by a receipt and Petty Cash Summary Slips. The slips must accompany the receipt in order to replenish the fund.

b) Purchasing Card or Direct Purchase – \$2,000.00 or less

Purchases not exceeding \$2,000.00 may be made using a purchasing card or direct purchase.

The Purchasing Card or Direct Purchase Process, as defined in that specific policy, has been established as a method of making small dollar purchases. The process still adheres to the General Purchasing Procedures as outlined and should expedite the acquisition of goods and services.

The acquisition of goods and/or services having a value of up to \$2,000.00 per transaction, including taxes, shall be carried out by the Department Head in accordance with the policy. Where it is in the interest of the municipality to obtain one or two informal quotes by phone or in writing, that process should be followed.

Notwithstanding the procedure chosen, it shall be demonstrated that fair market value was achieved.

c) Informal Quotation Process – Greater than \$2,000.00 But Less than \$20,000.00

Purchases with an estimated value greater than \$2,000.00 but less than \$20,000.00 shall be obtained using a competitive process.

The Department Head must solicit a **minimum of two (2)** quotes without formal advertising or receipt of sealed bids. The requirements of the competitive process may only be waived under the authority of the Management Committee. In this case, the competitive process will be replaced by the negotiated method. The circumstances in which the negotiated method would be appropriate and the associated procedures are outlined in Appendix C – “Purchase by Negotiation”.

d) Request for Quotation (Written) –\$20,000.00 but less than \$75,000.00

Purchases with an estimated value of \$20,000.00 but less than \$75,000.00 shall be obtained using a competitive process.

The Department Head shall prepare a Quotation document which provides prospective bidders with clear instructions, specifications, terms and conditions. The Quotation document shall be approved by the Management Committee (where the Department Head deems it appropriate). The Quotation document shall provide a Quotation Form on which a bidder can make his /her quotation.

The Department Head shall cause a notice of “Request for Quotation” to be published in at least one local newspaper or on the Township Website.

The Quotation document shall clearly indicate the final time and place for the receipt of quotations. The quotations will be received and opened by the appropriate Department Head. There will be no requirement for a formal opening of the quotations.

The Department Head shall prepare a report to be reviewed with the Management Committee (where applicable) and shall make a recommendation to accept one of the quotations.

e) Request for Tender (Written) – \$75,000.00 or Greater

The acquisition of all goods and/or services having an estimated value of \$75,000.00 or greater, shall be obtained using a Request for Tender process and may require vendor pre-qualification.

The process for issuing Tenders will be governed by the procedures detailed on Appendix D.

The tender documents will be received, opened and summarized as outlined in the aforesaid Appendix.

Tender criteria:

- i) two or more sources are considered capable of supplying the requirements;
- ii) the requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria;
- iii) the market conditions are such that tenders can be submitted on a common pricing basis;

Tenders shall be accepted without negotiation.

f) Request for Proposal (Written) – \$75,000.00 or Greater

A request for Proposal should be issued where one or more of the criteria for issuing a Request for Tender cannot be met, such as:

- i) Owing to the nature of the requirements, 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 or,
- ii) It is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement.

The process for issuing Request for Proposal will be governed by the procedures detailed on Appendix F.

In general the Request for Proposals process encourages different solutions from vendors and actively searches for better and more creative ideas for supply of goods and services. It provides a process whereby the negotiation and award is based on demonstrated competence, qualifications and the technical merits of the Proposal at a fair price.

EMERGENCY PURCHASES

Where a situation arises requiring the immediate procurement of goods and services essential to prevent serious delays in the work of any Department or which might involve danger to life, health or safety of employees, or the public, or to prevent damage to property, a Department Head may purchase the required goods or services notwithstanding any other provision of this policy. The appropriate Department Head shall notify Council with a written report detailing the circumstances at the next regular meeting of Council.

DISPOSAL OF SURPLUS OR OBSOLETE ASSETS

Disposal of surplus assets is the responsibility of the CAO subject to Council's authorization.

Where any goods, equipment or inventory stock are surplus to a particular department, consideration must first be given to other departments as to whether another department might make use of the item. If no other department can use the item, the CAO shall submit a report to Council requesting that the item be declared surplus.

Sale of surplus assets shall be made to the highest responsive bidder. This may be by sealed bid or by offering the goods at public auction or public notice in a newspaper. The sale shall be made in accordance with the provisions of this policy where applicable. No surplus asset will be sold directly to a Township employee. This does not prohibit any Township employee from purchasing surplus assets being sold through public auction or public notice.

The department having control of the item will be credited with the net proceeds from the sale of their surplus assets.

Where the assumed value of the asset to be disposed of is less than \$2000.00, the CAO will determine the most appropriate method to dispose of the asset.

CONFLICT OF INTEREST

No requisition, vouchers, petty cash funds or any other order, written or verbal, shall be issued for personal goods and/or services for employees of the Township, any member of Council, or the public.

No purchase of goods or services shall be made from any employee of the Township, or from any company in which an employee of the Township has an interest. A contract for goods and services placed with a relative of an employee of the Township shall be declared and that employee shall not be placed in a position to supervise or approve the execution of that contract.

No employee or elected official shall purchase surplus assets except by bidding on the same at public auction or by sealed bid.

LOCAL PREFERENCE

In accordance with the Discriminatory Business Practices Act, Revised Statutes of Ontario, 1990, Chapter D.12 there shall be no local preference for purchases. All else being equal, preference will be given to purchase goods and/or services firstly from Township of Wellington North based businesses, secondly from businesses located in the County of Wellington, and thirdly from Canadian owned businesses.

SPECIFICATIONS

It is Township policy to structure specifications that do not exclude certain vendors or manufacturers unless there is documented evidence to warrant exclusion.

Specifications are the responsibility of the using department with support of outside professional assistance as deemed necessary (e.g. consulting engineers, solicitors).

In many instances a department may not be aware that another department uses a similar or identical item. The CAO and Treasurer will work with the department heads to develop common standards that all using department will find acceptable.

AWARD CONSIDERATIONS

In addition to price, consideration may be given to the following in determining the lowest responsible bidder:

- a) The ability, capacity, and skill of the bidder to provide the goods and services requested,
- b) The ability of the bidder to perform the contract or provide the services promptly or at the time specified without delay or interference,
- c) The character, integrity, reputation, experience and efficiency of the bidder,
- d) The quality and performance of previous contracts, goods or services,
- e) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the goods and services.
- f) The quality, availability, adaptability of the goods or contractual services to the particular use required.
- g) The ability of the bidder to provide future maintenance and services for the items acquired,
- h) The number and scope of conditions attached to the bid.

In the event of tie bids being received the names of those firms involved in the tie bid will be put in a hat and a draw will be held. The firm whose name is drawn will be awarded the contract.

ACCESSIBILITY FOR ONTARIANS WITH DISABILITIES ACT, 2005

In accordance with the Accessibility for Ontarians with Disabilities Act, 2005, S.O. 2005, c.11, the Township shall have regard to the accessibility for persons with disabilities in respect to goods and services purchased by the Township.

- When it is not practicable to incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities, the Township shall provide, upon request, an explanation.
- Documents created, adapted or presented on behalf of the Township or to Township employees will be made available in alternate formats to the public and employees upon request. Contracted suppliers must agree in the contract to provide documents in the formats requested for the lifespan of the document. The contracted supplier could provide the materials in a text version (that is compatible with software that is easily available) for Township staff to produce alternative format requests that may be made in the future.
- Consultants/Facilitators must have the ability to produce deliverables in accessible formats and make sure that all communication, equipment, venues and materials take into account a person's disability so that all in attendance may participate equally.

ONTARIO REGULATION 429/07 (Accessible Standards for Customer Service)

In accordance with section 6 of Ontario Regulation 429/07, Accessible Standards for Customer Service, the contractor is responsible to ensure that all of its employees, volunteers and others for which the contractor is responsible are adequately trained as per the Township of Wellington North Occupational Health and Safety Policy.

EXEMPTIONS

The Procurement Policy establishes the purchasing policies and practices applying to the purchase of all types of goods and services with the exception of the following:

- a) The borrowing and investing of money
- b) The rental, lease, purchase and sale of property, land or accommodation
- c) The admission or registration for conferences, conventions, courses, workshops and seminars
- d) Memberships in professional and vocational associations and their publications
- e) Utilities including hydro, gas, basic telephone, postage

- f) Employee benefits
 - g) Insurance
 - h) The hiring of contract employees
 - i) Information technology-desktop computers, laptop computers, servers and associated software
 - j) Licenses, certificates and other approvals required.
- As the above are exempted from the procurement policy, those purchases do not require quotes or bids to be submitted. The chart below indicates the method of payment and approval requirements for these types of expenditures.

Item	Approvals and Requirements
Training education and staff development <ul style="list-style-type: none"> • conferences, courses, seminars, including related travel expenses etc. 	Conference Registration not to exceed \$1000.00 per employee/councillor without Council approval. Expense Claim Form to be submitted along with registration form.
Memberships, subscriptions, publications	No approval required provided that expenditure is related to Township business. Invoice to be submitted by Department Head to CAO for approval.
Licenses and Regulatory Fees	Approvals not required. Invoice to be initialed by Department Head.
Advertising Services <ul style="list-style-type: none"> • Newspaper, radio 	Approvals not required. Invoice to be initialed by Department Head.
Bailiff or Collection agencies	No approval required. Invoice to be initialed by Department Head.
Employee deduction remittances	No approval required
Utility payments <ul style="list-style-type: none"> • Gas, hydro, phone 	Finance department is authorized to submit payment without Council approval. A listing to be supplied to Council for all pre-payments with the Accounts Payable Listing
Information technology	Every effort will be made to ensure a competitive process is followed but given the complex nature of these items and the need to maintain compatibility with our existing network, exemptions may need to be given on a case by case basis.

The CAO in consultation with Council will determine the most appropriate procedures related to engaging consulting engineers, counseling services, instructors, planners, solicitors, arbitrators and auditors.

EXCLUSION OF BIDDERS DUE TO POOR PERFORMANCE

The Department Head shall document evidence and advise the CAO in writing where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety Violations.

The CAO may, in consultation with the Township’s solicitor, prohibit an unsatisfactory supplier from bidding on future contracts.

COUNCIL AUTHORIZATION

Subject to statutory requirements and except as herein provided, no Committee established by Council, no member of Council and no employee of the Township shall enter into any contract on behalf of the Township without express authority from Council.

GENERAL

This policy shall be read with all necessary changes of genders and changes of singular to plural which may be required in its context.

Where situations arise that are not covered by this policy, staff of the Township of Wellington North will refer to the most current Procurement Guideline for Publicly Funded Organizations in Ontario.

Resolutions approving budget amendments or capital expenditures not originally approved in the budget; shall contain the purpose of the expenditure, cost estimate and the fund/account (reserve or otherwise) where the monies are to be appropriated from. All staff reports recommending such resolutions shall contain the Department Head endorsement.

Appendix A - Definitions

In this policy:

Acquisition means the process for obtaining goods and services

Agent means an individual or corporation working on behalf of the Township to provide municipal services

Authority means the legal right to conduct the tasks outlined in this policy

Bid means an offer or submission received from a vendor, contractor, or consultant in response to a request, tender or proposal, which may be subject to acceptance or rejection.

CAO means the Chief Administrative Officer

Competitive means vendors are given an equal opportunity to compete for Township business.

Contract means a legally binding agreement between two or more parties.

Council means the Municipal Council of the Township of Wellington North

Clerk means the Township Clerk and includes his/her designate.

Department Head means the individual accountable for the department and services assigned to each municipal department thereof. For the purposes of this policy it will include the CAO, Treasurer, Fire Chief, Chief Building Official, Clerk, Director of Public Works, Director of Recreation, Roads Superintendent and Water/Sewer Superintendent.

Designate means a person authorized by the Department head to act on his/her behalf, for the purposes of this policy.

Disposal means the selling, trading, assigning and/or scrapping of surplus assets.

Goods mean all materials, equipment, fixtures and structures to be delivered, installed, or constructed.

Management Committee means a committee comprised of Department Heads, Senior Staff and Elected Official(s) as determined by the CAO and approved by Council.

Negotiated Method means the acquisition method whereby the Township may negotiate with one or more vendors to acquire goods or services without using the Competitive Process.

Proposal means an offer to provide goods or services to the Township where the requirements cannot be definitely specified and may be subject to further negotiation.

Procurement Process means the process by which goods and/or services are obtained.

Purchasing Card means a charge card approved by the Township that can be used by authorized Township employees to acquire low dollar value items as outlined in this policy.

Quotation means a request for prices on specific goods and/or services from selected vendors, which are submitted verbally or in writing as required by the policy.

Responsible Vendor means a vendor whose reputation, past performance, and business and financial capabilities are such that the vendor would be judged as capable of satisfying the need for a specific contract.

Responsive Vendor means a vendor whose bid does not vary from the specifications and terms and conditions set out in the quotations, bids, or requests for proposal.

Request for Proposal means the method of purchase as described as such in Appendix B – Methods of Purchase permitted under Policy.

Request for Quotation means the method of purchase described as such in Appendix B – Methods of Purchase permitted under Policy.

Request for Tender means the method of purchase described as Appendix B – Method of Purchase permitted under Policy.

Requisition means a written request to purchase goods and/or services that includes a detailed list or specification of requirements with the appropriate signatures as requested in this policy.

Total Acquisition Cost means the sum of all costs, including such matter as purchasing price, all taxes, warranties, local services, life cycle costs, inventory carrying costs, operating and disposal costs incurred for determining the lowest acceptable bid meeting specifications.

Township means The Corporation of the Township of Wellington North.

Appendix B – Methods of Purchasing Permitted

Direct Purchase

This method of purchase refers to the direct ordering and purchases of goods and services from a supplier with or without negotiation. This method of purchase will be used primarily for the purchase of low value goods where the cost and administrative burden of other methods of purchase may be equal to or greater than the price or value of the goods purchased. Employees are encouraged to use their own judgment to promote the principles of this policy in any direct purchase.

Negotiated Method

This method of purchase refers to the negotiation of an agreement for the purchase of goods and services from a supplier where there is no open competition. It is used in the case where there conditions listed in Appendix C – Purchases by Negotiation are present

Request for Quotation/Informal Quotation

This method of purchase is a competitive method. The specifications for the goods and services and terms of purchase will be established with sufficient particularity to permit comparable quotations to be made by supplier. A sufficient number of suppliers shall be requested to submit quotations on the specifications and terms of purchase so that at least three responsive quotations are received, where practical.

The procedures differentiating the Request for Quotation from the Informal Quotation process are detailed within Section 5 of the Procurement Policy. In general the Information Quotation process does not involve advertising and receipt of sealed bids or the preparation of formal quotation.

Request for Tender

This is a competitive method of purchase, which may include supplier or contractor pre-qualification. The tender process follows the general procedures set out below.

- Contractor and Supplier Qualification (if applicable)
- Development of Specifications and Contract Terms
- Publication and Solicitation of Tenders
- Receiving and Opening of Bids
- Bid Evaluation and Selection

The specifications and contract terms are detailed within the tender documents in such a degree that there is no prospect of negotiations between the parties. It is intended to accept the lowest priced compliant bid, as all the terms, conditions and specification must be met by the bidders.

See Appendix D – Request for Tender Policy

Request for Proposals

This method of purchase involves the solicitation of proposals. It may or may not include prequalification. In this method of purchase, some or all of the specifications and contract terms may not be finally determined with sufficient certainty to form the basis of a final contract before proposals are solicited and submitted. It may be expected that there will be some variation in the final specification and contract terms among and between responsive proponents. The process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms and price.

See Appendix F – Request for Proposal Policy

Appendix C – Purchase by Negotiation

All purchasing of goods and services shall be by a competitive method except for the following where the negotiation method would apply:

- a) when goods or services are available from only one source;
- b) where compatibility within an existing product or process is the overriding consideration;
- c) when, due to market conditions, goods are in short supply;
- d) when all acceptable bids exceed the amount budgeted and re-tendering would not be beneficial;
- e) when the extension or reinstatement of the existing contract would be the most cost effective or beneficial method and is in the best interest of the Township;\
- f) when an emergency, where goods and services are deemed necessary and time and safety concerns reasonably limit the use of any other prescribed procurement process;
- g) when no bids are received on a formal quotation, tender or request for proposal;
- h) when goods are required for resale and thus an important factor in choosing a successful bidder is marketability and profitability;
- j) where the best interest of the Township would be served through negotiations.

Authority to incur expenditures of Township funds through the negotiation method shall be subject to the same spending approval levels as outlined in Section 3 of the policy.

In accordance with the negotiation method, the requirements for inviting tenders and quotations will be waived. The methods of negotiation shall be those accepted as standard negotiating procedures that employ fair and ethical practices. The information pertinent to and the results of all such negotiations shall be reported to the Treasurer.

Appendix D – Request for Tender Policy

The following is a procedure for issuing, receiving and awarding tenders as issued by the Township.

Tender Limits

As outlined in the policy all purchases over \$75,000.00 shall use the Request for Tender or Request for Proposal process. The criteria for determining which process to use are contained in Section 5 of the policy.

General Process

In all cases, tenders shall be coordinated by the Department Head prior to being advertised. The Department Head shall ensure:

- a) completeness of documentation
- b) advertisements are arranged
- c) closing dates and tender opening are scheduled
- d) vendor contact for information is appropriate

Tender Document Preparation

As per Section 10 of the policy, the specifications contained within the tender documents are the responsibility of the using department. Standard bidding documents of the construction industry will be employed whenever possible, when changes are made to these documents which pertain to procedures detailed within this policy.

Contents of the Tender Document

The tender document will consist of a number of sections. They are described below. When considered in its entirety, the document must contain the appropriate information so that staff evaluating the bids can determine that;

- a) the bidder understands the full scope of the tender for which bids have been invited and
- b) the bidder is capable and willing to perform all of the required work or provide all of the required goods/services and
- c) the bidder is capable and willing to enter into a legal agreement with the municipality for the provision of the required goods/services and
- d) the bidder offers financial guarantees that a formal agreement will be executed, and that all goods/services will be provided following the terms of the executed agreement.

Tender documents will contain at least the following:

- a) A cover sheet with the name of the tender, the closing date and time, and the issuer or contact person within the appropriate Department.
- b) Information to Bidders. This contains non-technical information that advises the bidders of the general terms and conditions that apply to the tender of goods and/or services.
- c) Performance Guarantee/Financial Guarantee. To ensure proper execution of the work, a performance guarantee in the form of cash, certified cheque, irrevocable letter of credit, or bond (performance, labour, and/or material) may be required. All requirements must be clearly outlined in the Information to Bidders.
- d) Specifications. The specification section will provide details to describe accurately and precisely the nature, scope and extent of the goods and/or services required. As outlined in the policy, specifications may not be structured to exclude certain vendors or manufacturers unless there is documented evidence to warrant exclusion.
- e) Form of Tender. The tender form when properly completed and signed is a legal offer by the bidder to carry out the tendered work. The tender form should include an acknowledgement from the bidder that he has reviewed and understands all of the tender documents, and that he is prepared and capable of carrying out the contemplated work. Proper and clear identification of the bidder as

well as clear bid prices must appear on the completed tender form.

f) Tender envelope. A standardized tender envelope or envelopes are provided to all bidders where appropriate.

Advertising

The Department Head is responsible for ensuring that proper notice of the Tender is in the newspaper or other applicable publication and on the Township of Wellington North web site. Electronic tendering networks, as available may also be employed (e.g. OBPA, OGRA).

All tenders shall be open for bid by vendors for a minimum period of fifteen (15) days unless critical or exceptional time constraints limit the period available for bidding.

Pre-qualification

Pre-qualification of bidders may be desirable to ensure that prospective bidders have the necessary knowledge, experience, and financial resources to complete the work.

If pre-qualification is required for a particular tender, no Form of Tender or Tender Envelope is to be issued to any prospective bidder until he has pre-qualified. However, during the prequalification process, certain of the documents (i.e. specifications) may be made available.

Release of Information to Prospective Bidders

Upon the request of a prospective bidder, the Department Head or designate shall supply the following material for each contract:

- a) one copy of the official tender form
- b) one standard tender envelope, if applicable
- c) tendering materials, including specifications, plans etc
- d) In the case of tender documents for Construction contracts (municipal services and buildings) the documents may be distributed by the Township engineers or consultants.

A fee may be charged for the specifications. This fee shall be non-refundable.

A list of prospective bidders shall be maintained by the Clerk or designate. Names and addresses shall be recorded when tender documents are released to facilitate distribution of addenda and when necessary to extend or cancel a request for tender under call. However, where a pre-qualification requirement exists and the prequalification process is complete, the release of the Tender documents will be to qualified bidders only.

Changes to Tenders Under Call

Preparation of Addenda

Addenda will be issued under the following circumstances:

- a) Interpretation of tender documents as a result of queries from prospective bidders.
- b) Revisions, deletions, additions or substitutions of any portion of the tender documents.

The appropriate Department Head in consultation with CAO shall approve the issuance of any addenda.

Notification of Addenda to Prospective Bidders

A copy of all addenda shall be sent by registered mail, email or by fax confirmed by a telephone call or by electronic correspondence when appropriate, to each prospective bidder who obtained tender documents. All remaining tender documents not yet distributed shall have the addenda appended.

Where an addendum must be issued later than two days prior to the specified closing date, the closing date may be extended to allow four working days between the issuance of the addendum and the revised closing date. This extension is optional and shall be used as required.

Closing Date Extension or Tender Cancellation

When it becomes necessary to extend the closing date or to cancel the tender, all prospective bidders who received tender documents shall be notified of the cancellation using the method for notification of addenda detailed above.

When the closing date for receiving tenders has been extended, tenders already received shall be handled as follows:

- a) If the extension of time is two weeks or less, the bidder shall be advised that his tender will be returned upon request.
- b) If the extension of time is more than two weeks, all tenders shall be returned unopened.

When a tender is cancelled, no bid will be accepted. All bids received shall be returned unopened to the bidders by hand or by registered mail with a covering letter.

Submission Requirements

All tenders shall be received by the CAO or designate. They will be time and date stamped and placed in a secure location until after the closing time. Any tenders received after the closing time and date will not be received and will be returned unopened to the submitting vendor.

Tenders are required to conform to the conditions listed below:

- a) The correct Tender Form, as supplied by the Township, must be used and in the possession of the Clerk or her duly authorized representative, on or before the tender closing date and time.
- b) The tender must be legible, completed in a non-erasable medium and all items must be bid, unless the tender specifically permits otherwise, with the unit price on every item and other entries clearly shown.
- c) Adjustments by telephone, letter, fax, or electronic correspondence to a tender already submitted will not be considered. A bidder desiring to make adjustments to a tender must withdraw the tender. See section within this Appendix titled "Withdrawal of Tender Bids" for the relevant procedures
- d) The official Tender Return Envelope supplied by the Township must be used to submit the bid without any extra exterior covering. Provision shall be made on the Tender Envelope for the contract number and the name and address of the Contractor or Supplier. Should a bidder feel that the envelope is insufficient in size to accommodate his submission, he should contact the Clerk for instructions.
- e) The Tender Form shall be signed in the space provided on the form. All specified signatures and company seals or specified signatures duly witnessed must be provided. A seal need not be provided if the signer indicates authority to bind the corporation in writing and the signature must be witnessed. If a joint bid is submitted, it must be signed on behalf of each of the bidders and if the signing authority for both bidders is vested in one individual, he shall sign separately on behalf of each bidder.
- f) Erasures, overwriting or strike-outs must be initialled by the person signing on behalf of the bidder.
- g) Agreement to bonding and/or bid deposits may be required at the discretion of the CAO and the appropriate Department Head or his designate.

If any of the tender requirements have not been met, the tender shall be considered to be an "Improper Bid" and dealt with as set out in Appendix E – Acceptance or Rejection of Improper Bids.

Receiving of Tender Bids

Care and Control

All tenders are under control of the CAO. It is the responsibility of the staff of the Clerk's department to ensure that all tenders are clearly identified as to contents and contract number. Should a submission be received without proper contract identification, it will be returned unopened. In the

case where the submission was not hand delivered, reasonable efforts will be made to inform the bidder of their error. The tender opening will not be delayed by these efforts as it is the responsibility of the vendor to correctly identify their submission. Fax submissions will not be accepted.

Time and Date Stamping and Recording of Tenders

When a tender is received, the sealed envelope shall be marked with the time and date of receipt and initialed by the person receiving the tender. Receipt of the tender shall be recorded on a list of tenders received.

Late Submissions

Regardless of the time a bid is received, the envelope shall be time and date stamped. If the bid is received after the time of closing, it shall be refused and returned unopened to the bidder. If a tender is to be returned by mail, it shall be accompanied by a covering letter stating that the tender could not be accepted due to late arrival. If a late bid is received without a return address on the envelope it shall be opened, address obtained and then returned. The covering letter should state why the envelope could not be returned unopened.

Action on Correspondence pertaining to Adjustments, Corrections or Restrictions to a Tender

Any correspondence pertaining to adjustment, corrections or restriction to a tender, which is received with a tender but outside the tender envelope or is received after a tender has been submitted but prior to closing time, shall not be considered, and the bidder shall be advised by mail or phone of the withdrawal procedures if possible and practical.

Withdrawal of Tender Bids

Prior to Opening

The withdrawal shall be allowed if the request is made before the closing time for the tender. Withdrawal request must be directed to the CAO by letter. Telephone requests shall not be considered. Tenders confirmed as withdrawn prior to being placed in the tender box shall be returned unopened to the bidder. The withdrawal of a tender does not disqualify a bidder from submitting another tender for the proposed contract. Withdrawal requests received after the tender closing time will not be allowed. The bidder shall be informed that the withdrawal request arrived too late for consideration. However, when the bids are read out at the bid opening, and if it is the lowest bid on a proposed contract, the bidder may then proceed in accordance with the following section titled "During the Opening".

During the Opening

During a tender opening at the conclusion of the reading out of bids on a proposed contract, the low bidder may withdraw any of his remaining tenders on other contracts prior to the opening of bids thereon. He shall attest in writing to his identity and state the contract or contracts on which he desires to withdraw. The Notice of Withdrawal of Tender must be signed by the bidder. This Notice must be handed to the CAO before the opening of the first tender on the proposed contract to which it applies. The CAO shall attach it to the applicable tender. The CAO shall read out the bidder's name and announce that the tender has been withdrawn in accordance with established procedure. He shall not open the withdrawn tender. Tenders withdrawn under this procedure shall not be reinstated. If more than one tender is read out under the same name for the same contract and no withdrawal notice has been received, the tender contained in the envelope bearing the latest date and time stamp shall be considered the intended bid. The first tender received shall be considered withdrawn and returned to the bidder in the usual manner.

Opening of Tenders

Tenders will be opened publicly by the issuing Department Head and Treasurer or designate and recorded by the Treasurer or Consultant.

Action on Correspondence found enclosed in Tender Envelope

If correspondence is found enclosed with a tender which, in the opinion of the purchasing agent, could qualify the bid in any way, the tender shall initially be considered as an “Improper Bid” and shall be so noted in the record of tenders opened and the tender read out in the normal manner, this correspondence and the tender shall be referred to the appropriate Department Head for decision as to acceptance or rejection.

See Appendix E - Acceptance or Rejection of an Improper Bid.

All Tenders Received must be Accounted For

When tenders have been opened and sorted, the clerk shall check the Listing of Tenders received, and the numbers of tenders opened to ensure that all tenders received are accounted for. If a discrepancy occurs, the tender opening proceeding shall be delayed until all tenders have been accounted for.

Reading out of Bid Amount and Listing of Information

Every tender received within the specified time shall be opened in full view of those attending and each bidder's names and the total tendered amount read aloud by the Treasurer or designate, and recorded by a staff member or consulting engineer. Should the reading aloud of all prices be impractical due to a large number of individual prices or options or for reasons where a total price is not stated on the Form of Tender, only the company names of the bidders will be read out at the time of the tender opening.

More than One Submission Under the Same Name

During the reading out of tenders, staff shall check for more than one tender under the same name (without a notice of withdrawal). If this situation occurs, it shall be dealt with as detailed in the section titled “Withdrawal of Tender Bids – During the Opening”. If two tenders for the same contract are received in the same tender envelope, the signed copy or, if both are properly executed and prices differ, the lower price shall be considered the intended bid.

Checking Tenders

The tenders will be checked by the Consulting Engineer, Treasurer and by the appropriate Department Head as soon as possible following the public tender opening in order to determine that:

- a) All tender requirements have been met as stated in the tender documents and this policy
- b) All unit prices have been correctly extended and totaled.

Tenders which do not conform to the tender requirements or which require mathematical corrections shall be deemed “Improper Bids” and shall be dealt with as set out in Appendix E – Acceptance or Rejection of Improper Bids.

Improper Bids

Following completion of the checking procedures any bids deemed “Improper bids” shall be so noted on the Record of Tenders Opened. This notation shall clearly state the reason the bid has been considered improper. The appropriate Department Head shall then decide on the acceptance or rejection of all tenders noted as improper pursuant to the provisions of Appendix E – Acceptance or Rejection of Improper Bids.

Evaluation of the bids will be made by the Treasurer and Department Head.

Where necessary, the consulting engineer's or solicitors may review bids and provide advice to the Township.

Recommendation to Award

Any recommendation to award will be in favour of a bidder meeting specifications, terms and conditions and whose tender offers the lowest cost considering "total acquisition cost".

A written report will be forwarded to Council for ratification. If the lowest bid is not accepted the report must clearly state the reasons why.

Award

When the necessary approvals have been received, the CAO may use the appropriate documents to contract for the supply of the tendered goods and/or services.

Where the recommended bid amount is within the approved budget for the project and is the lowest cost tender, the notification of award may precede the report to Council, as approved by the CAO.

The Clerk or designate shall notify each of the unsuccessful bidders thanking them for their participation.

Disposition of Deposit Cheques

Following the recommendation to award of the contract to a specific bidder, bid deposits of all bidders other than the two (2) low bidders shall be returned to the applicable bidders by registered mail to the last known place of business or by personal delivery. If a deposit cheque is returned by personal delivery, a letter acknowledging receipt must be signed by the bidder. The bid deposit cheque of the successful bidder shall be held until the contract is executed.

Action when Successful Bidder does not finalize Contract

If contract has been awarded and the successful bidder fails to sign the contract or provide the necessary security within the time specified in the tender documents, the CAO may grant additional time to fulfill the necessary requirement or may recommend one of the following:

- a) that the contract shall be awarded to the next low bidder
- b) that the contract shall be cancelled

In either case, the Tender Bid Deposit of the low bidder shall be forfeited. All tenders shall be confirmed by executed contract or letter of award. The Township Solicitor will determine which is appropriate

Appendix E – Acceptance or Rejection of Improper Bids

Extreme care shall be exercised to ensure that Improper Bids are handled in a manner, which is fair to other bidders as well as the public. The decision as to whether an improper bid shall be accepted or rejected shall be based upon the following general considerations;

- a) Is the intention of the bidder clear?
- b) Has the bidder made a conscientious attempt to comply with the submission requirements?

The following are guidelines only, intended to illustrate some of the discretion allowed.

	IRREGULARITY	RESPONSE
1	Late Bids	Automatic rejection and returned unopened
2	Unsealed envelopes	Automatic rejection
3	Not completed in non-erasable medium	Automatic rejection
4	Incomplete Bids Part bids – all items not in bid	Automatic rejection except where the tender form clearly states that an award may be made for individual items or where in the opinion of the CAO and the Department Head the incomplete nature is trivial or insignificant
5	Qualified Bids - Qualified or restricted by an attached statement	Automatic rejection except where the change is requested by the Township or where, in the opinion of the CAO and the Department
6	Financial Security not submitted or insufficient	Automatic rejection
7	Bid not properly signed or corporate seal missing	48 hours to rectify
8	Mathematical errors	May be accepted if corrected in the checking procedure. Unit prices shall ordinarily be used to correct extensions.
9	Agreement to bond insufficient or not submitted	Automatic Rejection
10	Bids received on documents other than those provided by the Township	Automatic rejection unless, in the opinion of the Department Head, the matter is trivial or insignificant

11	Erasures, Overwriting or Strikeout Not Initialed	
11 a	Changes which are minor i.e. address, clerical error	May be accepted, 48 hours given to initial
11 b	Unit prices have been changed by not initialed and the contract totals are consistent with the price as amended	May be accepted, 48 hours given to initial
11 c	Unit prices have been changed by not initialed and the contract totals are consistent with the price as amended	Automatic Rejection
12	Minor clerical errors	May be accepted, time limit given to correct and initial
13	Documents, in which all necessary Addenda, which have financial implication, have not been acknowledged	May be accepted, only if omission of the acknowledgment is insignificant. The CAO and Department Head shall determine if the omission is significant
14	Other Minor irregularities May be accepted	The CAO and Department Head shall have authority to waive irregularities which they jointly consider

Appendix F – Request for Proposal Policy

A Request for Proposal is issued in cases where the exact specifications are not predetermined.

Requests for Proposals will follow the general procedures found in Appendix D – Request for Tender Policy. This includes the overseeing of the process, the date and time-stamped receipt of Proposals.

The procedures will differ from the Request for Tender policy in the following aspects:

Specifications

Exact specifications are not predetermined but the outcomes expected are reasonably stated. By issuance of a Request for Proposal, the Township is soliciting creative input and inviting suppliers to propose a solution to a problem, requirement or objective.

Form of Proposal

Since the exact specifications are not predetermined, so the form of proposal will also be less specific. However, it should clearly indicate those needs which have been determined and which will have to be fulfilled by the successful proponent.

Opening of Proposal Submissions

The opening follows the general procedures for the opening of tenders, except that no prices will be read out. The receipt of the submissions and by whom they were submitted will be read aloud and recorded. People wishing to submit shall be advised of the time and location of the meeting.

Evaluation Process

The selection of the successful proponent is based on the effectiveness of the proposed solution rather than on the price alone. As the evaluation process will be more complex, the process should be clearly outlined in the Request for Proposal documents. All criteria used to evaluate proposals should be listed.

The Department Head shall review all Proposals with the Management Committee and then make a recommendation to Council. The Committee will review proposals against the established criteria and reach consensus on the final rating results and ensure that the final rating results with supporting documents are kept in the procurement file.

In some instances, where the workload to evaluate proposals may be excessive due to their complexity, length, number or any combination thereof, a multi-step procedure may be used that would include a reducing of the proposals to a 'short list'. It is this 'short list' of proposals which would receive the in depth evaluation and rating by the Management Committee. The process could then include requests for further clarification or presentations from the 'short list' proponents. The initial Request for Proposal should indicate the possibility of this multi-step process.

It is usual that the evaluation process will encompass a longer time frame than the evaluation process for a tender. For this reason, the Request for Proposal documents should indicate the expected time frame for completion of the process up to and including the anticipated presentation of a recommendation to Council.

It is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirements. This differs significantly from Request for Tenders where the Form of Tender of the successful bidder becomes the basis of the eventual contract for goods and/or services.