

PROCUREMENT OF GOODS AND SERVICES POLICY

Contents

Part A – Definitions.....	3
Part B – Objective and Principles.....	8
Part C – Application and Scope	10
Part D – Methods of Procurement.....	11
I – Competitive Procurement	11
Requests for Proposal (RFP)	11
Request for Quotation (RFQ)	12
Request for Tender (RFT).....	13
Competitive Procurement Process.....	13
II – Alternative Procurement	15
Informal Quote Process	15
Pre-Approved Firms.....	16
Non-Binding Procurement.....	16
Request for Pre-Qualification (RFPQ).....	16
Request for Expression of Interest (RFEI)	17
Alternative Procurement Process.....	17
Part E – Non-Competitive Purchases: Purchase by Negotiation, Sole Source or Single Source.....	17
Part F – Trade Agreements.....	19
Part G – Emergencies.....	20
Part H – Collaborative Procurement.....	20
Part I – General.....	21
Part J – Bidding Documents, Receipts, Openings and Agreements	24
Part K – Access to Information and Records Retention	26
Part L – Advertising.....	26

Part M – Refusal of Bid Response	26
Part N – Sustainable Procurement Practices	27
Part O – Persons with Disabilities (AODA).....	28
Part P – Performance Evaluation Criteria.....	28
Part Q – Disposal of Surplus Goods.....	29
Part R – Signing Authority	30
Part S – Conflict of Interest	30
Part T – Prohibited Vendors.....	31
Part U – Dispute Resolution and Debriefing.....	31
Part V – Form and Amount of Security.....	32
Part W – Insurance and Indemnity	33
Part X – Legal Requirements	34
Part Y – Administration.....	35
APPENDIX A – LEVELS OF CONTRACT APPROVAL AUTHORITY.....	36
I – Approval Authority	36
II – Signing Authority.....	37
APPENDIX B – GOODS AND SERVICES NOT SUBJECT TO THIS POLICY.....	38
APPENDIX C – IRREGULARITIES CONTAINED IN BIDS.....	40
APPENDIX D – STATEMENT OF ETHICS FOR PUBLIC PURCHASERS.....	42

Part A – Definitions

1. For the purposes of this policy, the following words mean:

“Accessibility” means a general term used to describe the degree of ease that something (e.g., device, service and environment) can be used and enjoyed by persons with a disability. The term implies conscious planning, design and/or effort to ensure it is barrier-free to persons with a disability, and by extension, highly usable and practical for the general population as well;

“Acquisition” means any form of procurement, purchase, lease or rental of goods and/or services;

“Applicable Law” means any and all requirements under or prescribed by the common law, and any and all applicable international laws, federal, provincial, regional, local or municipal laws, trade agreements, statutes, codes, acts, permits, licenses, orders, by-laws, rules, policies, regulations and, that may now, or at any time hereafter be applicable, including without limitation, *the Freedom of Information and Protection of Privacy Act, Municipal Freedom of Information and Protection of Privacy Act, Occupational Health and Safety Act, Workplace Safety and Insurance Act, Environmental Protection Act, Municipal Act, Accessibility for Ontarians with Disabilities Act, and the Discriminatory Business Practices Act;*

“Authority or Authorized” means the right to conduct the subject task as directed by Council either through resolution or through the approval of the annual departmental budget (budget process and adoption);

“Authorized” in relation to a person, means authorized by this policy to act on behalf of the Municipality to: (i) initiate bid requests and other forms of procurement activities; (ii) govern the conduct of a bid request; and (iii) make an award;

“Award” means the approval given by the authorized person to enter into a contract/agreement and occurs when a submission is formally accepted by the Municipality, either by Council or by delegated authority as permitted by this policy;

“Best Overall Value” means the best cost after all factors and criteria as set out in the bid request are considered and is not limited to the lowest dollar price;

“Bid” means any tender, quotation, offer or other form of submission made by a prospective vendor in response to a bid request that is subject to acceptance or rejection by the Municipality;

“Bid Document” or **“Bid Documents”** means any document issued by the Municipality pursuant to this policy and used in connection with a procurement process;

“Bid Request” means a written request or other formal request by the Municipality in connection with the provision of goods and services including but not limited to an informal quotation, Request for Quotation, Request for Pre-Qualification, Request for Tender, Request for Proposal, Request for Expression of Interest, Calls for Tenders, or other form of acquisition to the purchasing designate pursuant to this policy;

“CETA” means the Comprehensive Economic Trade Agreement, Chapter Nineteen, Government Procurement, as may be updated and amended from time to time;

“CFTA” means the Canadian Free Trade Agreement, as may be updated and amended from time to time;

“Chief Administrative Officer” or **“CAO”** means the Chief Administrative Officer for the Municipality or his/her designate;

“Clerk” means the Clerk of the Municipality or his/her designate;

“Closing Time” means the place, date and time set by the bid documents for receipt of responses.

“Compliant Bid” means a bid that meets the terms and conditions of the bid request and this by-law;

“Conflict of Interest” means:

- a. situation or circumstance, real or perceived, which could give a supplier an unfair advantage during a procurement process or compromise the ability of the supplier to perform its obligations under its contract; and/or
- b. situation where a personal, business or other interest of an elected or appointed official, officer or employee of the Municipality is, or can be reasonably perceived to be, in conflict with the interest of the Municipality, and includes but is not limited to:
 - i. the giving or receiving of direct or indirect personal gain or benefit, or a direct or indirect advantage or privilege, by any person or business that offers goods and/or services to the corporation;
 - ii. a direct or indirect interest in any business that provides goods and/or services to the Municipality;

- iii. a conflict of interest as defined in the Municipality's Code of Conduct as may be amended from time to time;

"Consultant" means a person or firm, who by virtue of a particular expertise, is hired by the Municipality to undertake a specific task or assignment that may include designing specifications and preparing plans or programs;

"Contract" means the acceptance of the Municipality of a bid in the form of a duly signed agreement or purchase order between a chosen bidder and the Municipality for the provision of goods and/or services;

"Controlling Interest" means any person with an interest in a business as defined and applied by the Income Tax Act (Canada);

"Council" means the Council of the Municipality;

"CPTPP" means the Comprehensive and Progressive Agreement for Trans Pacific Partnership, as may be updated and amended from time to time;

"Department" means any department or division of the Municipality;

"Director" means the director of a department or his/her designate;

"Director of Corporate Services" means the Director of Corporate Services/Treasurer for the Municipality or his/her designate;

"Director of Emergency Services" means an emergency measures professional as employed by the Municipality or his/her designate;

"Disability" or **"Disabilities"** shall have the same meaning as that in the *Accessibility for Ontarians with Disabilities Act, 2001*, S.O. 2001, c.11;

"Electronic Bidding" or "E-Bids" means a computer based system that provides suppliers with access to information related to open competitive procurements;

"Emergency" means an urgent situation where the immediate purchase of goods and services is essential to comply with any applicable law or lawful order; or to prevent delays in the work of any department that is a result of danger to life or damage to property, or threat or risk to public health and safety;

"Employee" means an employee of the Municipality;

"Evaluation Criteria" or "Performance Evaluation Criteria" means the rated criteria as set out in a notice of intended procurement or solicitation which may include but is not limited to supplier qualifications, price and other cost or value

factors, quality, technical merit, environmental characteristics, and negotiable commercial terms of delivery.

“Goods and Services” means, in relation to procurement, all supplies, materials, equipment, moveable property, vehicles and other personal property required for the operations or activities of the Municipality, but does not include those goods listed in Appendix “B” of this policy;

“Litigation” means a situation where a person has commenced an application, action or other legal proceeding against the Municipality or the Municipality has commenced an action, application or other legal proceeding against a person, and in either case, the Municipality’s interest in the proceeding is not insured by the Municipality’s insurance policy;

“Mayor” means the head of Council or his/her designate;

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

“Pending Litigation” occurs where a claim, application or other legal proceeding that is uninsured by the Municipality for money or other relief, and includes a threat of legal proceedings, or a demand for compensation, that has been made in writing by either a person or the Municipality against the other, but no formal proceedings have been commenced;

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

“Policy” refers to the Municipality of Middlesex Centre Procurement of Goods and Services Policy;

“Procurement” means a goods, services or construction contract involving a purchasing, leasing, renting or exchange transaction, arrived at by a competitive or non-competitive process. Procurement also includes material(s) management, contract management, advisor services and implementation and adherence to best practices;

“Purchase / Procure” means the acquisition of goods and/or services by or on behalf of the Municipality by way of purchase, lease or rental;

“Purchasing Designate” means the employee or contracted agent responsible for a procurement initiative as appointed by a director or CAO of the organization;

“Purchase Order” means a written offer from the Municipality to purchase goods and/or services in the form prescribed by the Director of Corporate Services;

“Quotation” means a binding offer to supply certain specified goods and services at a specific rate, price, terms of sale, and description of goods and/or services in response to the information contained in a call for quotations;

“Request for Expressions of Interest” or “REIS” means a general market research to determine vendor interest in a proposed procurement, used prior to issuing a call for bids or proposals and not intended to result in the award of a contract. All REIS shall be approved in advance by the CAO;

“Request for Pre-Qualification” or “RFPQ” is a procurement process used to prequalify potential suppliers in which factors such as financial capability, experience, and reputation are considered in order to develop a list of qualified suppliers for subsequent participation in an invitational bid opportunity;

“Request for Proposal” or “RFP” means a competitive procurement process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution;

“Request for Quotation” or “RFQ” means a competitive procurement process for obtaining quotations by the Municipality for the provision of goods and/or services made in accordance with the provisions of this by-law;

“Request for Tender” or “RFT” means a competitive procurement process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists;

“Services” includes any:

- a. professional, consulting or training services;
- b. services associated with the acquisition of goods;
- c. services associated with the construction, demolition, maintenance, repair or upkeep of any buildings, premises or goods;
- d. the rental of any real property for a short duration of time;
- e. intangible products not having a physical presence; or
- f. any other service required by and for the Municipality, but does not include those services as listed in Appendix “B” of this policy.

“Single Source” means there is more than one source in the open market but only for reasons of function or service one supplier is recommended for consideration of the particular goods and/or services;

“**Sole Source**” means there is only one source of supply of a particular good or service;

“**USMCA**” means the United States-Mexico-Canada Agreement, as may be updated and amended from time to time;

“**Vendor**” means any person supplying goods and/or services to the Municipality in accordance with the terms of a contract.

Part B – Objective and Principles

2. Section 270 (1) of the *Municipal Act, 2001*, S.O. 2001, Chapter 25, as amended, provides that a municipality and a local board shall adopt policies with respect to its procurement of goods and services. The purposes, goals and objectives of this policy are:
 - a. To establish the type of procurement processes that shall be used and the circumstances under which each type shall be used;
 - b. To encourage competitive bidding and sustainable practices in the provision of services;
 - c. To obtain the highest quality goods and/or services for the Municipality taking into consideration the life cycle costs and environmental impacts of the products and services being purchased;
 - d. To ensure fairness, objectivity and transparency in the procurement process;
 - e. To obtain the best value for the Municipality when procuring goods and/or services taking into consideration the needs of the Municipality;
 - f. To avoid real and perceived conflicts between the interests of the Municipality and those of the Municipality’s employees and elected officials, and to ensure compliance with the *Municipal Conflict of Interest Act, R.S.O. 1990*, as amended;
 - g. To engage in an open and honest process that is firm and impartial;
 - h. To achieve responsible and transparent management of the public funds, municipal finances and assets; and
 - i. To establish how the interests of the Municipality, the public and persons participating in a procurement process will be protected.

3. The purchasing principles and key goals of this procurement policy are:
- a. **Effectiveness:** The extent to which the procurement process is achieving its intended results.
 - b. **Accessibility:** Accessibility criteria and features shall be incorporated when procuring goods, services and/or facilities in accordance with the *Accessibility for Ontarians with Disabilities Act, 2001 (AODA)*, where practicable and feasible. All competitive bids will incorporate measures to ensure that customer service is available to everyone, including persons with disabilities. Where it is deemed not practicable to incorporate accessibility an explanation shall be provided upon request.
 - c. **Accountability:** The obligation to answer to the public, Council, and vendors for the procurement results and for the manner in which procurement responsibilities are discharged. No member of staff or Council may receive a personal benefit from any contract for supplies and/or services or benefit from the very nature of their employment with Middlesex Centre or their being on Council, as the case may be.
 - d. **Transparency:** Clarity and disclosure about the process for arriving at procurement decisions; encourage an open and competitive bidding process for the acquisition and disposal of goods and/or services; and the objective and equitable treatment of all vendors.
 - e. **Quality Service Delivery:** Front-line services provided by the Municipality, including but not limited to road construction, winter maintenance and fleet acquisition will receive the right product, at the right time and in the right place.
 - f. **Process Standardization:** Standardized processes remove inefficiencies and create a level playing field.
 - g. **Co-operative Purchasing:** Endeavour to create opportunities for co-operative purchasing between other agencies to create economies of scale.
 - h. **Sustainable Purchasing:** The Municipality recognizes that through its procurement function it has the power to bring about environmental and social improvements both locally and globally while maximizing economic benefits. The Municipality may make attempts to preserve the environment and reserves the right to encourage the procurement of supplies and services with due regard to the preservation of the natural environment; suppliers may be selected to supply goods made by methods resulting in the least damage to the environment, and/or to supply goods incorporating recycled materials where practicable. It is to be understood that total life cycle cost analysis may be

required to ensure that these supplies and services are financially viable and available at competitive prices.

Part C – Application and Scope

4. All persons who act on behalf of the Municipality in: (i) the issuance of a bid request; (ii) the conduct of a bid request; and (iii) the making of an award, are responsible to comply with this policy.
5. All acquisitions of goods and services by the Municipality and any local boards and corporations, and all purchasing inquiries of the Municipality regarding materials, prices, services, delivery, terms, conditions and adjustments shall be conducted through the appropriate department, in accordance with the provisions of this policy, unless otherwise permitted herein.
6. Council has the ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. Levels of contract approval authority are summarized in Appendix A. Budget approvals by Council of capital works and operating expenditures shall constitute authorization for any purchases of goods and services necessary to carry out work within the approved cost of an approve project, provided such purchase are made in accordance with this policy.
7. The Municipality shall segregate at least three of the six functional procurement roles: Requisition, Budgeting, Commitment, Receipt and Payment. Responsibilities for these roles shall be with different departments wherever possible, or, at a minimum, with different individuals. Segregation of duties prevents any one person from controlling the entire procurement process.

Functional Role	Responsibility	Accountable Party
Requisition	Authorize the related department to place an order	Employee requesting the product or service
Budgeting	Authorize that funding is available to cover the cost	Council
Commitment	Authorize release of the order to the supplier under agreed contract terms	Purchasing Designate
Receipt	Authorize that the order was physically received	Individual receiving the goods and services
Approval	Authorize release of payment to the supplier	Individual authorized to approve invoice as summarized in Appendix A
Payment	Release of payment to the supplier	Financial Assistant (accounts payable)

Part D – Methods of Procurement

I – Competitive Procurement

8. Types of Competitive Procurement

- a. **Open Competitive Procurement:** Open competitive procurement is the contractual acquisition (purchase or lease) by the Municipality of any goods and services that enables all suppliers to compete in a fair, transparent and open environment. Open competitive procurement ensures the highest level of fairness, impartiality, and transparency; it maximizes suitability and the value for money of the obtained goods and services.
 - b. **Invitational Competitive Procurement:** Invitational competitive procurement is the contractual acquisition (purchase or lease) by the Municipality of any good or service that enables suppliers to compete in a fair and open environment. The Municipality conducts invitational competitive procurement by inviting three or more qualified suppliers to submit written proposals to supply goods and services as specified by the Municipality through a bid request.
9. To conduct a competitive procurement process, the Municipality must develop competitive procurement documents to be provided to potential proponents. The three major types of competitive procurement documents, Requests for Proposal (RFP), Requests for Quotation (RFQ), and Requests for Tender (RFT), are described below.

Requests for Proposal (RFP)

10. **Request for Proposal (RFP):** The purpose of an RFP is to request suppliers to provide innovative solutions for the delivery of more complex goods and services, or, where explicitly required, to provide alternative options or solutions. Bidders are invited to submit sealed bids manual or electronic in accordance with the bid request. This process uses multiple predetermined evaluation criteria, including price.
11. When the purchasing designate has determined that the requirements for goods and services cannot be sufficiently defined or specified, an RFP is required. Terms and conditions for the RFP will be established along with evaluation criteria that will be utilized in the bid request. To clarify, the Municipality, in its sole and absolute discretion may be used at any time for any dollar value.
 - a. The purchasing designate will act as a facilitator.

- b. A committee of no less than three (3) evaluators will be formed to evaluate proposals in accordance with the terms and conditions and established criteria as set out in the bid request.
- c. Scores will be tabulated and awarded to the bid that best meets the requirements of the Municipality and the purpose and intent of this policy.
- d. A Request for Information or a Request for Expression of Interest may be issued in advance of an RFP to assist in the development of a more definitive set of terms and conditions, scope of work/service and/or the selection of qualified suppliers.
- e. For the purposes of this policy, a proposal will be considered compliant upon opening the bid providing the terms and conditions of the bid request have been met.
- f. If the compliant bid is over \$100,000 and exceeds the approved budget appropriation by the lessor of \$50,000 or 20% of the approved budgeted amount, the director or designate shall submit a report to Council for direction.
- g. If less than three (3) bids are received, the director or designate shall submit a report to Council for direction.

Request for Quotation (RFQ)

- 12. **Request for Quotation (RFQ):** An RFQ is a document similar to an RFT. In an RFQ, the Municipality describes exactly the goods and services to be provided; the proposal evaluation is based on the lowest compliant bid that meets all terms. Bidders are invited to submit sealed bids manual or electronic in accordance with the bid request.
- 13. Where a request for quotation is required, employees may obtain quotes informally and/or formally. However, at all times employees shall endeavor to obtain formal quotes wherever possible. The Municipality shall:
 - a. For goods and services for estimated exceeding \$35,000, the purchasing designate shall obtain a minimum of three (3) quotes where reasonably possible for the goods and services. In the event three (3) quotes are not received, and the value of the quote exceeds \$35,000, the department director may decide in his/her own discretion to formally issue a tender.
 - b. Notwithstanding subsection (a) above, any quote that exceeds \$35,000 but was issued by the Municipality formally shall be considered in accordance with this policy.

- c. The purchasing designate shall be responsible to review the competitive bid and verify that all terms, conditions and specifications of the bid are met.
- d. The Municipality reserves the right in its sole discretion to accept or reject any bid.

Request for Tender (RFT)

14. **Request for Tender (RFT):** The purpose of an RFT is to request suppliers to submit bids to provide goods and services based on stated delivery requirements, performance specifications, terms and conditions. Bidders are invited to submit sealed bids manual or electronic in accordance with the bid request. An RFT focuses the evaluation criteria predominantly on the price and delivery requirements, although not necessarily the lowest price. Once a bidder is selected, a contract shall be entered into without negotiation.
15. For goods and services for estimated expenditures greater than \$100,000, the purchasing designate shall be authorized to issue a RFT.
 - a. The Municipality reserves the right in its sole discretion to accept or reject any bid.
 - b. If the compliant bid is over \$100,000 and exceeds the approved budget appropriation by the lessor of \$50,000 or 20% of the approved budgeted amount, the director or designate shall submit a report to Council for direction.
 - c. If less than three (3) bids are received, the director or designate shall submit a report to Council for direction.

Competitive Procurement Process

16. Competitive Procurement Thresholds
 - a. The Municipality shall not reduce the overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent competitive procurement thresholds.
17. Competitive Procurement Key Process Steps
 - a. Procurement planning is an integral part of the procurement process. The Municipality shall undertake procurement planning for their annual procurement requirements as well as for individual procurement activities. Procurement planning allows the Municipality to determine:
 - The goods and services necessary to meet business requirements;

- Opportunities to engage in aggregate spending in order to create process efficiencies and maximize value for money;
 - Potential supply sources;
 - Procurement methods;
 - The necessary approvals and timing of when these approvals will be needed; and
 - The overall time necessary to complete the procurement process.
- b. When conducting procurement planning, the Municipality will target, among other objectives:
- Early identification of needs;
 - Clear definition of requirements;
 - Justification of the acquisition; and
 - Compatibility of procurement needs with legal and business requirements as well as internal policies and processes.
18. (1) Communications during Competitive Process: The competitive process begins when the issuance of the bid request (start date) and ends when the Municipality signs an agreement with a supplier (end date). Throughout the competitive procurement process, all communications with suppliers involved in the process must occur formally through the contact person identified in the competitive documents, in either of the two following methods:
- a. Addenda
 - b. Question and Answer (Q&A)
- (2) Addenda and Q&A must be posted in the same manner as the bid request and made available to all proponents. Communications outside of this process will not be entertained or responded to by the Municipality.
19. (1) Exceptions from Competitive Procurements: Where there is provision under trade agreements that exempts the procurement from the requirement for a competitive procurement process, the Municipality may rely on such an exemption as the basis for conducting a non-competitive procurement.

(2) An employee asserting that procurement is subject to an exception clause under a trade agreement must formally set out the clause being relied upon, rationale for relying on this clause, applicability of the particular clause and providing written supporting documentation to the Director of Corporate Services.

II – Alternative Procurement

20. The Municipality shall endeavor to use competitive procurement processes to achieve the goals of this procurement of goods and services policy. However, the Municipality has recognized that from time to time there are special and/or unique circumstances may exist that require the Municipality to use a non-competitive procurement process. The Municipality may use an alternative procurement process under the circumstances as set out in this policy.
21. The Municipality may use procurement strategies that are not listed above, provided these strategies do not contradict the intentions and requirements of this policy. When adopting an alternative procurement strategy, the Municipality must consult with the Director of Corporate Services and if necessary, legal counsel to ensure compliance with the policy and the law.

Informal Quote Process

22. The informal quote process shall apply to the acquisition of all goods and services by the Municipality unless otherwise permitted in this policy or any other policy of the Municipality. Procurement dollar value thresholds, approved authority, method of procurement and reporting requirements have been established and are set out in Appendix A.
23. Acquisitions as presented in this section and Appendix A shall be considered to be the minimum standard and will become more formal and complex as the requirements and/or estimated value of the goods and services increase. At all times, the department director, in his/her sole and absolute discretion, may choose to use a more formal method of acquisition than the informal quote process set out in this policy.
24. Procurements up to \$35,000 shall be considered low dollar value procurements. For low value procurements, best efforts will be made by the purchasing designate and/or director(s) to obtain quotes from vendors without formal advertising or receipt of sealed bids. All low value procurement shall utilize Municipal contracts and shall otherwise be in accordance with this policy. It is the responsibility of the Director to ensure that the policy is followed.

Pre-Approved Firms

25. A list of pre-approved firms (e.g., consulting engineers, consultants, graphic designers, architects, landscape architects, and environmental consultants) that provide professional consulting services shall be established by the department director for their respective areas. This list shall be supplied to the CAO on an annual basis and updated quarterly where the list has been changed, altered or amended.
26. The pre-approved list will be based on an evaluation of the firm's competency, expertise, costs, past performance on municipal projects, available capacity and the size of their operation, and the particulars of the work to be done.
27. Where a request for consulting services is required the Municipality shall:
 - a. If the value does not exceed \$100,000, allow employees to obtain consulting services that they feel meets the terms and conditions of this policy and considered competitive in the marketplace from the pre-approved firm for that department as approved annually by the CAO.
 - b. If the value exceeds \$100,000, require the purchasing designate formally issue a proposal, and it shall be procured by a bid request.
 - c. All formally released requests for consulting services shall follow the same rules as a proposal as set out in the competitive procurement section of this policy.

Non-Binding Procurement

28. All non-binding bid requests including but not limited to Requests for Pre-Qualification (RFPQ), Requests for Expressions of Interest (RFEI), Requests for Information or Requests for Qualifications, will be formally issued by the purchasing designate for the department.

Request for Pre-Qualification (RFPQ)

29. (1) A request for pre-qualification may be issued to pre-qualify suppliers for various projects. The purpose of the RFPQ is to determine whether the qualifications of a supplier, as required by the Municipality, are at a level that will allow participation in a subsequent bid opportunity that takes place as a direct result of the RFPQ.
 - (2) A supplier must be pre-qualified by providing an acceptable response to a RFPQ. Selection of pre-qualified suppliers will be based on disclosed evaluation criteria.
 - (3) Supplier submission will be evaluated and ranged by an evaluation committee and may consist of municipal staff and consultant staff (if applicable).

(4) Only the suppliers that reach the established threshold contained in the RFPQ document will be pre-qualified and invited to bid on the particular bid opportunity.

Request for Expression of Interest (RFEI)

30. (1) A request for expression of interest may be issued for the purpose of determining the availability of suppliers and for the purpose of compiling a list of suppliers. A RFEI may be used as a pre-condition to an RFP.

(2) The receipt of an expression of interest by the Municipality does not create any obligation between the potential supplier and the Municipality.

Alternative Procurement Process

31. Procurement Process Steps

- a. Purchase Need Identified: to determine core procurement process to initiate an approval to bypass competitive process (single or sole sourcing);
- b. Planning: to define procurement scope;
- c. Requirements: to define procurement specifications and receive sign-off;
- d. Quote: to obtain a quote and corresponding documentation;
- e. Evaluation: to perform necessary evaluation; and
- f. Agreement: to offer an agreement to the supplier and obtain signatures.

32. Any alternative procurement may involve negotiating the terms and conditions of any agreement for the goods and/or services.

Part E – Non-Competitive Purchases: Purchase by Negotiation, Sole Source or Single Source

33. Sole Source: The Municipality may conduct a sole source procurement process if the goods and/or services are available from only one supplier by reason of statutory or market-based monopoly. Competition is precluded due to the application of any Act or legislation; or because of the existence of patent rights, copyrights, license, technical secrets; or controls of raw material; or the complete item, service or system is unique to one supplier and no alternative or substitute exists.

34. Single Source: The Municipality may conduct a single source procurement process where there is more than one source of supply in the open market, but only one

source is recommended due to predetermined and approved specifications. The procurement may be conducted using a single source process if the goods and/or services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular, as follows:

- a. an attempt to acquire the goods and/or services by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing compliant supplier;
- b. the confidential nature of the requirements is such that it would not be in the public interest to solicit competitive bids;
- c. there is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e., contract extension or renewal);
- d. the product or service is unique and easily established as one of a kind;
- e. in the judgment of the department director and CAO, the goods and services are in short supply due to market or other unforeseen conditions;
- f. the extension of an existing or previous contract would prove more cost effective or beneficial for the Municipality;
- g. the acquisition involves the ongoing maintenance and service requirements for Municipal property;
- h. the acquisition involves the leasing, rental, disposal or purchase either by or for the Municipality of real property;
- i. the acquisition is required or is beneficial in regard to the standardization of goods and services for the Municipality;
- j. an existing contract for a good or service has been terminated prematurely and there is an immediate need for the good or service while a new bid request is put out;
- k. with regards to technological goods and services, there is an economic advantage and/or technical compatibility advantage to the Municipality – such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement;

- l. additional deliveries by an original supplier of goods and services that were not included in the original procurement, but change cannot be made for economic or technical reasons without causing significant inconvenience or substantial duplication of costs for the Municipality;
 - m. any and all other items not expressly listed here are prescribed under the exemptions of the Canada Free Trade Agreement, as amended;
 - n. the goods and services are purchased under circumstances that are considered exceptionally advantageous to the Municipality, such as in the case of a bankruptcy or receivership;
 - o. it is advantageous to the Municipality to acquire the goods and services from another public body;
 - p. the procurement of a particular brand of goods and services that are intended solely for resale to the public and no other brand meets the Municipality's program objectives nor is the brand available from any other source;
 - q. such other non-competitive purchases exemptions authorized by Council; or
 - r. in the discretion of the CAO it is not practical or beneficial to the Municipality to issue a bid.
35. Notwithstanding section (34), the purchasing designate shall submit any negotiated acquisition, with the exception of a negotiated acquisition to extend or renew an existing license or maintenance agreement that is included within the program budget, to Council for approval in circumstances where the value of the acquisition exceeds \$100,000.

Part F – Trade Agreements

36. (1) Purchases by the Municipality may be subject to the provisions of trade agreements, including but not limited to the Canadian Free Trade Agreement (CFTA), Comprehensive Economic and Trade Agreement (CETA) and Trade and Cooperation Agreement between Ontario and Quebec, Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP), United States-Mexico-Canada Agreement (USMCA).
- (2) Where an applicable trade agreement supersedes and is conflict with this by-law, the trade agreement shall take precedence.

Part G – Emergencies

37. (1) The CAO and Director of Emergency Services may acquire any goods and services that are required by the Municipality to respond to an emergency.
- (2) Any authority granted under this section shall also include the authority to sign any related contract or other document that may be required as part of the acquisition of the goods and services.
- (3) The end user department will be required to forward a complete record of the emergency purchase to the CAO and Director of Corporate Services.

Part H – Collaborative Procurement

38. Collaborative procurement is a coordinated event that facilitates purchasing on behalf of multiple organizations. Collaborative procurement may be facilitated through a variety of means including but not limited to cooperative purchasing with other municipalities, buying groups, group purchasing organizations (GPOs), and/or shared service organizations (SSOs). The goals of the collaborative purchasing include:
- a. leveraging the increased buying power of aggregating total spend with other organizations;
 - b. standardizing processes by streamlining through one centralized buying organization;
 - c. minimizing risks and improve process controls; and
 - d. generating savings/efficiencies that benefit the collective participants.
39. Collaborative purchasing with other municipalities, buying groups and GPOs occurs when two or more members combine the purchasing requirements and activities of the members into one joint procurement process. These organizations may represent cooperative arrangements in which individual members administer the procurement function for specific contracts for the group or more formal corporate arrangements in which the organization administers procurement for group members. Collaborative purchasing may involve a variety of entities, including public-sector, private-sector and not-for-profit organizations. Typically, GPOs have an established governance and membership framework, while buying groups may adopt a less formal governance and membership structure. The individual policies of the government agencies or public authorities participating in the cooperative competitive bid are to be the accepted by-law for that particular competitive bid.

40. The Municipality may participate in co-operative purchasing initiatives with other government or broader public sector entities for cooperative acquisition for goods and services when it is in the best interest of the Municipality to do so and the method of acquisition to be used is a competitive method similar to those described in this policy. The decision to participate in cooperative purchasing agreements will be made by the department director.

Part I – General

41. The purchasing designate(s), wherever reasonably possible, shall seek to standardize the goods and services required by departments so as to provide the most cost effective and efficient purchasing system that meets the needs of the Municipality.
42. The purchasing designate shall ensure that all specifications in a bid request:
 - a. are clear and concise;
 - b. indicate the minimum acceptable levels of quality;
 - c. are commercially practical;
 - d. encourage competitive bidding; and
 - e. follow all legislation, and trade agreements applicable to the procurement of goods and services under this policy.
43. It is the responsibility of the user department to enforce any terms, conditions and specifications from the award of any contract resulting from the purchasing process. Where terms, conditions and specifications are not being adhered to, the user department must contact the supplier and attempt to negotiate to have said deficiencies corrected.
44. Except as otherwise stated, dollar amounts shown in this policy that set out the parameters for acquiring goods and services or disposing of goods shall be the total cost excluding applicable taxes and freight.
45. Any supplier who is retained by the Municipality shall perform all duties and exercise all responsibilities while complying with all policies, procedures, rules and regulations, both written and oral, as are announced by Middlesex Centre from time to time and that are applicable to the services being provided by the supplier. The supplier shall carry out said duties and responsibilities in a diligent, faithful and honest manner. Middlesex Centre expects all work, conversations and social media practices carried out by the supplier to be professional and courteous at all times.

Anyone who fails to perform work or who have conversations with any Middlesex Centre staff and members of the public in an unprofessional and not courteous manner shall be warned verbally by the purchasing designate that such behaviour is not acceptable. A letter to the supplier will be issued immediately stating the consequences for any further unacceptable behaviour. Any continuation of abusive and unacceptable behaviour including verbal conversations following the issuance of the said letter by the Municipality shall result in the Municipality to take further actions it deems necessary to remedy and mitigate for all losses to the Municipality.

46. (1) Where a bid request is solicited for physical submissions, all sealed bids shall be opened in the presence of the purchasing designate and at least one (1) Municipal representative.
- (2) Where a bid request is solicited for electronic submissions, every sealed bid received within the time specified in a bid request shall be unsealed and extracted utilizing an electronic bidding system. Each submission and its price will be posted within 48 hours to the electronic bidding system.
- (3) In the case where only one bid is received pursuant to subsection (2) of this section, only the bidder's name shall be posted.
- (4) Where a request for proposals has been utilized, only the name of the bidder shall be posted.
47. (1) The purchasing designate shall ensure that all contracts have clear payment terms that have been reviewed, as necessary, by the Director of Corporate Services.
- (2) The purchasing designate shall ensure that the quality of all goods and services acquired by him or her is monitored and deemed acceptable.
48. Prior to Council approval of the current budget, a department may incur expenditures up to 40% of the previous year's budget. Directors will have the authority to instruct the solicitation of bids prior to Council approval of the current budget.
49. (1) Where any purchase of goods and services have been authorized under this policy, the Chief Administrative Officer may authorize disbursement of additional funds provided that the additional funds:
- a. do not exceed the lessor of \$50,000 or 20% of the approved budgeted amount;
 - b. are available within the program budget; and
 - c. are required to complete works that are necessary as part of the original contract.

(2) The conditions under subsections (1), (a), (b) and (c) above do not apply where the additional funds are provided to the Municipality by a developer, land owner or government body.

50. The Director of Corporate Services and Chief Administrative Officer shall have the authority to terminate a contract for the acquisition of a good or service if the grounds for termination in the contract have been met.
51. No local preference will be given to any bidder in the acquisition of goods and services as the Municipality shall comply with the *Discriminatory Business Practices Act*, R.S.O. 1990, c. D.12, as amended.
52. Unsolicited bids will not be accepted by the Municipality unless it can be demonstrated that there is a significant benefit to the Municipality.
53. No person submitting an unsolicited bid will be precluded from participating in future bid requests that resemble the unsolicited bid.
54. Addenda are prepared in cases where the posted competitive procurement documents need to be modified (e.g., amending, adding or deleting information due to errors, conflicts or omissions). Any addenda shall be posted at least three (3) business days before the closing date. If an addendum is issued within two (2) business days of the closing date, the bid submission date shall be extended accordingly.
55. An addendum allows for modification in the bids including but not limited to inserting new or omitted provisions or drawings; and/or revising or deleting provisions or drawings.
56. (1) All addenda must be available to all bidders, and shall be posted in the same manner the original competitive procurement document was posted, for example on an electronic bidding system.

(2) In the case of e-bidding systems:
 - a. Bidders may be required to acknowledge receipt of any addenda.
 - b. It is the responsibility of the bidder to have received all addendums that are issued. Bidders are responsible to check the e-bidding system prior to submitting their bid and up until bid closing time and date in the event additional addenda are issued. Bids may be automatically withdrawn from the e-bidding system if addenda are not acknowledged.
 - c. The bidder is solely responsible to make any required adjustments to their bid in light of the addenda; acknowledge the addenda; and; ensure their re-

submitted bid is received by the bidding system no later than the stated bid closing time and date.

57. A value-added incentive is an offer by a supplier, over and above the primary goods and services being purchased, with the intent to increase the total value received by the customer.
- a. Value-added incentives will be considered where appropriate and where requested as part of the bid request.
 - b. The following rules for the use of value-added incentives will be used by the Municipality:
 - Value-added incentives should be relevant and connected to the bid request.
 - The Municipality may in certain circumstances make recommendations with respect to the desired enhancements. The procurement document shall list the specific value-added incentives that would be considered beneficial to the organization.
 - At no time will cash or bonus payments be accepted as a value-added incentive.
 - Value-added incentives may be evaluated as a separate and final step after the application of all other related criteria.
 - Sustainable products or service components may be considered a value-added incentive as a way of differentiating submissions.

Part J – Bidding Documents, Receipts, Openings and Agreements

58. Bid documents will be made available on the Municipality's e-bidding system, which will be linked to the Municipal website. Those interested in a bid opportunity may preview the bid documents with a preview watermark prior to registering for the opportunity. Documents are not provided in any other manner. Any changes to this system / process or platform will be posted on the Municipality's website.
- a. All bidders shall have a bidding system vendor account and be registered as a plan taker for a bid opportunity, which will enable the bidder to download the bid call document, to receive addenda email notifications and download all documents without the watermark "preview" on them.

- b. To ensure receipt of the latest information and updates via email regarding a bid, or if a bidder has obtained this bid document from a third party, the onus is on the bidder to create a bidding system vendor account and be register as a plan taker for the bid opportunity.
 - c. Questions related to a bid are to be submitted only through the e-bidding system, bidders must ensure the question is submitted to the specific bid opportunity.
59. All competitive documents will be submitted in a sealed, hard-copy format or by submission electronically through the Municipality's e-bidding system as directed in the procurement document. No competitive documents will be received by the Municipality any other means than what is specified in this policy and directed by the bid request.
60. No bids submitted after the closing time specified will be accepted.
- (1) For hard copy submissions: If a bid is submitted through the mail system and is received after the closing time specified, the envelope shall not be opened and it will be returned unopened to the sender. If the bid cannot be returned to the sender for any reason it will remain with the other bids, unopened, until it can be destroyed as per the Municipality's Record Retention By-law.
 - (2) For electronic submissions: The closing time and date shall be determined by the e-bidding system's web clock. The timing of their bid submission is based on when the bid is received by the bidding system, not when a bid is submitted, as bid transmission can be delayed due to file transfer size, transmission speed, etc.
 - (3) For electronic submissions: Bidders may edit or withdraw their bid submission prior to the closing time and date. However, the bidder is solely responsible to ensure the re-submitted bid is received by the bidding system prior the stated closing time and date.
61. The process for receiving bids submitted in a hard-copy form or submission electronically through the Municipality's e-bidding system will be as follows:
- (1) For hard copy submissions: Staff will stamp each bid, as it arrives, with the date, time, company name and contact information.
 - (2) For electronic submission: The e-bidding system will track submission information. The e-bidding system will send a confirmation email to the bidder advising that their bid was submitted successfully. At all times, the onus is solely on the bidder to ensure they receive a confirmatory email.

62. All submissions received shall be final and binding for a period of 60 (sixty) days from the closing date and time of the request for procurement and not be altered by any subsequent offerings, discussions or commitments unless it is otherwise indicated in the request for procurement document. After the binding period, the submissions shall be deemed to be closed.
63. Where a bid is received that includes an irregularity, the Municipality shall follow the protocol as appropriate for the particular irregularity, as outlined in Appendix C.

Part K – Access to Information and Records Retention

64. The disclosure of information received relevant to the issue of a bid solicitation or the award of contracts emanating from bid solicitations shall be made by the appropriate offices in accordance with applicable law including but not limited to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, as amended. Unsolicited bids which are not accepted by the Municipality will be considered a transitory record and will not be subject to retention requirements.

Part L – Advertising

65. Bids shall be posted on the Municipality's website and/or the Municipality's e-bidding electronic platform and 1) where considered appropriate in the opinion of the purchasing designate, advertised in local newspapers, applicable publications or other media, or 2) where necessary to comply with applicable law, in the applicable publications or other media.

Part M – Refusal of Bid Response

66. The Municipality does not accept bids from:
 - a. Any entity that has initiated a legal proceeding against the Municipality, or against which the Municipality has initiated a legal proceeding with respect to any previous contract, bid submission or business transaction, with the Municipality.
 - b. Any entity which is considering or proposing to initiate litigation against the Municipality, or against which the Municipality is considering or proposing to initiate litigation with respect to any previous contract, bid submission or business transaction, without prior approval by Council.

- c. Any entity that is discovered by the Municipality to be:
 - i. Bankrupt or insolvent or otherwise involved in bankruptcy and insolvency proceedings;
 - ii. Determined to have made false declarations; and/or
 - iii. Determined to have tax arrears.
- d. Any entity which has either breached, or has failed to perform satisfactorily in, a previous Municipality contract in the last three (3) years, and which has been notified by the Municipality of its failure to have performed satisfactorily and the fact that the Municipality will not accept a bid response. The Municipality will notify such entity of its breach or failure to perform as soon as is reasonably practicable in the circumstances.

Part N – Sustainable Procurement Practices

67. The Municipality will consider sustainability in its procurement processes and strive for continuous improvement over time. While it is not possible for all sustainability aspects to be incorporated into every purchase, it is the intent of this policy that Municipal employees will wherever practicable incorporate and balance all relevant factors to the maximum extent possible. The Municipality will consider both the lifecycle impacts of the goods and services that are purchased, as well as the sustainability practices of its suppliers. The sustainability aspects that may be considered for any procurement include, but are not limited to:

- Environmental aspects, including purchasing goods and services from suppliers that:
 - Reduce material use, waste and packaging and promote reuse, recycled content, recyclability, reparability, upgradability, durability, biodegradability and renewable products;
 - Maximize energy efficiency;
 - Reduce greenhouse gas (GHG) emissions and air pollution, mitigate climate change and support climate change adaptation;
 - Conserve water and/or improve water quality;
 - Reduce or eliminate the use of toxins and hazardous chemicals; and
 - Contribute to biodiversity preservation and habitat restoration.

- Social aspects, including purchasing goods and services from:
 - Suppliers, including social enterprises, which provide employment and training for youth and people with employment barriers (e.g., people with disabilities, new immigrants, chronically unemployed, ex-offenders, etc.);
 - Suppliers that demonstrate best practices in workplace diversity, inclusion and accessibility (e.g., women, indigenous, minority-owned businesses or businesses owned by persons with disabilities);
 - Suppliers that make and or sell goods that are certified Fairtrade (i.e., distinguished by the independent consumer product label that meets the international Fairtrade Standards, meaning the product has been certified to offer a better deal to the farmers and workers involved); and
 - Suppliers with good health and safety work place practices.
- Ethical aspects, including purchasing goods and services from:
 - Suppliers that exhibit fair labour practices and respect human rights.

Part O – Persons with Disabilities (AODA)

68. In accordance with all applicable law including but not limited to the *Ontarians with Disabilities Act, 2001* (ODA) and *Ontarians with Disabilities Act, 2006* (AODA), as may be amended and/or replaced from time to time, Municipality Council has adopted a plan that focuses on accessibility issues and the development of strategic actions to remove (where possible) and prevent barriers to access for people with disabilities. All competitive bids will incorporate measures to ensure that customer service is available to everyone, including persons with disabilities.

Part P – Performance Evaluation Criteria

69. (1) An employee who administers a contract that was entered into pursuant to this policy shall, for all contracts over \$100,000 complete the performance evaluation criteria set out in the bid contract, including price criteria.

(2) The purchasing designate shall implement and oversee the performance evaluation criteria and, without limiting the foregoing, the purchasing designate may prescribe the performance evaluation criteria.

(3) Every performance evaluation shall be approved in writing by the department director and purchasing designate and a copy of the performance evaluation criteria provided to the contractor.

(4) Every contractor may, within fifteen (15) calendar days of receipt of a performance evaluation criteria, write to the department director and request that the performance evaluation be reviewed in relation to the grounds as set out in the contractor's written request. The review committee shall be comprised of three (3) people, the department director, the Director of Corporate Services or designate and the Chief Administrative Officer.

(5) Upon receipt of a written request pursuant to subsection (4) of this section, the review committee shall review the performance evaluation based on the grounds set out in the request and the committee shall have all the authority to either revise or confirm the performance evaluation.

(6) Bids will not be accepted by the contractor for work as a general or sub-contractor during the review process.

(7) At the conclusion of the review the CAO shall advise the contractor in writing of the decision, and that decision shall be final.

Part Q – Disposal of Surplus Goods

70. (1) The purchasing designate may declare any goods that are owned by the Municipality to be surplus when the goods are:

- a. no longer required by the Municipality;
- b. obsolete; or
- c. in a state beyond repair, having regard to their relative value.

(2) When goods are declared to be surplus in accordance with subsection (1) of this section, the purchasing designate in collaboration with the department director may dispose of the goods by trade-in on purchases of vehicle/equipment, public or online auction, tender, quotation or negotiation based on terms and conditions that are in the best interests of the Municipality.

(3) Where the purchasing designate and department director determines that surplus goods cannot be sold in accordance with subsection (2) of this section, the purchasing designate may dispose of the goods in such manner as he or she deems appropriate.

(4) The purchasing designate shall not sell surplus goods under this section directly or through a bid request to any elected official, officer, employee or immediate family member of an elected official, officer or employee of the Municipality unless the purchasing designate has the prior approval of Council.

(5) Nothing in this section shall prohibit or otherwise restrict the ability of the Municipality to donate or otherwise dispose of surplus goods at or below fair market value when the disposal is for the benefit of the community or for humanitarian purposes.

(6) Nothing in this section shall prohibit or otherwise restrict the Municipality from trading or selling the surplus goods to other government agencies

Part R – Signing Authority

71. When Council approves the awarding of a contract following a bid request or other procurement process in compliance with this policy it shall be deemed that pursuant to such approval the signing officers of the Municipality have authority to execute on behalf of the Municipality and all agreements required to implement the awarded contract.

Part S – Conflict of Interest

72. (1) The purchasing designate shall abide by all Municipal policies concerning a Conflict of Interest when carrying out any duties or functions under this policy.

(2) For clarification purposes no elected official, officer or employee of the Municipality with knowledge of the bid process shall allow contact with a person, or any officer, employee or agent of a person, who has submitted a bid to the Municipality unless the bid request has been awarded or the contact is for the purpose of receiving a complaint.

73. Elected officials, appointed officers and employees shall not cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to the Municipality.

Part T – Prohibited Vendors

74. The Municipality shall not acquire goods and services from any of the following:
- a. Municipal Councillors, municipal employees or volunteers.
 - b. any person noted in subsection (a) who maintains a controlling interest in a business involved in a bid request;
 - c. Clauses a) and b) are subject to review of: the service need, employment relationship with the Municipality and satisfaction of the procurement conditions fulfilled all being conditions taken into consideration as approved by the Director and in consultation with the CAO.
75. Notwithstanding subsections (a) and (b) the Municipality may, at its request, seek a conflict of interest affidavit from any bidder pursuant to this policy.

Part U – Dispute Resolution and Debriefing

76. Disputes shall be resolved as follows; any bidder involved in a bid request, may present the Municipality with a dispute claim regarding the process. The process for dispute resolution shall be as follows:
- a. The bidder identifying the dispute shall provide in writing to the purchasing designate full details including times, dates and historical information specific to the nature of the dispute claim.
 - b. The department director, in association with the Director of Corporate Services, will investigate the claim and report back to the bidder in no more than ten (10) business days. This may include a meeting with the vendor.
 - c. The bidder may further appeal the dispute to the Chief Administrative Officer in writing within no more than five (5) business days from receipt of the findings of the investigation noted in subsection (b) (above). The Chief Administrative Officer will review the original dispute and the investigation and provide a response back to the bidder within fifteen (15) business days of receipt of the appeal.
77. A dispute claim shall not prohibit, rescind or delay the award of any contract unless recommended by the Chief Administrative Officer, Director of Corporate Services and department director.

78. (1) Any bidder participating in a bid request may at the conclusion of the bid request seek a debrief with Municipal representatives regarding their submission. Debrief requests must be received within ten (10) calendar days of the award notification.
- (2) Where a debrief has been requested, only information material to the bidder's submission will be discussed. This does not include ranking of the submission or financials in relation to other submissions. Only general information regarding the quality of the submission will be discussed but no detailed numbers will be provided.

Part V – Form and Amount of Security

79. (1) Performance security to guarantee the completion of the contract is required for the supply and installation of equipment and materials and all services/construction valued over \$50,000. Where performance security is deemed necessary, it shall take the form of one or a combination of one or more of the following:
- Performance Bond
 - Labour and Material Payment Bond
 - Irrevocable Letter of Credit
 - Certified Cheque
- (2) The Municipality does not pay interest on any security or bid deposit.
- (3) The following criteria can be used as a guide to determine the form and amount of security:
- the type of work and the usual practice of the trade or profession;
 - the consequences of the failure or inability of the contractor to fulfill contractual obligations;
 - before solicitation of bids, the stability of firms likely to compete for the contract, and;
 - after solicitation of bids, the capability of the specific contractor, including (as deemed applicable and available) the financial structure, performance record, payment record, credit rating and availability of cash in relation to commitments.

Part W – Insurance and Indemnity

80. The Municipality shall be indemnified for and against any claim, loss, cost or damage resulting from a supplier's obligations under a contract or any terms and conditions set out in a response to the bid request.
81. Any bid documents in response to a bid request shall disclose all necessary insurance information and requirements.
82. All insurance must be in a form satisfactory to the department director and must be delivered prior to the commencement of work and shall remain in force for the duration of the contract inclusive of any maintenance period and shall include the following:
 - a. Name the Municipality as an additional insured, as applicable;
 - b. Be primary and non-contributing;
 - c. Contain a "cross liability/separation of insureds" clause; and,
 - d. Not be altered, cancelled or permitted to lapse without providing thirty (30) days' prior written notice to the Municipality by the insurer.
83. In general the standard insurance minimums are as follows; however, from time to time, the Municipality reserves the right to increase or reduce the amounts as approved by the CAO and/or the Municipality's insurance provider:
 - a. \$5 million – commercial general liability policy
 - b. \$5 million – owned and non-owned automotive liability policy
 - c. \$1 million – homeowners (e.g. for rental of facilities)
 - d. \$5 million – professional errors and omissions liability (as applicable)
 - e. \$5 million – environmental impairment liability (as applicable)
 - f. The amount of the project cost – Builders Risk (as applicable)
84. Other Insurance Coverage – The Municipality reserves the right to request different limits of insurance or other types of policies appropriate to the agreement as the Municipality may reasonably require from time to time with review of the Municipality's insurance provider.

Part X – Legal Requirements

85. The Municipality will conduct any and all procurement activities in accordance with all applicable laws. Goods and services shall not be afforded preferential treatment under this policy or in any bid solicitation based on location or origin of the goods and services.
86. Ontario Law: When conducting procurement, the Municipality should understand their obligations. Individuals engaged in supply chain activities on behalf of the Municipality must be aware of all applicable laws and the importance of professional conduct. Where necessary, the Municipality will seek legal advice on procurement.
87. Privacy Legislation: The *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA), 1990 makes public bodies accountable to the public and responsible to protect personal privacy. The privacy legislation stipulates a right of access to records held by public bodies and regulates how public bodies manage personal information collected. All correspondence, documentation, and information provided to the Municipality of Middlesex Centre by any proponent in connection with the respective request for procurement will become the property of the Municipality. All documentation relating to a request for procurement not identified is subject to the provisions of MFIPPA and may be released, pursuant to the provisions of MFIPPA. At a minimum, the Proponent's name and total bid amount will be made publicly available upon request.
88. Trade Agreements: The Municipality is subject to various trade agreements. Bid solicitations shall comply with all applicable trade agreements, and shall include clear specifications, evaluation criteria and terms and conditions that can be applied in a fair, transparent and consistent manner. The Municipality must follow provisions of applicable trade agreements. Where these trade agreements do not require the Municipality to conduct procurement through a competitive process, the Municipality is strongly encouraged to utilize a competitive approach to procurement.
89. Occupational Health and Safety Act: The contractor is bound by regulations issued by the Ministry of Labour for the Province of Ontario under the *Occupational Health and Safety Act*. The contractor acknowledges that they comply with these regulations and that they are the contractor under the *Occupational Health and Safety Act* as it relates to the completion of the work, and shall indemnify and hold harmless the Municipality in respect of same, including any, legal costs, fines or other penalties incurred by the Municipality resulting from the contractor's performance or failure to perform under the contract terms.
90. Insurance and Workplace Safety and Insurance Board (WSIB): All vendors who supply services to Middlesex Centre shall, before the start of work, provide proof of

insurance and WSIB clearance certificate. General liability amounts shall have limits no less than \$5,000,000 and will be determined by the department director.

91. Financial Security: The purchasing designate in consultation with the department director will determine the need for and amount of financial security, subject to any applicable law that may apply to the procurement.
 - a. Various forms of financial security exist to ensure that the contractor's obligations under the contract are carried out, to protect the interests of subcontractors, sub-subcontractors and suppliers, and to protect the Municipality against loss should a successful proponent fail to enter into or fulfill a contract.
 - b. The principal traditional techniques are holdbacks, security deposits and surety bonds. When security is obtained, the director will apply the procedures for the handling of bonds and security deposits as set out in the procurement documents.

Part Y – Administration

92. This policy may be cited as the “Procurement Policy.”
93. (1) Any complaint that the Municipality failed to abide by the provisions of this policy that is significant in nature shall be reported to the Director of Corporate Services who shall investigate the complaint and report to Council as necessary.
 - (2) A failure to adhere to the provisions of this policy shall not render any acquisition, contract or other document to be void or voidable.
 - (3) Council may waive any provisions or requirements of this policy, unless it is required by law and/or trade treaty.
94. The purchasing designate, in the administration of this policy, shall abide by all applicable laws including any and all applicable trade agreements.
95. If any section or sections of this policy or parts thereof are found by any court to be invalid or beyond the power of Council to enact, such section or sections or parts thereof shall be deemed to be severable and all other sections or parts of this policy shall be deemed to be separate and independent therefrom and shall continue in full force and effect unless and until similarly found invalid or beyond the power of Council to enact.
96. The Director of Corporate Services shall review the effectiveness of this policy at a minimum of every five (5) years and report to Council as necessary.

APPENDIX A – LEVELS OF CONTRACT APPROVAL AUTHORITY

I – Approval Authority

In the case of multi-year supply and/or service contracts, the pre-authorized expenditure limit shall refer to the estimated total annual expenditure under the contract.

Dollar Value (excluding taxes, duty or shipping)	Approved Authority	Procurement Process	Source of Bid	Report to Council Required
\$35,000 or less	Chief Administrative Officer (CAO), Director, Purchasing Designate	Informal quotations, charge to the Municipality	Purchases made from the competitive market place	No
Greater than \$35,000 but less than \$100,000	CAO, Director	Informal quotation, Formal Quotations (Request for Quotation), Request for Proposal, Request for Tender	Minimum of three (3) quotes where reasonably possible by invitation or open competition	No
\$100,000 or less	CAO, Director	Consulting Services	Purchases made from the competitive market place and pre-approved firms	No
Greater than \$100,000	Municipal Council	Proposal or Tender	Open competition	Yes when the amount to be awarded is greater than the lessor of \$50,000 or 20% of the approved budgeted amount, or less than three bids were received.

As outlined in the policy (Part I – General), in specific instances the CAO may authorize disbursement of additional funds provided that they do not exceed the lessor of \$50,000 or 20% of the approved budgeted amount.

II – Signing Authority

Municipality of Middlesex Centre Invoice Approval Policy

Department	Job Title	Purchasing Role	Limit Up To
Public Works & Engineering	Director	Director	\$ 100,000
Public Works & Engineering	Transportation Manager	Purchasing Designate	\$ 35,000
Public Works & Engineering	Water & Wastewater Manager	Purchasing Designate	\$ 35,000
Public Works & Engineering	Drainage Superintendent	Purchasing Designate	\$ 10,000
Public Works & Engineering	Development Review Coordinator	Purchasing Designate	\$ 10,000
Community Services	Director	Director	\$ 100,000
Community Services	Operations Manager	Purchasing Designate	\$ 35,000
Community Services	Operations Coordinator	Purchasing Designate	\$ 35,000
Community Services	Customer Service Coordinator	Purchasing Designate	\$ 10,000
Building Services	Director	Director	\$ 100,000
Fire Services	Director	Director	\$ 100,000
Corporate Services	Chief Administrative Officer (CAO)	CAO	\$ 100,000
Corporate Services	Director	Director	\$ 100,000
Corporate Services	Finance Manager	Purchasing Designate	\$ 35,000
Corporate Services	Clerk	Purchasing Designate	\$ 35,000
Council			Most purchases over \$ 100,000 are approved by Council in current year budget.

Notes:

- Employees cannot approve their own invoices or expense reports.
- If the invoice is over the assigned approval limit, a second signature is required.
- It is the approver's responsibility to ensure they speak to the individual ordering/purchasing the items so that all work is complete/received.
- CAO is required to sign off on all directors' expenses.

APPENDIX B – GOODS AND SERVICES NOT SUBJECT TO THIS POLICY

Competitive bids shall not be required for the following goods and services:

- a) Petty cash items
- b) Advertising services and public notices
- c) Public auctions or purchases from other government agencies/municipalities
- d) Conferences, conventions, workshops, or seminars and their associated costs
- e) Meals, travel and accommodation
- f) Outside legal counsel or other legal services
- g) Memberships in associations
- h) Magazines, books, periodicals
- i) Ongoing maintenance and support for existing computer hardware and software
- j) Financial services such as bank charges and investments
- k) Permits, certificates, licenses and other approvals acquired through a government or regulatory body
- l) Postage
- m) Health or social services including laboratory services
- n) Goods or services with artistic, cultural or historic significance
- o) Any and all other items not expressly listed here, but documented within the Canada Free Trade Agreement
- p) Payroll and payroll deductions including tax, WSIB and OMERS remittances
- q) Utilities and telecommunications
- r) Insurance claim settlements and adjuster services
- s) Legal services and labour relation services as deemed appropriate by the CAO and Human Resource & Health and Safety Coordinator

- t) Election materials: The Municipal Clerk has the authority to purchase goods, services and equipment considered necessary or advisable to carry out the requirements of the *Municipal Elections Act, 1996*, S.O. 1996, Ch. 32, as amended. The Clerk shall wherever possible be guided by the provisions of this policy.
- u) Police services
- v) Development charges
- w) Professional and special services up to \$100,000, including but not limited to:
- Additional non-recurring accounting and auditing services;
 - Realty services for lease, acquisition, demolition, sale and appraisal of land and property, including appraisal and consulting services related to matters of expropriation;
 - Consultants for peer review and development review
 - Construction administration
 - Property tax bill printing and mailing services; and/or
 - Integrity commissioner services.

APPENDIX C – IRREGULARITIES CONTAINED IN BIDS

The following list of bid irregularities should not be considered exhaustive.

This chart below shall apply only where an irregularity exists with respect to a stated requirement of a relevant competitive bid document issued by the Municipality.

Irregularity	Response
1. Late bids.	Automatic rejection, not read publicly and returned unopened to the bidder.
2. Bids completed in pencil.	Automatic rejection.
3. Unsealed envelopes for hard copy submission.	May be rejected.
4. Insufficient financial security (no bid deposit or insufficient bid deposit).	Automatic rejection.
5. Failure to insert the name of the bonding company in the space provided for in the bid documents.	Automatic rejection.
6. Failure to provide a letter of agreement to bond/ letter of guarantee where required.	Automatic rejection.
7. Bond / letter of credit from a company not licensed to do business in Ontario.	Automatic rejection
8. Incomplete, illegible or obscure bids or bids which contain additions not called for, erasures, alterations, errors or irregularities of any kind.	May be rejected as informal. Mandatory requirements must be met if not, automatic rejection.
9. Documents in which all addenda have not been acknowledged.	Automatic rejection.
10. Failure to attend mandatory site visit.	Automatic rejection.
11. Failure to insert the bidder's business name in the bid documents.	Automatic rejection.
12. Signature/electronic signature missing from signature page.	Automatic rejection.
13. Conditions placed by the bidder on the total contract price.	Automatic rejection.
14. Bids containing minor clerical errors.	2 business days to correct initial errors

Irregularity	Response
<p>15. Bids containing minor mathematical errors.</p>	<ul style="list-style-type: none"> a) If the amount bid for a unit price item does not agree with the extension of the estimated quantity and the bid unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly. b) If both the unit price and the total price are left blank, then both shall be considered as zero. c) If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity. d) If the total price is left blank for a lump sum item, it shall be considered as zero. e) If the bid documents contain an error in addition and/or subtraction and/or transcription in the approved competitive bid documentation format requested (i.e., not the additional supporting documentation supplied), the error shall be corrected and the corrected total contract price shall govern. f) Bid documents containing prices which appear to be so unbalanced as to likely affect the interests of the Municipality adversely may be rejected.

APPENDIX D – STATEMENT OF ETHICS FOR PUBLIC PURCHASERS

Goal: To ensure an ethical, professional and accountable Municipality's supply chain.

Personal Integrity and Professionalism: Individuals involved with supply chain activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between the Municipality, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

Accountability and Transparency: Supply chain activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that municipal resources are used in a responsible, efficient and effective manner.

Compliance and Continuous Improvement: Individuals involved with purchasing or other supply chain activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.