



## Corporate Services Committee Agenda

Thursday, March 1, 2018  
Council Chambers  
County Administration Centre, Walkerton

### 1. Declaration of Pecuniary Interest

### 2. Action Items

- A. Provision of Community Emergency Management Coordinator and Services
- B. GHG Municipal Challenge Fund - Reduction Targets
- C. Cayley Street Lease Renewal - L-1835
- D. Summary of Purchasing Policy/Procedure Changes

### 3. Information Items

- A. Municipal Asset Management Planning Regulation
- B. Small-Scale Value-Added and Commercial Activities on Farms
- C. Comprehensive Economic and Trade Agreement (CETA) and the Canadian Free Trade Agreement (CFTA) Update
- D. 2017 Statement of Council Remuneration

### 4. Next Meeting

April 5, 2018

### 5. Adjournment



## Committee Report

**To:** Warden Paul Eagleson  
Members of the Corporate Services Committee

**From:** Bettyanne Cobean, C.M.O.  
Director of Corporate Services

**Date:** March 1, 2018

**Re:** Provision of Community Emergency Management  
Coordinator and Services

---

### Recommendation:

That we agree to enter into a mutually beneficial agreement with:

- The Municipality of Arran Elderslie
- The Municipality of Brockton
- The Municipality of South Bruce

whereby the County will provide the services of an Emergency Management Program Coordinator commonly referred to as the Community Emergency Management Coordinator (CEMC); and that a By-Law be introduced to authorize the execution of the agreements.

### Background:

The Ontario Standards - Emergency Management and Civil Protection Act requires that all municipalities in Ontario maintain a timely, effect and fiscally responsible Emergency Management Plan with a focus upon continuous improvement of the functionality and responsiveness. Subsection 10(1) Ontario Regulation 380/04 under the Emergency Management and Civil Protection Act requires that every municipality shall designate an Emergency Management Program Coordinator.

Effective January 2<sup>nd</sup> Bruce County approved the CEMC full time position reporting to the Director of Corporate Services. That decision was based on prior preliminary discussions surrounding a fee-for-service arrangement between the County and local municipalities for the Community Emergency Management Coordinator.

Three municipalities have agreed to enter into a mutually beneficial 10-year agreement, effective January 1, 2018, whereby the County will deliver Phase I of the program described in the following table, for an annual fee of \$7,000.



Phase I	County Base	Municipal Share
Annual WebEOC Subscription	\$13,751	\$0
Information Technology Support - Infrastructure & Staffing	10,000	0
Emergency Preparedness Plan	10,500	3,500
Continuity of Operations Plan	N/A	N/A
Annual Exercise (35 hrs @\$70)	7,350	2,500
CEMC Coverage	114,650	1,000
<b>Total Fee for Service</b>	<b>\$151,751</b>	<b>\$7,000</b>

Phase II of the program, which will review expansion of the agreement to include support of the Continuity of Operations Plan, will be considered once the program is stable and all parties can accommodate the creation and maintenance of system wide Continuity of Operations Plan.

The draft agreement is attached which outlines the responsibilities of the local municipality and the County. Either the Municipality or the County may terminate this Agreement upon (180) days written notice.

**Each Local Municipality shall be responsible for:**

1. Maintaining and naming an alternate Community Emergency Management Coordinator (CEMC) who will serve as support to the Primary CEMC for the annual exercise and reporting as per the Emergency Management and Civil Protection Act;
2. Shall be responsible for submitting on behalf of their municipality the annual reporting as outlined in the act;
3. Shall pass a Council resolution appointing the County CEMC as their primary CEMC;
4. Ensure a clean and functional primary Emergency Operations Centre is maintained;
5. Ensure appropriate local municipal staff are trained on the current municipal emergency management plan;
6. Participate with the County in the annual learning exercise as required by the Ontario Standards - Emergency Management and Civil Protection Act;
7. Identify annually to the County their membership for the Emergency Management Program Committee as supported by Council resolution;
8. Utilize and have a solid understanding of current version of WebEOC (2018 version 8.3)
9. Proactively advise and backfill the alternate CEMC during scheduled vacation or prolonged absence



The County shall be responsible for:

1. Maintaining and naming a primary Community Emergency Management Coordinator who will oversee all aspects of the County and local member municipalities Emergency Planning requirements;
2. The Primary CEMC shall be responsible for executing all aspects of the municipal emergency preparedness program as outlined in the Emergency Management and Civil Protection Act;
3. The Primary CEMC shall coordinate the annual joint exercise between the County and the municipalities who are party to the agreement;
4. The primary CEMC shall work with the individuals in the municipalities to ensure that the annual report is submitted in compliance with the Act;
5. Ensure that the Primary Community Emergency Management Coordinator advises the local municipality of the County's alternate CEMC during scheduled vacation or prolonged absences.;
6. Ensure that the alternate CEMC is maintained in case of prolonged absence by the Primary CEMC;
7. Ensure a clean and functional primary Emergency Operations Centre is maintained that can also serve as an alternate location for a local municipality should the need arise;
8. Create an alternate Emergency Operations Centre for the County and if necessary for local municipal use;
9. In consultation with local municipalities, create and deliver an annual exercise in each calendar year;
10. Assist the municipality with annual reporting requirements as per the Standards - Emergency Management and Civil Protection Act;
11. Ensure appropriate communication and networking capabilities; including conduits for Information Technology, are maintained at the County Primary Emergency Operations Centre;
12. Provide annual training and regular WebEOC (2018 version 8.3) refreshers to the municipality to ensure skills and knowledge remain current;
13. Ensure that the current version of WebEOC, (2018 version 8.3), is fully functional and operating within appropriate standards including data retention
14. Provide the minute taking for all exercises as well as the annual training exercise.



**Financial/Staffing/Legal/ITS Consideration:**

There is no staffing, legal or ITS considerations associated with this report. The annual fee has been established at \$7,000 with an increase of 2% per annum beginning January 1, 2019.

The agreement includes the following clause to protect the County should there be unknown or additional costs:

"Should the County be subject to unknown or additional costs as a result of a mandated change of scope or increase of external subscription costs greater than 5%, the County will provide 90 days' advance notice, where possible, of the increase and the cost will be included in the next fiscal period."

**Interdepartmental Consultation:**

None

**Link to Strategic Goals and Elements:**

**Goal # 6. Explore alternate options to improve efficiency, service:**

**Element C. Look for economy of scale or shared service among our departments and our communities**

**Element D. Coordinate working with other agencies.**

**Approved by:**

Kelley Coulter  
Chief Administrative Officer

AGREEMENT RE PROVISION OF COMMUNITY EMERGENCY  
MANAGEMENT COORDINATOR AND SERVICES

between                   The Bruce County  
                                  30 Park Street, P.O. Box 70  
                                  Walkerton, ON  
                                  N0G 2V0  
                                  (the “County”)

and                         The Municipal Corporation of  
  
                                  \_\_\_\_\_

(the “Municipality”)

Whereas, the Ontario Standards – Emergency Management and Civil Protection Act requires that all municipalities in Ontario maintain a timely, effective and fiscally responsible Emergency Management Plan with a focus upon continuous improvement of the functionality and responsiveness,

And whereas the two parties have agreed to enter into a mutually beneficial arrangement for the County to provide the service to the municipality. The following policies are established to outline the responsibilities of the parties involved in the provision of Community Emergency Management.

**A. Each Local Municipality shall be responsible for:**

1. Maintaining and naming an alternate Community Emergency Management Coordinator (CEMC) who will serve as support to the Primary CEMC for the annual exercise and reporting as per the Emergency Management and Civil Protection Act;
2. Shall be responsible for submitting on behalf of their municipality the annual reporting as outlined in the act;
3. Shall pass a Council resolution appointing the County CEMC as their primary CEMC;
4. Ensure a clean and functional primary Emergency Operations Centre is maintained;
5. Ensure appropriate local municipal staff are trained on the current municipal emergency management plan;
6. Participate with the County in the annual learning exercise as required by the Ontario Standards – Emergency Management and Civil Protection Act;

7. Identify annually to the County their membership for the Emergency Management Program Committee as supported by Council resolution;
8. Utilize and have a solid understanding of current version of WebEOC (2018 version 8.3)
9. Proactively advise and backfill the alternate CEMC during scheduled vacation or prolonged absence

**B. The County shall be responsible for:**

1. Maintaining and naming a primary Community Emergency Management Coordinator who will oversee all aspects of the County and local member municipalities Emergency Planning requirements;
2. The Primary CEMC shall be responsible for executing all aspects of the municipal emergency preparedness program as outlined in the Emergency Management and Civil Protection Act;
3. The Primary CEMC shall coordinate the annual joint exercise between the County and the municipalities who are party to the agreement;
4. The primary CEMC shall work with the individuals in the municipalities to ensure that the annual report is submitted in compliance with the Act;
5. Ensure that the Primary Community Emergency Management Coordinator advises the local municipality of the County's alternate CEMC during scheduled vacation or prolonged absences.
6. Ensure that the alternate CEMC is maintained in case of prolonged absence by the Primary CEMC;
7. Ensure a clean and functional primary Emergency Operations Centre is maintained that can also serve as an alternate location for a local municipality should the need arise;
8. Create an alternate Emergency Operations Centre for the County and if necessary for local municipal use;
9. In consultation with local municipalities, create and deliver an annual exercise in each calendar year
10. Assist the municipality with annual reporting requirements as per the Standards – Emergency Management and Civil Protection Act;
11. Ensure appropriate communication and networking capabilities; including conduits for Information Technology, are maintained at the County Primary Emergency Operations Centre;
12. Provide annual training and regular WebEOC (2018 version 8.3) refreshers to the municipality to ensure skills and knowledge remain current;
13. Ensure that the current version of WebEOC, (2018 version 8.3), is fully functional and operating within appropriate standards including data retention
14. Provide the minute taking for all exercises as well as the annual training exercise;

- C. The County maintains operations for three member municipalities. In an effort to ensure equity of fee charges and fairness to all users of the services and systems the following annual fee will be provided for each local municipality party to this agreement:

**\$ 7,000 per calendar year**

The annual fee shall be invoiced and payable upon receipt in the first quarter of the fiscal year. The fee shall increase 2% per annum beginning January 1, 2019 to December 31, 2027 at which time the agreement will be reviewed.

- D. The estimated annual fee represents the direct cost absorbed by the County are outlined below. The immediate agreement shall be Phase 1. Phase II shall be considered once the program is stable and all parties can accommodate the creation and maintenance of system wide Continuity of Operations Plan.

<b>Phase I</b>	<b>County Base</b>	<b>Municipal Share</b>
Annual WebEOC Subscription	\$13,751	\$0
Information Technology Support – Infrastructure & Staffing	10,000	0
Emergency Preparedness Plan	10,500	3,500
Continuity of Operations Plan	N/A	N/A
Annual Exercise (35 hrs @\$70)	7,350	2,500
CEMC Coverage	114,650	1,000
<b>Total Fee for Service</b>	<b>\$151,751</b>	<b>\$7,000</b>

<b>Phase II</b>	<b>County Base</b>	<b>Municipal Share</b>
Annual WebEOC Subscription	\$13,751	\$0
Information Technology Support – Infrastructure & Staffing	10,000	0
Emergency Preparedness Plan	10,500	3,500
Continuity of Operations Plan	TBD	TBD
Annual Exercise (35 hrs @\$70)	7,350	2,500
CEMC Coverage	114,650	1,000
<b>Total Fee for Service</b>	<b>TBD</b>	<b>TBD</b>

- E. Should the County be subject to unknown or additional costs as a result of a mandated change of scope or increase of external subscription costs greater than 5%, the County will provide 90 days' advance notice, where possible, of the increase and the cost will be included in the next fiscal period.



- F.** Disputes to the agreement will be directed to the Director of Corporate Services and the appropriate staff at the local municipality for final resolution.
- G.** Either the Municipality or the County may terminate this Agreement upon (180) days written notice. This contract shall commence January 1, 2018 and expire December 31, 2027. A new service agreement shall be defined by June 30, 2027.

Municipality of \_\_\_\_\_

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Corporation of the County of Bruce

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



## Committee Report

**To:** Warden Paul Eagleson  
Members of the Corporate Services Committee

**From:** Bettyanne Cobean, C.M.O.  
Director of Corporate Services

**Date:** March 1, 2018

**Re:** GHG Municipal Challenge Fund - Reduction Targets

---

### Recommendation:

That we adopt municipal greenhouse gas emission reduction targets that are equal to the Province of Ontario's greenhouse gas emission reduction targets;

- 15% below 1990 levels by 2020
- 37% below 1990 levels by 2030
- 80% below 1990 levels by 2050

### Background:

On July 3rd, 2016 Council adopted Bylaw 2016-058 authorizing the Warden and the Director of Corporate Services to execute the agreement with Ecosystem Energy Services Inc. to complete the Integrated Energy Performance Project at an estimated total cost of \$3,400,000, in addition to the installation of an Electric Vehicle Charging Station at the Park Street Administration Centre.

The four County buildings involved are Brucelea and Gateway Haven Long Term Care facilities, the Bruce County Museum and Cultural Centre and the County's Administration Centre. These buildings account for 82% of the County's natural gas consumption and 82% of electricity usage, excluding our Housing units.

### Ontario's Municipal GHG Challenge Fund:

On August 14th 2017, the Province launched the \$100 Million Municipal GHG Challenge Fund a program funded by the proceeds from Ontario's carbon market that aims to support community-led action on climate change. The Municipal GHG Challenge Fund is part of Ontario's Climate Change Action Plan, to fight climate change, reduce greenhouse gas emissions and transition to a low-carbon economy. The action plan and cap and trade program form the backbone of Ontario's strategy to cut greenhouse gas emissions to 15 per cent below 1990 levels by 2020, 37 per cent by 2030 and 80 per cent by 2050.



Through this competitive fund, the Province of Ontario will provide grants covering up to 100% of eligible project costs to a maximum of \$10 million per project to municipalities for undertaking projects that directly lead to a reduction of GHG emissions.

As reported to Committee on December 7<sup>th</sup>, 2017 the Integrated Energy Project that the County is currently undertaking, in partnership with Ecosystem Energy Service Inc., met the eligibility requirements and an application was submitted and announcements of the funding were expected in February 2018, but no confirmation had been received at the time of the writing of this report.

You will recall that in order to maximize the opportunity, we met with the Ecosystem team and agreed that should the application for funding be successful it would be beneficial for the County to replace the planned cogeneration project at Gateway Haven (GWH) with a full boiler replacement project at Brucelea Haven and Gateway Haven. The original plan to install the Cogen at GWH was based on affordability and the payback period. Proceeding with the plan for full boiler replacement will serve two purposes, full equipment renewal, and cost avoidance which is significant given there are no reserves set aside for this purpose. This will also offer a simpler mode of operation than the cogeneration unit and the Environmental Service Managers at both Long Term Care Facilities support the plan to replace the boilers.

The GHG Challenge Fund application totals \$668,000 and if successful would be applied to the increased project costs while maintaining the same payback period and more than doubling the GHG savings.

The Province indicated that they will score applications based on the following:

- Preference given to projects that achieve larger GHG reductions
- Preference given to projects that achieve quicker GHG reductions
- Preference given to proposals that include some matching funding
- Preference given to projects that produce positive co-benefits (i.e. economic, social, innovation, science and technology benefits etc.)
- Preference given to municipalities whose GHG reduction goals meet or exceed provincial targets

If our application is approved a final requirement will be to adopt a resolution that identifies Bruce County's commitment to adopt municipal greenhouse gas emission reduction targets that are equal to the Province of Ontario's greenhouse gas emission reduction targets.



**BRUCE**  
county

In anticipation of the application's approval we have full confidence that this level of commitment can be met and wish to be prepared with all requirements to avoid any delay.

**Financial/Staffing/Legal/IT Considerations:**

There is no staffing, legal or ITS considerations associated with this report.

**Interdepartmental Consultation:**

Health Services has been consulted and involved with the decision making related to the change in the project plan to replace the cogeneration unit with full boiler replacement.

**Link to Strategic Goals and Elements:**

**Goal # 6-** Explore alternate options to improve efficiency, service

**Element # B-** Develop system for measuring our processes and their successful desired outcome.

Written by: Jennifer Smith - Purchasing Manager

**Approved by:**

Kelley Coulter  
Chief Administrative Officer



## Committee Report

**To:** Warden Paul Eagleson  
Members of the Corporate Services Committee

**From:** Bettyanne Cobean, C.M.O.  
Director of Corporate Services

**Date:** March 1, 2018

**Re:** Cayley Street Lease Renewal L-1835

---

### Recommendation:

That the Cayley Street Lease Renewal for Lease L-1835 be approved; and that a By-Law be introduced to authorize the execution of the Lease Agreement.

### Background:

The current leases for the Cayley Street facility are in renewal state and negotiations with CBRE Limited, the property and land management firm engaged by Ontario Infrastructure and Land Corporation, the agent for the Crown (the tenant) are complete for the Land Registry Office at 203 Cayley Street.

The leases for the main Court Building and Crown Attorney Office were completed earlier this year and the bylaws adopted by Council. The Land Registry Office lease expires March 31, 2018 and is the final outstanding lease. I have been discussing tenant leasehold improvements with the Transaction Manager at CBRE Limited. No lease improvements are being requested at the time of this renewal.

A 5% increase to the base rate over the term of the five-year lease has been agreed to by the tenant. The rate would increase to \$10.75 per square foot in addition to operating costs based on actuals. Operating costs are approximately \$10.95 per square foot for a total square foot lease at \$21.70.

Ontario Infrastructure and Lands Corporation applies a real estate fee of \$1.50 per square foot of the rentable area of the premises plus applicable sales taxes to the brokerage (CBRE). This real estate fee is common across the Province and is repaid during the term of the lease although the landlord is required to pay the brokerage fees in year one. I negotiated with CBRE Limited in order that the first year per square footage rate be increased to \$12.25 (\$10.75 + \$1.50) to recover the real estate fee in year one, rather



# BRUCE county

than over the five-year term of the lease, to which they have agreed. The 6-month termination clause remains.

## Financial/Staffing/Legal/ITS Consideration:

There are no staffing, legal or IT considerations associated with this report. Financial implications are identified in the following table:

Lease #	L-1835
Location	203 Cayley Street, Walkerton
Expiry Date	March 31, 2018
Description	Land Registry Office
Rentable Square Footage	3,215
Current Rate (p.s.f.)	\$10.25
Proposed Rate (2018) (p.s.f.)	\$10.75
Real Estate Fees (p.s.f.)	\$1.50
Operating Costs (2016) (p.s.f.)	\$10.95
Annual Increase	\$1,741.50

## Interdepartmental Consultation:

None

## Link to Strategic Goals and Elements:

None

## Approved by:

Kelley Coulter  
Chief Administrative Officer



## Committee Report

**To:** Warden Paul Eagleson  
Members of the Corporate Services Committee

**From:** Members of the Modernizing Purchasing Policy Cross  
Functional Team

**Date:** March 1, 2018

**Re:** Purchasing Policy By-Law 2017-027 Update

---

### Recommendation:

That the By-Law 2017-027 which adopted the Purchasing Policy for the procurement of goods and services for the County of Bruce be amended.

### Background:

On April 13, 2017 Council enacted By-law 2017-027, in compliance to Section 270 (1) of the Municipal Act, 2001 where a municipality and a local board shall adopt policies with respect to its procurement of goods and services. The County of Bruce deemed it desirable to provide a purchasing policy to ensure fair, transparent and accountable purchasing.

Section 11.0 of the Purchasing Policy mandates that in consultation with a cross functional team of appropriate County staff, a detailed review of the policy shall be conducted in a timely manner after implementation. A review has been completed and the Committee is seeking approval on the following changes:

### Summary of Changes of Purchasing Policy

Several things were noted to improve consistency and verbiage throughout the policy. Further, the following changes are identified to promote functionality and assist in eliminating our own "red tape."

### Recommended Changes

- Section 3.0 (e) Prohibitions. Change Employees of the County are required to declare pecuniary interest to their Director with a copy to the Clerk rather than the Director of Corporate Services.



- Section 5.0 Types of Procurement Processes. Move remainder of verbiage describing processes, to The Corporation of the County of Bruce Purchasing Procedure.
- Move Provisions for Exemptions and Bid Irregularities moved into Section 7: Procurement Methods.
- Move Single and Sole Sourcing to Section 7: Procurement Methods
- Provisions for Exemptions 5.0 (a): Reworded so that all procurement follows Purchasing by-law, but when the manner differs from the standard methods, a Purchasing Policy Suspension form must be completed and specific approvals must be granted.
- Change automatic rejection of an illegible or obscure bid, non-initialed etc. to the option to submit within 48 hours of closing.
- 5.2 change mandate that Council approval be required when the vendor recommended did not submit the lowest bid, to Council approval be required when the vendor recommended is not the highest scoring proponent in an RFP process.

#### Appendix A

- Change Spend Authority/Approval Authority of Request for Tender to "Director or other 'delegated' staff as specifically delegated by Director".
- Change Spend Authority/Approval Authority of Request for Proposal to "Director or other 'delegated' staff as specifically delegated by Director".
- Change fifteen (15) business days to twenty-one (21) calendar days to fall in-line with Trade Agreements.
- Split Award thresholds for Single and Sole Source. Switch Authority to Spend to Manager or Delegate for RFT, RFP and Single and Sole source.
- Reference costs to include Foreign exchange, shipping, etc.

#### Recommendations for Removal

- Remove part "g" from 3.0 Prohibitions, describing why and how a County employee would not be allowed to submit a bid and replaced with the prohibited action: Accepting a bid from a County of Bruce employee or Municipal Councilor or business he or she owns.
- Remove Types of Purchasing Processes thresholds and put in separate table and section 7.0 Procurement Methods.
- Negotiation permissible when an attempt has been made to procure using a method other than Direct Negotiation and it is not desirable to further attempt any other methods.





### Recommendations for Additions

- Add "Purchase of Used Equipment and Material" section identifying what is required and how to determine if the consideration would be in the best interest of the County.
- Pull section "Defining Responsibilities for Procuring Goods and Services" from the County of Bruce Purchasing Procedures and added to the Policy. This section defines expectations of stakeholders relating to procurement activities and ensures employees act according to public procurement standards in Ontario.
- Add responsibilities from Director of Corporate Services to Responsibilities of Directors.
- Add recommendation from Ombudsman stating that "Committee recommendations go forward to Council for approval and that minute approval gives staff the authority to act".

### Financial/Staffing/Legal/IT Considerations:

None

### Interdepartmental Consultation:

Project team members include: Project Manager, Sherri Dillon (Transportation and Environmental Services), and team members, Jennifer Smith (Corporate Services), Paul McGrath (Planning & Development), Tara Wilson (Gateway Haven), Tony Ban (Human Services), Terra Sutter (Museum).

### Link to Strategic Goals and Elements:

Goal #5 - Eliminate our own red tape

Goal #6 - Explore alternate options to improve efficiency, service

### Approved by:

Kelley Coulter  
Chief Administrative Officer



## By-law Number 2017-027

### A by-law to establish and adopt a Purchasing Policy for the procurement of goods and services for the County of Bruce

Section 270 (1) of the Municipal Act, 2001, as amended, provides that a municipality and a local board shall adopt policies with respect to its procurement of goods and services;

The Council for the Corporation of the County of Bruce deems it desirable to provide a purchasing policy to ensure fair, transparent and accountable purchasing.

The Council for the Corporation of the County of Bruce enacts By-law 2017-027 as follows:

#### 1.0 Goals, Objectives & Principles

##### 1.1 Goals and Objectives

- a. **Accountability:** To ensure openness, accountability and transparency while protecting the financial best interests of The County of Bruce.
- b. **Efficiency:** To maintain the flow of goods and services, product delivery, quality, in the most cost effective manner possible.
- c. **Transparency:** To ensure purchasing is completed in compliance with policies and procedures that are accessible and understandable by all parties.
- d. **Honesty:** To ensure fairness, integrity and impartiality in dealing with vendors during all aspects of the purchasing process.
- e. **Environmental Responsibility:** To encourage the procurement of "green" goods and services wherever possible within the context of Best Value and consider environmental alternatives for the purchase transaction i.e. electronic invoicing.
- f. **Understanding:** To develop a clear understanding of authority and responsibility for all County Employees in the purchasing process.

## 1.2 Purchasing Principles

- a. **Efficient/Effective Purchasing:** All Procurement shall be completed to obtain the required quality and quantity of goods and/or services in the most efficient and cost-effective manner possible under the circumstances.
- b. **Open Process:** Requirements and evaluation criteria are clearly communicated to bidders.
- c. **Total Costs Considered:** The County will consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, currency exchange, disposal value and disposal costs in evaluating bid submissions.
- d. **Co-operative & Co-ordinated Purchasing:** Where the best interests of the County will be served, the County may participate in Co-operative Purchasing. Every effort shall be made wherever and whenever possible, to coordinate purchases of those goods and services that are of a common nature to Departments concerned, so as to promote lower ultimate costs of goods and services.
- e. **Document Retention:** Responses to Bid Solicitations received shall be retained for inspection by the County's auditors and appropriate County officials, in accordance with the County's Records Retention Schedule and By-Law 2011-044 or successor By-Law.
- f. **Competition:** To encourage open competitive bidding on the acquisitions of goods and services.
- g. **Health and Safety:** To ensure compliance with all health and safety regulations.
- h. **No Local or Geographical Preference:** We do not extend preferential treatment to any vendor based on geographical location, including local companies, since it limits fair and open competition for all vendors and is a detriment to obtaining the best possible value for each tax dollar. The County may mandate certain bona fide on-site response time requirements for specific situations.
- i. **Trade Agreement/Contracts:**
  - (i) Procurement by the County may be subject to the provisions of Trade Agreement/Contracts.
  - (ii) Where an applicable Trade Agreement/Contract is in conflict with this by-law, the Trade Agreement/Contract shall take precedence.
  - (iii) The Purchasing Manager shall advise Directors where a procurement action may not conform to an applicable Trade Agreement/Contract as early as possible in the procurement process.

## 2.0 References and Related Documents

- a. County of Bruce Purchasing Procedures

### 3.0 Prohibitions

#### 3.1 The Following Are Prohibited Actions

- a. The splitting up of purchases to circumvent this by-law's dollar limits.
- b. Acceptance of any gift, benefit, money, favour or other assistance from any supplier or potential supplier, other than that of nominal value. The County's Workplace Practices, Code of Ethics states: "the normal exchange of hospitality among persons doing business, in an amount not to exceed \$100".
- c. Asking a supplier to alter the invoice date or shipping date from what would otherwise be shown to accommodate County accounting needs.
- d. Other than the employee or other delegated individual who is the official contact person identified in the Bid Solicitation document, discussing any aspect of the Bid Solicitation with a prospective supplier from the time the Bid Solicitation document is first issued until such time as an award report has been prepared and submitted to the appropriate approval authority.
- e. Employees of the County shall not have a pecuniary interest, either directly or indirectly, in any evaluation of or contract with the County or with any person acting for the County in any contract for the supply of goods and/or services for which the County pays or is liable to pay, directly or indirectly, unless such interest has been declared. Employees of the County are required to declare any pecuniary interest, either direct or indirect, in writing, to their Director with a copy to the Clerk indicating the specific nature of the conflict. Any conflict of interest that cannot be isolated and resolved will be reported to the Chief Administrative Officer.
- f. Suppliers, their staff members, or anyone involved in preparing bids shall not engage in any form of political or other lobbying whatsoever or seek to influence the outcome of the purchasing process or subsequent Award. This restriction extends to all of the Corporation's staff and members of Council.

The Corporation may reject any bid by a supplier that engages in such lobbying, without further consideration, and may terminate that Supplier's right to continue in the purchasing process.

During a bid solicitation process all communications shall be made through Purchasing or the Department's designate when Purchasing did not issue the Bid Solicitation. No Supplier or person acting on behalf of a Supplier or group of Suppliers, shall contact any elected official, consultant or any employee of the Corporation to attempt to seek information or to influence the Award.

Elected officials shall refer any inquiries about a Bid Solicitation process to the Director of Corporate Services.

- g. Elected officials shall refer any inquiries about a Bid Solicitation process to the Director of Corporate Services.
- h. Accepting a bid from a County of Bruce employee or County of Bruce Municipal Councilor or a business he or she owns.
- i. Negotiating with a supplier, or accepts an offer from a supplier, to purchase a good or service for personal use at the same price that is being offered by the supplier to the County. This practice is called coat-tailing.

#### **4.0 Standardization**

Standardization enables multiple bidders to understand the process requirement, and to ensure that legal and insurance risks are controlled.

##### **4.1 Standardization of Documents**

- a. Standard formats and language will be developed under the direction of the Purchasing Manager, with the exception of specifications which are provided by the requesting Department.
- b. Where the County's standard documents are not being used, the document shall be provided to Purchasing for review prior to issuance or execution. Purchasing will recommend review by an outside legal entity if deemed to be in the best interest of the County.

##### **4.2 Standardization of Goods and Services**

Bruce County supports standardization among goods and services that are used on a regular basis and encourages corporate standards to be adopted where it is deemed beneficial to the County.

#### **5.0 Approval Authority**

Anyone given award approval authority under this by-law is accountable and responsible for ensuring that an approved budget exists, purchases do not violate any County, policy or statutory requirements, and they have met the audit requirements of the County.

##### **5.1 Summary of Approval Limits**

Appendix A to this By-law provides a summary of approval limits for the various procurement processes.

##### **5.2 Award Approval**

**Council must approve an award, when one or more of the following applies:**

- a. When Provincial or Federal government requires Council to approve.
- b. The award cannot be accommodated within an approved budget and therefore requires a budget transfer or a pre-commitment against a future year's budget.

- c. When a recommendation is made to award to a vendor who did not submit the lowest tender or score the highest (in an RFP process).
- d. The Chief Administrative Officer or Director of Corporate Services deems it in the County's best interest that Council approve the award.
- e. Council has specifically directed that Council approve the award.
- f. Where authority to award has not been expressly delegated.
- g. Any contract anticipated to be financed by debentures.
- h. Where the net revenue amount proposed for acceptance is lower than the Council approved budget.

When the recommendation to award is brought forth to Council, and approval is granted from Council, staff have the authority to act without delay.

**The Department Director is authorized to approve the following:**

An award of a Request for Tender, Quotation or Proposal regardless of the size of the expenditure, provided that the award is to the lowest bidder and the expenditure is included in the approved budget.

Based upon roles and responsibilities within their department, Directors may delegate approval authority to staff in their Departments at the levels they deem appropriate.

## **6.0 Defining Responsibilities for Procuring Goods and Services**

### **6.1 Responsibilities of All Staff Involved In the Procurement Process**

All County staff shall have the following responsibilities relating to the procurement policy:

- a. Open and honest dealings with everyone who is involved in the purchasing process.
- b. No preferential treatment or public endorsement given to any supplier.
- c. Ensure procurement activities are carried out in accordance with this By-Law 2017-127 Purchasing Policy.
- d. Ensure sufficient approved budget exists for planned purchases before a procurement process commences.
- e. Review goods and/or services received and ensure they match specifications, quality, quantity and price.
- f. Ensure that business transactions are conducted ethically and professionally.

## 6.2 Responsibilities of the Purchasing Manager or Delegate

The Purchasing Manager or delegate(s) has the following specific responsibilities:

- a.** Prepare tender documents, in conjunction with the requesting department's director and/or delegate, advertise when necessary, post the documents on the County's website, prepare and circulate addendums and oversee public tender openings. Ensure tender documents are in accordance with the Accessibility for Ontarians with Disabilities Act 2005.
- b.** Ensure the purchasing policy as set out in this by-law is followed.
- c.** Advise on the suitability of specifications to ensure a maximum number of competitive bids and to ensure a supplier's ability to supply.
- d.** Keep apprised of best purchasing practices for responsible environmental procurement and shall bring same to the attention of requesting Departments wherever the same are applicable.
- e.** Review the corporate use of goods and/or services to ensure the County is receiving the best quality, quantity, service and price.
- f.** Assist the requesting department in the preparation of Agreements/Contracts/Leases as needed.
- g.** Direct staff that have procurement authority to *By-Law 2017-027 Purchasing Policy* and *The Corporation of the County of Bruce Purchasing Procedures* and train staff as required to ensure a clear understanding of the procurement process.
- h.** Act as lead in negotiation process with input from procuring department. Delegate can be assigned at the discretion of the Purchasing Manager.

## 6.3 Responsibilities of Department Directors

Directors shall have the following responsibilities relating to the procurement policy:

- a.** Ensure procurement activities in their department are carried out in accordance with *By-Law 2017-027 Purchasing Policy*.

- b.** Determine appropriate delegated procurement and signing authority of staff in their Departments as authorized by this by-law. See Appendix A in the Purchasing Policy.
- c.** Ensure sufficient funds exists for planned purchases.
- d.** Department director is responsible for ensuring that all specifications and/or the scope of work to be used for the procurement of such goods and/or services are
- e.** Prepare award reports for Committee approval with the assistance of the Purchasing Manager, where required, in accordance with formats required for Committee reports.
- f.** Consult with the Purchasing Manager for any inquiries or uncertainties regarding purchasing process / supplier management.

## 7.0 Procurement Methods

Purchasing dollar thresholds for determining competitive or non-competitive purchasing methodologies are as follows:

Purchase Dollar Threshold	Purchasing Methodology
\$0 - \$25,000	Direct Purchase
\$25,000 - \$75,000	Request for Quotation (RFQ) (minimum 3 suggested)
\$75,000 and over	Request for Tender (RFT)
<p><b>Note: RFT's &amp; RFP's are not limited to \$75,000 and over and can be used anytime at the discretion of the procuring Department and in consultation with the Purchasing Manager.</b></p>	



## 7.1 Single and Sole Sourcing

### Single Sourcing

Single Sourcing is a method of procurement whereby there is more than one vendor able to supply an award or contract awarded without a competitive bidding process.

Single Sourcing will be permitted if one or more of the following circumstances apply:

- a. The supply involves an emergency purchase.
- b. Disclosure of information in an open contract competition would breach some duty of confidentiality or compromise security.
- c. When the procurement is already covered by a lease-purchase Contract where payments are partially or totally credited to the purchase.
- d. When the required good or service is in short supply due to market conditions.
- e. When a Consultant has been used to provide a service, and additional work is required that builds upon or is dependent upon the previous work undertaken, and when it could not reasonably be determined at the time the original work was approved additional services would be required.
- f. For use of road construction or repair, the transportation costs and/or technical specifications will be taken into consideration specifically in the case of sand, stone, gravel, fill and pre-mixed concrete, and equipment rentals.

### Sole Sourcing;

Sole Sourcing is a method of procurement whereby an award is issued without a competitive bidding process due to the fact that the supplier is the only source of supply for the required goods or services.

Sole Sourcing will be permitted if one or more of the following circumstances apply:

- a. A Supplier has a patent on the required product, thus creating a market monopoly.
- b. The supply relates to necessary unique replacement parts from an exclusive source of supply and there are no reasonable alternatives to the products.
- c. To maintain warranty or service Contract compliance for purchased products.

## 7.2 Invitational Tender

When the issuance of a Public Request for Tender is deemed to be less efficient and effective than inviting qualified suppliers to submit bids. A

minimum of three suppliers is recommended, although inviting more than three suppliers to bid is preferred. This requirement shall be waived in the case of goods or services that can only be provided by fewer than three suppliers due to unique specifications or specialized services.

An Invitational Tender should only be issued in exceptional circumstances. The director must get pre-approval from the Purchasing Manager and the CAO through a Purchasing Policy Suspension form.

### **7.3 Suppliers Who Assist in Developing Specifications**

It may be desirable to ask a potential supplier to help County staff design or develop specifications, or otherwise help define a requirement that goes beyond the normal level of service expected from a supplier. When such services are utilized the supplier will be considered as a consultant and a fee paid to the supplier based on a market competitive hourly rate.

### **7.4 Negotiation**

Unless otherwise provided in accordance with the Purchasing By-law and this Policy, goods and services may be purchased using the Direct Negotiation method when one or more of the following conditions apply;

- a. The required goods and services are available from only one source (also known as sole source), by reason of the scarcity of supply in the market or the existence of exclusive rights held by any supplier or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes;
- b. An extension or renewal of the contract for similar goods and services;
- c. The goods and services are required as a result of an emergency, which would not reasonably permit the use of a method other than Direct Negotiation;
- d. The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience;
- e. Where the lowest bid that meets specifications or tender terms and conditions exceeds the estimated cost of the goods and services;
- f. When all bids fail to comply with the specifications or tender terms and conditions and it is impractical to retender.
- g. The purchase of used equipment and material is a consideration.
  - i. When a department desires to purchase a piece of used equipment, a complete description such as model, year, and condition, must be forwarded to the Purchasing department. With this information a justifiable bid can be determined for the item requested. Additionally, the Purchasing department may purchase used equipment or other material by negotiated purchase rather than by competitive bidding, if it is

- determined by the Purchasing Department that the negotiated price is reasonable for the intended use.
- ii. To ensure proper control, formal bids for such equipment must be made by the Purchasing department.

With respect to RFTs and RFQs the County may enter into negotiations with the lowest compliant bidder if the price is over a reasonable budgeted amount for the project based on the cost of similar previous projects and current market conditions. Should the County be unable to reach an agreement with the lowest compliant bidder, the County reserves the right to enter into negotiations with the next lowest compliant bidder, to cancel the bid opportunity or to present a report to Council, whichever is deemed to be in the best interest of the County.

### 7.5 Provisions for Exemptions

In the event the Director has a requirement to procure goods or services, in a manner that differs from these methods, then he/she must complete the Purchasing Policy Suspension form, and get the approval of the CAO and Purchasing Manager. The approved suspension form must be attached to the approved invoice so payment can be made.

### 7.6 Bid Irregularities

The following list of bid irregularities should not be considered all inclusive. The Purchasing Manager and, in consultation with any or a selection of the following: respective Director, Director of Corporate Services, CAO and/or the Corporation’s Solicitor, shall review irregularities not specifically listed and, acting in the best interests of the Corporation, have authority to waive such irregularities, permit correction to the irregularity or reject the submission.

BID IRREGULARITY	RESPONSE
1. Late Submissions	<ul style="list-style-type: none"> <li>• Rejection, not opened or read publicly</li> <li>• Submission to be returned to submitter</li> </ul>
2. Insufficient Financial Security (No bid bond/deposit or Agreement/Contract to bond or insufficient bid bond/deposit)	<ul style="list-style-type: none"> <li>• Automatic Rejection for no bid deposit</li> <li>• Automatic Rejection for no Agreement/Contract to bond</li> </ul>
3. Conditional Bids (Bids qualified or restricted by an attached statement)	<ul style="list-style-type: none"> <li>• Automatic rejection unless, in the opinion of the Director and the Purchasing Manager, the qualification or restriction is insignificant</li> </ul>
4. Illegible or obscure Bids, non-initialed erasures, non-initialed alterations.	<ul style="list-style-type: none"> <li>• 48 hours to submit</li> </ul>
5. Documents, in which all necessary Addenda which have significant financial or scope implications in	<ul style="list-style-type: none"> <li>• Automatic rejection</li> </ul>

BID IRREGULARITY	RESPONSE
the opinion of the Purchasing Manager and user group, have not been acknowledged.	
6. Documents in which all necessary Addenda which do not have significant financial or scope implications in the opinion of the Purchasing Manager and user group, and have not been acknowledged.	<ul style="list-style-type: none"> <li>• 48 hours to submit</li> </ul>
7. Bids received by bidders who did not attend mandatory site visit(s).	<ul style="list-style-type: none"> <li>• Rejection, not opened or read publicly</li> </ul>
8. Bids received on documents other than those provided by Bruce County, when specified to do so.	<ul style="list-style-type: none"> <li>• Automatic rejection</li> </ul>
9. Failure to insert the bidder's business name in the space(s) provided in the mandatory Submission Pages.	<ul style="list-style-type: none"> <li>• 48 hours to submit</li> </ul>
10. Failure to include signature of the person authorized to bind the bidder in the space provided on the Tender/Proposal Form.	<ul style="list-style-type: none"> <li>• Automatic rejection</li> </ul>
11. More than one submission from the same submitter and not Identified as an alternative or optional submission and no written withdrawal notice has been received.	<ul style="list-style-type: none"> <li>• The submission package bearing the most recent date/time stamp will be considered the intended submission and the previously date/time stamped submissions will be considered withdrawn and will be returned to sender, unopened.</li> </ul>
12. Bids Containing Mathematical Errors	<ol style="list-style-type: none"> <li>a) Where the amount of an item does not agree with the extension of the estimate quantity and the tendered unit price, the unit price shall govern and both the item amount and the total tender price shall be corrected accordingly.</li> <li>b) If both the unit price and the total price are left blank, the Bid will be rejected as incomplete.</li> <li>c) If the unit price is left blank but a total price is shown for the item, the total price shall govern and the unit price shall be corrected accordingly.</li> </ol>

BID IRREGULARITY	RESPONSE
	<p>d) If the tender contains an error in addition and/or subtraction in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied), the error shall be corrected and the corrected total contract price shall govern.</p> <p>e) Tenders containing prices which appear to be so unbalanced as to likely affect the interests of the County adversely will be clarified and may be rejected.</p>
<p><b>13. Other minor irregularities</b></p>	<ul style="list-style-type: none"> <li>• The Purchasing Manager, in conjunction with the Director of Corporate Services shall have authority to waive irregularities, which they jointly consider to be minor.</li> </ul>

**8.0 Circumstances Which a Bid Solicitation Process Is Not Required**

There are a number of payments made in the ordinary course of business that are considered as a transfer of funds or fulfillment of legislated requirements, and do not require a Bid Solicitation process.

The following payments shall not require a Bid Solicitation process. Other payments may also be included at the discretion of the Director of Corporate Services (unless legislation states otherwise):

**8.1 General Expenses**

- a. Workers Safety Insurance Board Payments
- b. Payroll Deduction Remittances such as Income Tax, Unemployment Insurance Premiums, Employer Health Tax
- c. Debt principal, debenture and interest payments
- d. Sinking Fund Payments (fund set up to repay a bond when it matures)
- e. Loan and mortgage payments
- f. Licenses (e.g. vehicles, elevators, radios, and computer software)
- g. Real Property payments including purchases, leases, easements, encroachments and licenses, or the like
- h. Tax Remittances
- i. Building Lease Payments
- j. Utilities
- k. Insurance claims, damage claims, legal settlements and arbitration awards
- l. Employee/Council travel expenses
- m. Medicals, Physician Fees
- n. Grants to Agencies

- o. Petty Cash Replenishment
- p. County Charges to and from Area Municipalities
- q. Public Notices
- r. Preventative maintenance and repairs to vehicles
- s. Promotional material and supplies for County sponsored Charitable Campaigns

## 8.2 Payments to Other Organizations/Individuals

- a. Other Municipalities
- b. Annual requisitions approved as part of the budget process to a local board or agency such as: Health Unit.
- c. Social Services agencies that provide service to the County through Service Agreement/Contracts such as Daycare and Hostel Operators.
- d. Municipal Property Assessment Corporation fees for property assessment services and support costs.
- e. Organizations on whose behalf the County has received donations and issued income tax receipts.

## 8.3 Professional and Special Services

- a. Various transfers of financial benefit on behalf of individuals or households (such as social assistance, housing assistance, rent supplement, childcare centres, etc.).
- b. Canada Post
- c. Other Fees and Services
  - (i) Committee Fee
  - (ii) Counseling Services
  - (iii) Homemakers Services
  - (iv) Laboratory Services
  - (v) Legal Fees
  - (vi) Nursing Services
  - (vii) Specialized Services, ie. Red Cross or 211
  - (viii) Ongoing maintenance and licensing agreements for equipment such as existing computer hardware and software, telecommunications equipment, elevators and HVAC equipment
  - (ix) Freight Charges
  - (x) Performance/Artist's Fees
  - (xi) Banking and Underwriting Services, where covered by Agreement/Contracts
  - (xii) County's Agent of Record (Health Benefits)
  - (xiii) County's Auditors
  - (xiv) Marketing Promotion
  - (xv) Tradeshow / Exhibit Space
  - (xvi) Advertising services required in radio, television, newspapers or magazines, social media
  - (xvii) Facilitators or speakers

- (xviii) Fees related to real estate transactions such as commissions and legal fees

#### **8.4 Refundable Employee Expenses**

- a. Advances
- b. Meal Allowances
- c. Miscellaneous - Non-Travel
- d. Travel Expenses
- e. Entertainment Expenses

#### **8.5 Training and Education**

- a. Conferences
- b. Courses
- c. Conventions
- d. Magazines
- e. Memberships
- f. Periodicals
- g. Seminars
- h. Staff Development
- i. Staff Workshops
- j. Staff Reports
- k. Subscriptions

#### **8.6 National Accounts**

- a. Tires
- b. Computer Hardware
- c. Other products where the manufacturer will sell directly to the County below their resellers' /distributors' prices

#### **8.7 Flexibility to Add Additional Exempt Purchases**

The Director of Corporate Services is authorized to add similar expenditures to the list of payments in Section 8.0.

#### **9.0 Dispute Resolution**

In the event any company or person who has been involved in the bidding or purchasing process as described in this by-law identify a dispute in regards to the process followed they will be afforded a fair and transparent process to all concerned.

#### **10.0 Accessibility and Procurement**

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

The County of Bruce is committed to integrating accessibility into its procurement policy and procedures by:

- a. Conducting regular reviews and updates of procurement-related directives, policies, procedures, practices and standards.
- b. Including accessibility requirements in the procurement process.
- c. Reviewing feedback on the procurement process related to accessibility and taking appropriate action as needed.

## **11.0 Disposal of Surplus Goods and Real Property**

The disposal of surplus and obsolete goods shall be evaluated on a case-by-case basis. The originating Director or delegate has the authority to sell, exchange, or otherwise dispose of goods declared as surplus to the needs of the County, where it is cost effective and in the best interest of the County to do so.

## **12.0 Review Effectiveness of the Procurement Process**

### **12.1 Policy Review**

The Purchasing Manager, in consultation with a cross functional team of appropriate County staff, will conduct a detailed review of this policy within 6 months of its initial implementation, and then shall be reviewed every 24 months with any recommended amendments.

### **12.2 Factors to Be Considered During Review**

The review shall take into consideration current and future professional practices, industry standards, market conditions, recent court decisions, Federal/Provincial Government directions/policies, technological developments/advancements and sections in the policy where through application it becomes apparent that clarification is needed.



## Appendix A

### Procurement Processes and Levels of Approval Authority

**Note:** Total costs to procure (eg. shipping, warranty, currency exchange) with the exception of Sales and Excise taxes are to be used in determining the price for goods or services, in relation to the pre-authorized expenditure limit.

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

Value Before Taxes	Procurement Process	Approval Authority to Spend	Approval Authority to Award	Report Requirement for Contract Approval
Less than \$25,000	<p><b><u>Direct Purchase</u></b> No formal or written quotation required. Recommended that price comparison be requested for purchases from up to three suppliers where possible.</p>	Manager, or other "delegated" staff as specifically delegated by Director	Manager, or other "delegated" staff as specifically delegated by Director	Director's Report to Council required if total department budget exceeded
\$25,000 but less than \$75,000	<p><b><u>Request for Quotation</u></b> Purchasing Manager is to be consulted prior to a Request for Quotation being issued greater than \$25,000. Sealed written quotations shall be sought from three or more suppliers where possible. All quotes must be open for a minimum of seven (7) calendar days.</p>	Manager, or other "delegated" staff as specifically delegated by Director	Manager, or other "delegated" staff as specifically delegated by Director	Director's Report to Council required if total department budget exceeded
\$75,000 and greater	<p><b><u>Request for Tender</u></b> Purchasing Manager and the Department Director and/or delegates prepare the RFT documents. Purchasing posts the RFT on County website and may advertise in newspaper(s). <b>Securities may be required.</b> <b>Bids must be sealed.</b> All tenders must be open for a minimum of fourteen (14) calendar days.</p>	Manager, or other "delegated" staff as specifically delegated by Director	Director and/or Chief Administrative Officer	Director's Report to Council required if total department budget exceeded

Value Before Taxes	Procurement Process	Approval Authority to Spend	Approval Authority to Award	Report Requirement for Contract Approval
N/A	<p><b><u>Request for Proposal</u></b>  The end user of the good or service does not have precisely defined requirements and where there is no clear or single solution. For all professional consulting services.  Purchasing posts the RFP on County website.  All proposals must be open for a minimum of twenty-one (21) calendar days.</p>	<p>Manager, or other "delegated" staff as specifically delegated by Director</p>	<p>Director and/or Chief Administrative Officer</p>	<p>Director's Report to Council required if total department budget exceeded</p>
	<p><b><u>Single and Sole Source</u></b>  There is more than one potential supplier, but a supplier is selected by a quote/tender without a Bid Solicitation or there is only one known supplier of the particular goods and/or services.</p>	<p>Manager, or other "delegated" staff as specifically delegated by Director</p>	<p>\$25,000 but less than \$75,000  Director and Purchasing Manager    Greater than \$75,000  Director, Purchasing Manager and Chief Administrative Officer</p>	

\*The definition of a Manager as defined in the Purchasing Procedure is "the Manager of a Department or within a Department, a project or activity within The County of Bruce".

## Contents

The Council for the Corporation of the County of Bruce enacts By-law 2017-027 as follows: .....	1
1.0 Goals, Objectives & Principles.....	1
1.1 Goals and Objectives.....	1
1.2 Purchasing Principles .....	2
2.0 References and Related Documents.....	2
3.0 Prohibitions.....	3
3.1 The Following Are Prohibited Actions.....	3
4.0 Standardization .....	4
4.1 Standardization of Documents .....	4
4.2 Standardization of Goods and Services .....	4
5.0 Approval Authority.....	4
5.1 Summary of Approval Limits.....	4
5.2 Award Approval .....	4
6.0 Defining Responsibilities for Procuring Goods and Services.....	5
6.1 Responsibilities of All Staff Involved In the Procurement Process.....	5
6.2 Responsibilities of the Purchasing Manager or Delegate .....	6
6.3 Responsibilities of Department Directors.....	6
7.0 Procurement Methods.....	7
7.1 Single and Sole Sourcing .....	8
Single Sourcing.....	8
Sole Sourcing;.....	8
7.2 Invitational Tender.....	8
7.3 Suppliers Who Assist in Developing Specifications.....	9
7.4 Negotiation .....	9
7.5 Provisions for Exemptions.....	10
7.6 Bid Irregularities.....	10
8.0 Circumstances Which a Bid Solicitation Process Is Not Required.....	12
8.1 General Expenses.....	12
8.2 Payments to Other Organizations/Individuals.....	13
8.3 Professional and Special Services .....	13
8.4 Refundable Employee Expenses .....	14
8.5 Training and Education .....	14

8.6 National Accounts ..... 14

8.7 Flexibility to Add Additional Exempt Purchases ..... 14

9.0 Dispute Resolution ..... 14

10.0 Accessibility and Procurement ..... 14

11.0 Disposal of Surplus Goods and Real Property ..... 15

12.0 Review Effectiveness of the Procurement Process ..... 15

    12.1 Policy Review ..... 15

    12.2 Factors to Be Considered During Review ..... 15

Appendix A ..... 16

    Procurement Processes and Levels of Approval Authority ..... 16

DRAFT



## By-law Number 2017-027

### A by-law to establish and adopt a Purchasing Policy for the procurement of goods and services for the County of Bruce

Section 270 (1) of the Municipal Act, 2001, as amended, provides that a municipality and a local board shall adopt policies with respect to its procurement of goods and services;

The Council for the Corporation of the County of Bruce deems it desirable to provide a purchasing policy to ensure fair, transparent and accountable purchasing.

The Council for the Corporation of the County of Bruce enacts By-law 2017-027 as follows:

#### 1.0 Goals, Objectives & Principles

##### 1.1 Goals and Objectives

- a. **Accountability:** To ensure openness, accountability and transparency while protecting the financial best interests of The County of Bruce.
- b. **Efficiency:** To maintain the flow of goods and services, product delivery, quality, in the most cost effective manner possible.
- c. **Transparency:** To ensure purchasing is completed in compliance with policies and procedures that are accessible and understandable by all parties.
- d. **Honesty:** To ensure fairness, integrity and impartiality in dealing with vendors during all aspects of the purchasing process.
- e. **Environmental Responsibility:** To encourage the procurement of “green” goods and services wherever possible within the context of Best Value and consider environmental alternatives for the purchase transaction i.e. electronic invoicing.
- f. **Understanding:** To develop a clear understanding of authority and responsibility for all County Employees in the purchasing process.

##### 1.2 Purchasing Principles

- a. **Efficient/Effective Purchasing:** All Procurement shall be completed to obtain the required quality and quantity of goods and/or services in the most efficient and cost-effective manner possible under the circumstances.
- b. **Open Process:** Requirements and evaluation criteria are clearly communicated to bidders.
- c. **Total Costs Considered:** The County will consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, currency exchange, disposal value and disposal costs in evaluating bid submissions.
- d. **Co-operative & Co-ordinated Purchasing:** Where the best interests of the County will be served, the County may participate in Co-operative Purchasing. Every effort shall be made wherever and whenever possible, to coordinate purchases of those goods and services that are of a common nature to Departments concerned, so as to promote lower ultimate costs of goods and services.
- e. **Document Retention:** Responses to Bid Solicitations received shall be retained for inspection by the County’s auditors and appropriate County officials, in accordance with the County’s Records Retention Schedule and By-Law 2011-044 or successor By-Law.

- f. **Competition:** To encourage open competitive bidding on the acquisitions of goods and services.
- g. **Health and Safety:** To ensure compliance with all health and safety regulations.
- h. **No Local or Geographical Preference:** We do not extend preferential treatment to any vendor based on geographical location, including local companies, since it limits fair and open competition for all vendors and is a detriment to obtaining the best possible value for each tax dollar. The County may mandate certain bona fide on-site response time requirements for specific situations.
- i. **Trade Agreement/Contracts:**
  - (i) Procurement by the County may be subject to the provisions of Trade Agreement/Contracts.
  - (ii) Where an applicable Trade Agreement/Contract is in conflict with this by-law, the Trade Agreement/Contract shall take precedence.
  - (iii) The Purchasing Manager shall advise Directors where a procurement action may not conform to an applicable Trade Agreement/Contract as early as possible in the procurement process.

## 2.0 References and Related Documents

- a. County of Bruce Purchasing Procedures

## 3.0 Prohibitions

### 3.1 Prohibited Actions

- a. The splitting up of purchases to circumvent this by-law's dollar limits.
- b. Acceptance of any gift, benefit, money, favour or other assistance from any supplier or potential supplier, other than that of nominal value. The County's Workplace Practices, Code of Ethics states: "the normal exchange of hospitality among persons doing business, in an amount not to exceed \$100".
- c. Asking a supplier to alter the invoice date or shipping date from what would otherwise be shown to accommodate County accounting needs.
- d. Other than the employee or other delegated individual who is the official contact person identified in the Bid Solicitation document, discussing any aspect of the Bid Solicitation with a prospective supplier from the time the Bid Solicitation document is first issued until such time as an award report has been prepared and submitted to the appropriate approval authority.
- e. Employees of the County shall not have a pecuniary interest, either directly or indirectly, in any evaluation of or contract with the County or with any person acting for the County in any contract for the supply of goods and/or services for which the County pays or is liable to pay, directly or indirectly, unless such interest has been declared. Employees of the County are required to declare any pecuniary interest, either direct or indirect, in writing, to their Director with a copy to the Director of Corporate Services indicating the specific nature of the conflict. Any conflict of interest that cannot be isolated and resolved will be reported to the Chief Administrative Officer.
- f. Suppliers, their staff members, or anyone involved in preparing bids shall not engage in any form of political or other lobbying whatsoever or seek to influence the outcome of the purchasing process or subsequent Award. This restriction extends to all of the Corporation's staff and members of Council.  
 The Corporation may reject any bid by a supplier that engages in such lobbying, without further consideration, and may terminate that Supplier's right to continue in the purchasing process.  
 During a bid solicitation process all communications shall be made through Purchasing or the Department's designate when Purchasing did not issue the Bid Solicitation. No Supplier or person acting on

behalf of a Supplier or group of Suppliers, shall contact any elected official, consultant or any employee of the Corporation to attempt to seek information or to influence the Award.

Elected officials shall refer any inquiries about a Bid Solicitation process to the Director of Corporate Services.

- g. Accepting a bid from a County of Bruce employee, if any of the following are true:
  - (i) The employee is at or above the level of Director
  - (ii) The employee was involved in the development of the need for the work
  - (iii) The employee will be on the Evaluation Committee
- h. The employee will be in a conflict with the County's Code of Conduct or with the Collective Agreement/Contract provisions for their position or any other terms and conditions of their employment with the County.
- i. Accepting a Bid from a County of Bruce Municipal Councillor or a business he or she owns.
- j. Negotiating with a supplier, or accepts an offer from a supplier, to purchase a good or service for personal use at the same price that is being offered by the supplier to the County. This practice is called coat-tailing.

#### **4.0 Standardization**

Standardization enables multiple bidders to understand the process requirement, and to ensure that legal and insurance risks are controlled.

##### **4.1 Standardization of Documents**

- a. Standard formats and language will be developed under the direction of the Purchasing Manager, with the exception of specifications which are provided by the requesting Department.
- b. Where the County's standard documents are not being used, the document shall be provided to Purchasing for review prior to issuance or execution. Purchasing will recommend review by an outside legal entity if deemed to be in the best interest of the County.

##### **4.2 Standardization of Goods and Services**

Bruce County supports standardization among goods and services that are used on a regular basis and encourages corporate standards to be adopted where it is deemed beneficial to the County.

#### **5.0 Types of Procurement Processes**

##### **5.1 Direct Purchase: Less than \$25,000**

The Direct Purchase Process is used when goods or services are expected to cost less than \$25,000 and are required on a one time (non-repetitive) basis. It is recommended that price comparisons be requested for purchases from up to three suppliers where possible.

##### **5.2 Request for Quotation (RFQ): \$25,000 - \$75,000**

Procurement by Request for Quotation Process is used when goods or services are expected to cost more than \$25,000 but less than \$75,000, are required on a one-time (non-repetitive) basis, and the end user of the good or service has identified a clear or single solution. Sealed written quotations shall be sought from three (3) or more suppliers. All quotes must be open for a minimum of five (5) business days.

##### **5.3 Request for Tender (RFT) - \$75,000 and Greater**

A Request for Tender process is used when goods or services are expected to cost \$75,000 or greater and it is possible to obtain competitive bids based on precisely defined requirements. Tender request shall be issued only if it represents an approved budget item, or has stipulated in the Request for Tender that it is subject to Council approval. All tenders must be open for a minimum of ten (10) business days.

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

A Request for Proposal is used when the end user of the good or service does not have a precisely defined technical requirement and where there is no clear or single solution.

Professional consulting services shall be secured through a competitive Request for Proposal.

All proposals must be open for a minimum of fifteen (15) business days.

#### **5.5 Request for Information (RFI)**

A Request for Information can be used to build supplier interest and to see if there are enough suppliers to justify a full bid solicitation process. A RFI may or may not lead to a formal bid process.

#### **5.6 Suppliers Who Assist in Developing Specifications**

Where a Request for Information (RFI) is not used, and it is necessary to do more than seek basic information from a supplier it may be desirable to ask a potential supplier to help County staff design or develop specifications, or otherwise help define a requirement that goes beyond the normal level of service expected from a supplier. When such services are utilized the supplier will be considered as a consultant and a fee paid to the supplier based on a market competitive hourly rate.

#### **5.7 Direct Negotiation**

Unless otherwise provided in accordance with the Purchasing By-law and this Policy, goods and services may be purchased using the Direct Negotiation method when one or more of the following conditions apply;

- a. The required goods and services are available from only one source (also known as sole source), by reason of the scarcity of supply in the market or the existence of exclusive rights held by any supplier or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes;
- b. An extension or renewal of the contract may only be for similar goods and services;
- c. An attempt to purchase the required goods and services has been made in good faith using a method other than Direct Negotiation within this policy, it has failed to identify a successful supplier and it is not reasonable or desirable that a further attempt to purchase the goods and services be made using a method other than Direct Negotiation;
- d. The goods and services are required as a result of an emergency, which would not reasonably permit the use of a method other than Direct Negotiation;
- e. The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience;
- f. Where the lowest bid that meets specifications or tender terms and conditions exceeds the estimated cost of the goods and services;
- g. When all bids fail to comply with the specifications or tender terms and conditions and it is impractical to retender.

With respect to RFTs and RFQs the County may enter into negotiations with the lowest compliant bidder if the price is over a reasonable budgeted amount for the project based on the cost of similar previous projects and current market conditions. Should the County be unable to reach an agreement with the lowest compliant bidder, the County reserves the right to enter into negotiations with the next lowest compliant bidder, to cancel the bid opportunity or to present a report to Council, whichever is deemed to be in the best interest of the County.

#### **5.8 Single and Sole Sourcing**

##### **5.8.1 Single Sourcing**

Single Sourcing is a method of procurement whereby there is more than one vendor able to supply an award or contract awarded without a competitive bidding process.



Single Sourcing will be permitted if one or more of the following circumstances apply:

- a. The supply involves an emergency purchase.
- b. Disclosure of information in an open contract competition would breach some duty of confidentiality or compromise security.
- c. When the procurement is already covered by a lease-purchase Contract where payments are partially or totally credited to the purchase.
- d. When the required good or service is in short supply due to market conditions.
- e. When a Consultant has been used to provide a service, and additional work is required that builds upon or is dependent upon the previous work undertaken, and when it could not reasonably be determined at the time the original work was approved additional services would be required.
- f. For use of road construction or repair, the transportation costs and/or technical specifications will be taken into consideration specifically in the case of sand, stone, gravel, fill and pre-mixed concrete, and equipment rentals.

#### 5.8.2 Sole Sourcing

Sole Sourcing is a method of procurement whereby an award is issued without a competitive bidding process due to the fact that the supplier is the only source of supply for the required goods or services.

Sole Sourcing will be permitted if one or more of the following circumstances apply:

- a. A Supplier has a patent on the required product, thus creating a market monopoly.
- b. The supply relates to necessary unique replacement parts from an exclusive source of supply and there are no reasonable alternatives to the products.
- c. To maintain warranty or service Contract compliance for purchased products.

#### 5.9 Provisions for Exemptions

In the event the Director has a requirement to procure goods or services, but not follow this Purchasing by-law, then he/she must complete the Purchasing Policy Suspension form, and get the approval of the CAO and Purchasing Manager. The approved suspension form must be attached to the approved invoice so payment can be made.

#### 5.10 Bid Irregularities

The following list of bid irregularities should not be considered all inclusive.

The Purchasing Manager and, as may be warranted, in consultation with any or a selection of the following: respective Director, Director of Corporate Services, CAO and/or the Corporation's Solicitor, shall review irregularities not specifically listed and, acting in the best interests of the Corporation, have authority to waive such irregularities, permit correction to the irregularity or reject the submission.

BID IRREGULARITY	RESPONSE
1. Late Submissions	<ul style="list-style-type: none"> <li>• Rejection, not opened or read publicly</li> <li>• Submission to be returned to submitter</li> </ul>
2. Insufficient Financial Security (No bid bond/deposit or Agreement/Contract to bond or insufficient bid bond/deposit)	<ul style="list-style-type: none"> <li>• Automatic Rejection for no bid deposit</li> <li>• Automatic Rejection for no Agreement/Contract to bond</li> </ul>
3. Conditional Bids (Bids qualified or restricted by an attached statement)	<ul style="list-style-type: none"> <li>• Automatic rejection unless, in the opinion of the Director and the Purchasing Manager, the qualification or restriction is insignificant</li> </ul>

BID IRREGULARITY	RESPONSE
4. Illegible or obscure Bids, non-initialed erasures, non-initialed alterations.	<ul style="list-style-type: none"> <li>• Automatic rejection</li> </ul>
5. Documents, in which all necessary Addenda which have significant financial or scope implications in the opinion of the Purchasing Manager and user group, have not been acknowledged.	<ul style="list-style-type: none"> <li>• Automatic rejection</li> </ul>
6. Documents in which all necessary Addenda which do not have significant financial or scope implications in the opinion of the Purchasing Manager and user group, and have not been acknowledged.	<ul style="list-style-type: none"> <li>• 48 hours to submit</li> </ul>
7. Bids received by bidders who did not attend mandatory site visit(s).	<ul style="list-style-type: none"> <li>• Automatic rejection</li> </ul>
8. Bids received on documents other than those provided by Bruce County, when specified to do so.	<ul style="list-style-type: none"> <li>• Automatic rejection</li> </ul>
9. Failure to insert the bidder's business name in the space(s) provided in the mandatory Submission Pages.	<ul style="list-style-type: none"> <li>• Automatic rejection</li> </ul>
10. Failure to include signature of the person authorized to bind the bidder in the space provided on the Tender/Proposal Form.	<ul style="list-style-type: none"> <li>• Automatic rejection</li> </ul>
11. More than one submission from the same submitter and not Identified as an alternative or optional submission and no written withdrawal notice has been received.	<ul style="list-style-type: none"> <li>• The submission package bearing the most recent date/time stamp will be considered the intended submission and the previously date/time stamped submissions will be considered withdrawn and will be returned to sender, unopened.</li> </ul>
12. Bids Containing Mathematical Errors	<ul style="list-style-type: none"> <li>a) Where the amount of an item does not agree with the extension of the estimate quantity and the tendered unit price, the unit price shall govern and both the item amount and the total tender price shall be corrected accordingly.</li> <li>b) If both the unit price and the total price are left blank, the Bid will be rejected as incomplete.</li> <li>c) If the unit price is left blank but a total price is shown for the item, the total price shall govern and the unit price shall be corrected accordingly.</li> <li>d) If the tender contains an error in addition and/or subtraction in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied), the error shall be corrected and the corrected total contract price shall govern.</li> <li>e) Tenders containing prices which appear to be so unbalanced as to likely affect the interests of the County adversely will be clarified and may be rejected.</li> </ul>

BID IRREGULARITY	RESPONSE
13. Other minor irregularities	<ul style="list-style-type: none"> <li>The Purchasing Manager, in conjunction with the Director of Corporate Services shall have authority to waive irregularities, which they jointly consider to be minor.</li> </ul>
14. Any irregularity	<ul style="list-style-type: none"> <li>Despite all provisions herein contained, Council may waive any irregularity where it considers it to be in the best interests of the County.</li> </ul>

## 6.0 Approval Authority

Anyone given award approval authority under this by-law is accountable and responsible for ensuring that an approved budget exists, purchases do not violate any County, policy or statutory requirements, and they have met the audit requirements of the County.

### 6.1 Award Approval

**Council must approve an award, when one or more of the following applies:**

- a. When Provincial or Federal government requires Council to approve.
- b. The award cannot be accommodated within an approved budget and therefore requires a budget transfer or a pre-commitment against a future year's budget.
- c. The Chief Administrative Officer or Director of Corporate Services deems it in the County's best interest that Council approve the award.
- d. Council has specifically directed that Council approve the award.
- e. When a recommendation is made to award to a vendor who did not submit the lowest tender.
- f. Where authority to award has not been expressly delegated.
- g. Any contract anticipated to be financed by debentures.
- h. Where the net revenue amount proposed for acceptance is lower than the Council approved budget.

**The Department Director is authorized to approve the following:**

An award of a Request for Tender, Quotation or Proposal regardless of the size of the expenditure, provided that the award is to the lowest bidder and the expenditure is included in the approved budget.

Based upon roles and responsibilities within their department, Directors may delegate approval authority to staff in their Departments at the levels they deem appropriate.

### 6.2 Summary of Approval Limits

Appendix A to this By-law provides a summary of approval limits for the various procurement processes.

## 7.0 Circumstances Under Which a Bid Solicitation Process Is Not Required

There are a number of payments made in the ordinary course of business that are considered as a transfer of funds or fulfillment of legislated requirements, and do not require a Bid Solicitation process.

The following payments shall not require a Bid Solicitation process. Other payments may also be included at the discretion of the Director of Corporate Services (unless legislation states otherwise):

### 7.1 General Expenses

- a. Workers Safety Insurance Board Payments
- b. Payroll Deduction Remittances such as Income Tax, Unemployment Insurance Premiums, Employer Health Tax
- c. Debt principal, debenture and interest payments
- d. Sinking Fund Payments (fund set up to repay a bond when it matures)
- e. Loan and mortgage payments
- f. Licenses (e.g. vehicles, elevators, radios, and computer software)

- g. Real Property payments including purchases, leases, easements, encroachments and licenses, or the like
- h. Tax Remittances
- i. Building Lease Payments
- j. Utilities
- k. Insurance claims, damage claims, legal settlements and arbitration awards
- l. Employee/Council travel expenses
- m. Medicals, Physician Fees
- n. Grants to Agencies
- o. Petty Cash Replenishment
- p. County Charges to and from Area Municipalities
- q. Public Notices
- r. Preventative maintenance and repairs to vehicles
- s. Promotional material and supplies for County sponsored Charitable Campaigns

## **7.2 Payments to Other Organizations/Individuals**

- a. Other Municipalities
- b. Annual requisitions approved as part of the budget process to a local board or agency such as: Health Unit.
- c. Social Services agencies that provide service to the County through Service Agreement/Contracts such as Daycare and Hostel Operators.
- d. Municipal Property Assessment Corporation fees for property assessment services and support costs.
- e. Organizations on whose behalf the County has received donations and issued income tax receipts.

## **7.3 Professional and Special Services**

- a. Various transfers of financial benefit on behalf of individuals or households (such as social assistance, housing assistance, rent supplement, childcare centres, etc.).
- b. Canada Post
- c. Other Fees and Services
  - (i) Committee Fee
  - (ii) Counseling Services
  - (iii) Homemakers Services
  - (iv) Laboratory Services
  - (v) Legal Fees
  - (vi) Nursing Services
  - (vii) Specialized Services, ie. Red Cross or 211
  - (viii) Ongoing maintenance and licensing agreements for equipment such as existing computer hardware and software, telecommunications equipment, elevators and HVAC equipment
  - (ix) Freight Charges
  - (x) Performance/Artist's Fees
  - (xi) Banking and Underwriting Services, where covered by Agreement/Contracts
  - (xii) County's Agent of Record (Health Benefits)
  - (xiii) County's Auditors
  - (xiv) Marketing Promotion included in approved budget
  - (xv) Tradeshow / Exhibit Space
  - (xvi) Advertising services required in radio, television, newspapers or magazines
  - (xvii) Facilitators or speakers
  - (xviii) Fees related to real estate transactions such as commissions and legal fees

## **7.4 Refundable Employee Expenses**

- a. Advances
- b. Meal Allowances
- c. Miscellaneous - Non-Travel
- d. Travel Expenses
- e. Entertainment Expenses

## **7.5 Training and Education**

- a. Conferences
- b. Courses
- c. Conventions
- d. Magazines
- e. Memberships
- f. Periodicals
- g. Seminars
- h. Staff Development
- i. Staff Workshops
- j. Staff Reports
- k. Subscriptions

## **7.6 National Accounts**

- a. Tires
- b. Computer Hardware
- c. Other products where the manufacturer will sell directly to the County below their resellers' /distributors' prices

## **7.7 Flexibility to Add Additional Exempt Purchases**

The Director of Corporate Services is authorized to add similar expenditures to the list of payments in Section 7.0.

## **8.0 Dispute Resolution**

In the event any company or person who has been involved in the bidding or purchasing process as described in this by-law identify a dispute in regards to the process followed they will be afforded a fair and transparent process to all concerned.

## **9.0 Accessibility and Procurement**

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

The County of Bruce is committed to integrating accessibility into its procurement policy and procedures by:

- a. Conducting regular reviews and updates of procurement-related directives, policies, procedures, practices and standards.
- b. Including accessibility requirements in the procurement process.
- c. Reviewing feedback on the procurement process related to accessibility and taking appropriate action as needed.

## **10.0 Disposal of Surplus Goods and Real Property**

The disposal of surplus and obsolete goods shall be evaluated on a case-by-case basis. The originating Director or delegate has the authority to sell, exchange, or otherwise dispose of goods declared as surplus to the needs of the County, where it is cost effective and in the best interest of the County to do so.

## **11.0 Review Effectiveness of the Procurement Process**

### **11.1 Policy Review**

The Purchasing Manager, in consultation with a cross functional team of appropriate County staff, will conduct a detailed review of this policy within 6 months of its initial implementation, and then shall be reviewed every 24 months with any recommended amendments.

### **11.2 Factors to Be Considered During Review**

The review shall take into consideration current and future professional practices, industry standards, market conditions, recent court decisions, Federal/Provincial Government directions/policies, technological developments/advancements and sections in the policy where through application it becomes apparent that clarification is needed.

## Appendix A

### Procurement Processes and Levels of Approval Authority

**Note:** Sales taxes, excise taxes, goods and service taxes shall be excluded in determining the price of a contract for the supply of goods or services for the purpose of the relationship of the price to the pre-authorized expenditure limit.

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

Value Before Taxes	Procurement Process	Approval Authority to Spend	Approval Authority to Award	Report Requirement for Contract Approval
Less than \$25,000	<b><u>Direct Purchase</u></b> No formal or written quotation required. Recommended that price comparison be requested for purchases from up to three suppliers where possible.	Manager, or other “delegated” staff as specifically delegated by Director	Manager, or other “delegated” staff as specifically delegated by Director	Director’s Report to Council required if total department budget exceeded
\$25,000 but less than \$75,000	<b><u>Request for Quotation</u></b> Purchasing Manager is to be consulted prior to a Request for Quotation being issued greater than \$25,000. Sealed written quotations shall be sought from three or more suppliers where possible. All quotes must be open for a minimum of five (5) business days.	Manager, or other “delegated” staff as specifically delegated by Director	Manager, or other “delegated” staff as specifically delegated by Director	Director’s Report to Council required if total department budget exceeded
\$75,000 and greater	<b><u>Request for Tender</u></b> Purchasing Manager and the Department Director and/or delegates prepare the RFT documents. Purchasing posts the RFT on County website and may advertise in newspaper(s). <b>Securities may be required. Bids must be sealed.</b> All tenders must be open for a minimum of ten (10) business days.	Director and/or Chief Administrative Officer	Director and/or Chief Administrative Officer	Director’s Report to Council required if total department budget exceeded
N/A	<b><u>Request for Proposal</u></b> In lieu of a Request for Tender or Quotation when goods and services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions. For all professional consulting services. Purchasing posts the RFP on County website. All proposals must be open for a minimum of fifteen (15) business days.	Director and/or Chief Administrative Officer	Director and/or Chief Administrative Officer	Director’s Report to Council required if total department budget exceeded

Value Before Taxes	Procurement Process	Approval Authority to Spend	Approval Authority to Award	Report Requirement for Contract Approval
	<u><b>Single and Sole Source</b></u> There is more than one potential supplier, but a supplier is selected by a quote/tender without a Bid Solicitation or there is only one known supplier of the particular goods and/or services.	Director and Purchasing Manager must pre-approve greater than \$25,000	Manager, or other "delegated" staff as specifically delegated by Director	

Passed this 13th day of April, 2017

---

Mitch Twolan  
Warden

---

Donna Van Wyck  
Clerk

## Table of Contents

1.0	Goals, Objectives & Principles .....	1
1.1	Goals and Objectives .....	1
1.2	Purchasing Principles .....	1
2.0	References and Related Documents .....	2
3.0	Prohibitions .....	2
3.1	Prohibited Actions .....	2
4.0	Standardization .....	3
4.1	Standardization of Documents .....	3
4.2	Standardization of Goods and Services .....	3
5.0	Types of Procurement Processes .....	3
5.1	Direct Purchase: Less than \$25,000 .....	3
5.2	Request for Quotation (RFQ): \$25,000 - \$75,000.....	3
5.3	Request for Tender (RFT) - \$75,000 and Greater .....	3
5.4	Request for Proposal (RFP) .....	4
5.5	Request for Information (RFI) .....	4
5.6	Suppliers Who Assist in Developing Specifications .....	4
5.7	Direct Negotiation .....	4
5.8	Single and Sole Sourcing .....	4
5.8.1	Single Sourcing .....	4
5.8.2	Sole Sourcing .....	5
5.9	Provisions for Exemptions .....	5
5.10	Bid Irregularities .....	5
6.0	Approval Authority .....	7
6.1	Award Approval .....	7
6.2	Summary of Approval Limits .....	7
7.0	Circumstances Under Which a Bid Solicitation Process Is Not Required.....	7
7.1	General Expenses .....	7
7.2	Payments to Other Organizations/Individuals .....	8
7.3	Professional and Special Services.....	8
7.4	Refundable Employee Expenses .....	8
7.5	Training and Education .....	9
7.6	National Accounts.....	9
7.7	Flexibility to Add Additional Exempt Purchases.....	9
8.0	Dispute Resolution .....	9
9.0	Accessibility and Procurement .....	9
10.0	Disposal of Surplus Goods and Real Property.....	9
11.0	Review Effectiveness of The Procurement Process.....	9
11.1	Policy Review.....	9
11.2	Factors to Be Considered During Review .....	9
Appendix A.....		10
Procurement Processes and Levels of Approval Authority .....		10





## Background

On October 16, 2017 the cross-functional team met to review the Purchasing Policy and Procedure, as part of a 6-month post implementation review.

## Summary of Changes of Purchasing Procedure

Several things were noted to be changed to improve consistency and verbiage throughout. Further, the follow changes were identified to promote functionality and assist in eliminating our own "red tape."

### Changes

- Section 4.2 Request for Quotation: removed total project budget is exceeded and replaced with total department budget.
- Section 4.3 Request for Tender. Changed when a Department choses to single or sole source goods or services exceeding \$75,000 an operating strategy must be presented to: rationale must be presented by the requesting department. Changed because "operating strategy" was never clearly defined.
- Section 5.1 the term Department representative to Department delegate.
- Section 5.2 Tender Award. Changed "if lowest tender is not recommended, a report shall be submitted for approval to appropriate Committee..." to "if the tender recommended is outside the Departmental budget, a report shall be submitted for approval to the appropriate Committee..."
- Moved Section 6.0 Request for Proposal to new section 3.4 after Request for Tender. Added definition
- Section 6.0 Request for Proposal. Changed fifteen (15) business days to twenty-one (21) calendar days to fall in-line with Trade Agreements.
- Section 6.2 Negotiation and Award of the RFP. Changed d) if the lowest proposal is not recommended, a report to committee is required to: if the highest scoring proposal is outside the budget, but recommended a report to committee is required.
- Moved 6.3 Rejection of Bid when County/Bidder Relationship Impaired from subsection of RFP to its own section 7.0 so it applies to all methods of purchasing.
- Section 6.6 Lowest Bid Not Recommended to Bid Recommended is Outside the Budget. If the proposal recommended is outside the departmental budget, a report shall be submitted to committee.



#### Removed

- Entire Section 2.0 (Defining the Responsibilities for Procuring Goods and Services) to Section 6.0 of the *Purchasing Policy*. This was deemed more relevant as Policy material.
- If it is a Single or Sole Source, direct negotiation may be completed by the Purchasing Manager and/or delegate, because this statement conflicted with the Policy. Refer to policy for negotiation terms.
- “The weighting of the cost section of the evaluation criteria should not exceed 30%, but there may be cases where it is recommended to be higher than 30%.” Removed because it is contradictory and it is stated that the Purchasing Manager will provide recommendations for weighting elsewhere.
- The words “envelope” in the two-envelope process changed to “file” to denote the electronic submission/opening.
- Section 15.4 Exercise of Contract Renewal options and added to the Policy in section 7.5 as part of Negotiation.

#### Added

- The definition of “sealed file” as Evaluation of the RFP makes reference to this.
- Section 2.2 added details around electronic late submissions.
- Added section 9.0 - Purchasing on County Behalf
- Surplus and Obsolete Goods, added “in the following order”.



## The Corporation of the County of Bruce Purchasing Procedures

### Contents

The Corporation of the County of Bruce Purchasing Procedures .....	1
Definitions:.....	4
1.0 Types of Procurement Processes .....	10
1.1 Direct Purchase Less than \$25,000 .....	10
1.2 Request for Quotation (RFQ) \$25,000 - <\$75,000 .....	10
1.3 Request for Tender (RFT) \$75,000 and Greater .....	11
1.4 Request for Proposal (RFP) .....	12
2.0 Information to Bidders .....	13
3.0 Tender Submissions and Openings .....	13
4.0 Tender Award.....	14
4.1 Disclosure of Information, Proprietary Information .....	15
4.2 Withdrawal of Tender by Bidder .....	15
4.3 Re-Tendering .....	17
4.4 Contractual Arrangement for Request for Tenders.....	17
4.5 Invitational Tender.....	17
4.6 Pre-Qualification of Acceptable Bidders .....	17
5.0 Evaluation Criteria and Process of the RFP .....	18
5.1 Negotiation and Award of the RFP .....	19
6.0 Bid Anomalies .....	20
6.1 Rejection of Bid When County/Bidder Relationship Impaired.....	20
6.2 Tied Bids .....	21

6.3	All Bids Exceed Approved Budget .....	21
6.4	Bid Recommended Is Outside the Budget.....	22
7.0	Cooperative Purchasing .....	22
7.1	Purchasing on County Behalf .....	22
8.0	Request for Information (RFI).....	23
8.1	When Request for Information Is Used .....	23
9.0	Seeking Information from Suppliers .....	23
9.1	Suppliers Who Assist in Developing Specifications.....	23
10.0	Risk Management .....	24
10.1	Bid Deposits .....	24
10.2	Bid Bonds & Agreements .....	24
10.3	Other Guarantees.....	25
10.4	Liability and Property Damage Insurance, Workplace Safety and Insurance Board.....	26
10.5	Recommended Standard Insurance Amounts.....	26
11.0	Dispute Resolution .....	28
11.1	Exclusion of Bidders in Litigation.....	29
11.2	Exclusion of Bidders Due To Poor Performance .....	29
11.3	Rejection of Supplier's Bid .....	30
12.0	Emergency and Special Circumstances Procurement.....	30
12.1	Authorized Actions Related to an Emergency .....	30
13.0	Payments and Reports.....	30
13.1	Invoice Verification, Approval, Payment .....	30
13.2	Invoiced Quantities Exceed Estimates .....	31
13.3	Payment Basis for Exempt Expenditures .....	31
14.0	Disposal of Surplus Goods and Real Property .....	31
14.1	Surplus and Obsolete Goods .....	31
14.2	Disposition of Real Estate .....	32
15.0	Contract, Letters of Authorization .....	32
15.1	Contract or Authorization Letter.....	32

15.2 If A Contract Is Required ..... 32

15.2.1 Authorization of Contracts ..... 32

15.2.2 Documentation ..... 33

15.2.3 Term of Contract ..... 33

15.3 Amendments to Contracts ..... 33

15.4 Exercise of Contract Renewal Options ..... 33

DRAFT

## **Definitions:**

**“Accessibility Standard”**- means the Ontario Regulation 429/07 created under The Accessibility for Ontario with Disabilities Act, 2005 (AODA) which provides for standards to enhance the accessibility of an organization (“the Standard”). Under the Accessibility Standard, persons with disabilities will be given an opportunity equal to that given to others, to obtain, use or benefit from the goods and services provided by and on behalf of the Municipality.

**“Approval Authority”**- the specific authorization to proceed with procurement.

**“Approved Budget”**- a budget approved by the Council for the current fiscal year.

**“Authority”**- the legal right to conduct the tasks outlined in this By- Law as directed by Council.

**“Award”**- the acceptance of a bid or a quote.

**“Before Tax Amounts”**- prices and authority levels stated in this by-law do not include any applicable taxes.

**“Bid”**- an offer or submission from a bidder that is subject to acceptance or rejection.

**“Bidder”**- the person/business who responds to a Request for Quote, Tender or Proposal.

**“Bid Deposit”**- means currency, certified cheque, bank draft, bond surety issued by a surety company or other form of negotiable instrument submitted by a bidder as evidence of their commitment to do the work outlined in the Request for Quote or Tender.

**“Bid Solicitation”**- the act of requesting a bid from qualified potential bidders.

**“Chief Administrative Officer”**- means the Chief Administrative Officer (CAO) of the Corporation of the County of Bruce.

**“Coat-tailing”**- a prohibited practice where an employee negotiates with a supplier, or accepts an offer from a supplier, to purchase a good or service for personal use at the same price that is being offered by the supplier to the County.

**“Consultant”**- a vendor, who by virtue of a particular expertise, is hired by the County to undertake a specific task or assignment that may include designing specifications and preparing plans or programs, architectural services or consulting services.

**“Contract”**- a written binding Contract or Agreement between the County and the party/parties providing the goods and services at a specified price within a specified time frame, which has been duly authorized and executed in accordance with this By-law.

**“Cooperative Purchasing”**- coordination of County purchases with purchases

from other institutional organizations such as other municipalities, school boards, hospitals, universities and/or the taking advantage of Broader Public Sector pricing available through the Federal or Provincial Government.

**“Corporate Services – Finance Department”**- the administrative unit within the County’s Corporate Services Department that is responsible for administering the County’s Purchasing Policy.

**“Cost”**- the actual price of acquisition, including term discounts, freight charges, exchange rates but excluding applicable taxes.

**“Council”**- the Council of the County of Bruce duly elected.

**“County”**- the Corporation of the County of Bruce.

**“Cross-Functional Team”** - In conjunction with the Senior Management Team, be responsible for the administration of the purchasing policy and purchasing procedure, including the development, implementation and review.

**“Department”**- any Department within the County, including any board for which the county provides purchasing services.

**“Chair”**- the Chair of the respective Committee as appointed by Council annually.

**“Delegate”**- the person(s) authorized to represent a person identified in this By-law who has specific approval or signing authority.

**“Director”**- the senior manager of a Department within the Corporation of the County of Bruce.

**“Direct Negotiation”**- a non-competitive purchasing method and refers to the negotiation of an agreement for the purchase of goods and services with only one supplier.

**“Direct Purchase”**-used to purchase goods or services expected to cost less than \$25,000 and are non-repetitive.

**“Disposal”**- an act through which the County and/or Department gives up title to real or personal property, and includes a sale, a donation or the discarding of an item.

**“Emergency”**- a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health, welfare and/or property of the general public, and which requires actions to be taken to prevent serious damage, disruption of work, or to restore or maintain essential service to a minimum level. It Included, but is not limited to, a situation where, under the Management Act, as amended, and the County’s *Emergency Response Plan By-law 4129* the Warden has declared that a State of Emergency exists in the County or in any part thereof, and may take such action and make such orders as he or she considers necessary and are not contrary to law to implement the emergency plan of the municipality and to protect property and the health, safety and welfare of the

inhabitants of the emergency area.

**“Evaluation Criteria”**- request for proposal projects are analyzed on the basis of key criteria developed by user group.

**“Evaluation Committee”**- a committee of staff and/or consultants established to evaluate the proposal submissions according to the Evaluation Criteria, and is comprised of staff from the requesting Department, and where practical, at least one member from another Department.

**“External Approvals”**- a procurement requires further approvals external to the County, the report recommending award shall so indicate and such external approvals shall be obtained, where possible, prior to the Contract being executed and proceeding with the proposed procurement.

**“Firms”**- the company, group, business or individuals conducting business and supplying goods and services.

**“Goods and/or Services”**- any one or more of supplies, personal property, construction materials, construction services, insurance, employee benefits, construction of assets, and maintenance and service.

**“Independent Contractor/Operator”**- a contractor/operator with no insurable workers.

**“Invitational Tender”**- a procurement process used in lieu of a Request for Tender for goods or services and of a specialized or technical nature; or due to exceptional circumstances it is more efficient and cost effective to invite approved suppliers to quote without advertising.

**“Manager”**- the Manager of a Department or within a Department, a project or activity within The County of Bruce.

**“Performance Bond”**- “Performance Bond” is a surety that guarantees that the service provider will perform its obligations under the contract in accordance with the contract's terms and conditions and to provide the county protection, ensuring completion of the contract in the event of default of the service provider. It is a condition of this bond that it must remain valid for a period of two years from the date of substantial performance. If the definition of substantial performance does not exist than the surety will remain in place for two years from the date the work is ready for use or is being used for the purpose intended.

**“Personal Purchase”**- a purchase of goods and services, the requirement for which is not for the County or any of its purposes, but is personal to the person requesting the purchase.

**“Procurement”**- the obtaining of goods and/or services for use, whether on a permanent or on a temporary basis.

**“Professional and Consulting Service”**- a person or firm, who by virtue of



particular expertise is hired by the County to undertake a specific task or assignment that may include designing specifications and preparing plans, programs, or services.

**“Proponent”**- a supplier who has submitted a bid/tender for consideration.

**“Proposal”**- an offer received from a supplier for the supply of goods and/or services, in response to a Request for Proposals, acceptance of which may be subject to further negotiation.

**“Purchases”**- the acquisition of goods or services for which the County will undertake to pay, regardless of the cost being funded or subsidized by other levels of government.

**“Purchase Requisition”**- an internal written or online request for procuring goods and/or services.

**“Quotation”**- an offer received from a selected supplier for the supply of specific goods and/or services, in response to Request for Quotations.

**“Recall Action”**- the reissuance of a Request for Tender or Quotation because the original request resulted in no acceptable bids being received

**“Request for Information (RFI)”**- a request by the County seeking responses from potential suppliers for the purpose of gathering information from the marketplace to provide a scope of work or services contemplated to be procured by the County.

**“Request for Pre-Qualification (RFPQ)”**- a request by the County preceding a Request for Proposal, Request for Quotation or a Request for Tender seeking submissions from potential suppliers where it is deemed that the nature and complexity of the work involved warrants the time and effort required to pre-select the most experienced and qualified suppliers.

**“Request for Proposal (RFP)”**- a form of bid solicitation whereby the end user of the good or service does not have precisely defined requirements and where there is no clear or single solution. Used for all consulting services.

**“Request for Quotation (RFQ)”**- Document used in soliciting price when a good or service is required on a non-repetitive basis, and the end user has defined a single solution.

**“Request for Tender (RFT)”**-form of bid solicitation whereby the County publishes the specifications, terms, conditions and details concerning the proposed Contract and advertises for, or invites suppliers to submit sealed bids in response to detailed specifications.

**“Responsive and Responsible Bidder”**- a bidder who complies with the provisions of a bid solicitation, including specifications, and contractual terms and conditions, and who can reasonably be expected to provide satisfactory

performance on the proposed Contract based on, in part, reputation, references, performance on previous Contracts, and sufficiency of financial and other resources.

**“Single Source”**- a situation where there is more than one potential supplier, but a supplier is selected without a bid solicitation.

**“Sealed File”**- In a “two envelope” procurement process, pricing files submitted will only be opened if the evaluated proposal is awarded a minimum number of points as pre-determined by the Evaluation Committee. All proposals submitted electronically to the County’s third party website provider will be automatically sealed until the time of opening.

**“Sole Source”**- a situation where there is only one known supplier of the particular goods and/or services.

**“Special Circumstances”**:

- a. an event that is exceptional or could not be foreseen and is likely to pose a threat to the health, safety or welfare of the public
- b. an event that, unless immediately addressed, is likely to cause significant loss or damage to property;
- c. an event that has disrupted any essential service that needs to be re-established without delay; or
- d. an emergency as defined in the Emergency Management Act, R.S.O. 1990, c. E.9, as amended, or any successor legislation thereto;

**“Splitting of Purchases”**- the separation of a purchase into two or more invoices, with the intent of circumventing the provisions of this By-law.

**“Substantial Performance and Completion”**- Excerpt from the Construction Lien Act, R.S.O. 1990, c. C.30:

- 2. (1)** for the purposes of this Act, a contract is substantially performed,
- a. when the improvement to be made under that contract or a substantial part thereof is ready for use or is being used for the purposes intended; and
  - b. when the improvement to be made under that contract is capable of completion or, where there is a known defect, correction, at a cost of not more than,
    - (i) 3 percent of the first \$500,000 of the contract price,
    - (ii) 2 percent of the next \$500,000 of the contract price, and
    - (iii) 1 percent of the balance of the contract price. R.S.O. 1990, c. C.30, s. 2 (1).

**“Supplier”**- a person or company from whom the County may purchase or lease goods and/or services.

**“Tender”**- an offer received from a supplier for the supply of goods and/or services, in response to a Request for Tender, the acceptance of which will result

in the formation of a contract or agreement.

**“Vendor of Record (VOR)”**- a procurement arrangement resulting from a fair, open, transparent and competitive procurement process that authorizes one or more vendors(suppliers) to offer specific goods or services to the County for a defined time period, with terms and conditions and pricing as set out in the particular VOR Agreement. The use of VOR arrangements approved by the Purchasing Manager is mandatory. VOR established by the Provincial and Federal Governments may also be used when procuring on behalf of the County.

**“Warden”**- the duly elected Warden of the County of Bruce or the person(s) appointed by Council to act in the Warden’s stead.

DRAFT

## **1.0 Types of Procurement Processes**

### **1.1 Direct Purchase Less than \$25,000**

The direct purchase process is used when goods or services are expected to cost less than \$25,000 and are required on a non-repetitive basis. It is recommended that price comparisons be requested for purchases from up to three suppliers and that the *Direct Purchasing Form* be used.

### **1.2 Request for Quotation (RFQ) \$25,000 - <\$75,000**

Request for Quotation (RFQ) is used when goods or services are expected to cost more than \$25,000, but less than \$75,000 and are required on a non-repetitive basis, and the end user of the good or service has defined a single solution. Sealed written quotations shall be sought, from three (3) or more suppliers where possible. The Purchasing Manager and/or Buyer coordinates the process.

All quotes must be open for a minimum of seven (7) business days. When quotations are received, they shall be dated and the timestamped. Paper submissions shall also be initialed. All RFQ's will be received by the Corporate Services Department, in a sealed bid format and placed in a secure location until the time of opening.

Any paper submission quotations received after the deadline shall be initialed, dated, the time noted thereon using the internet's atomic clock and returned unopened immediately. A letter advising that the quotation was received after the deadline shall accompany the returned unopened quotation. A late electronic submission will be identified through the Purchasing platform.

If it is the lowest quotation received, the appropriate Director or delegate may award the quotation provided the goods and services are budgeted. If the recommended quotation is outside of the Departmental budget, a report shall be submitted to the appropriate committee detailing the reasons and requesting approval to award. The Report to Committee will be completed by the Director of the requesting Department.

The quotation award should be in writing in the form of an e-mail confirmation or award letter.

Copies of the written quotes & quote summary shall be attached to the invoice for

processing.

Any sole or single sourcing with an amount between \$25,000 and less than \$75,000 must be reported by the applicable Director or delegate to the Purchasing Manager or delegate for written approval before the purchase is made. See Purchasing Policy 7.6 Provisions for Exemptions. If it is a Single or Sole Source, direct negotiation may be completed by the Purchasing Manager and/or delegate, or the Director and/or delegate.

### **1.3 Request for Tender (RFT) \$75,000 and Greater**

Request for Tender (RFT) process is used when goods or services are expected to cost \$75,000 or greater and it is possible to obtain competitive bids based on precisely defined requirements. Tender request shall be issued only if it represents an approved budget item, or has stipulated in the Request for Tender that it is subject to Council approval.

- a. It is a sealed Bid Process only
- b. E-mail and fax submissions will **NOT** be accepted
- c. A bid deposit is required unless the Purchasing Manager has determined it is in the County's best interests not to request a bid deposit. Refer to Section 10.0 - Risk Management for bid deposits and other guarantee requirements
- d. The Request for Tender may be preceded by a Request for Pre-Qualification or Request for Information
- e. All tender opportunities will be placed on the County's website and may also be placed in relevant media  
All tenders must be open for a minimum of fourteen (14) calendar days. If the cost for goods and services is >\$100K or Construction >\$250K the Tender must be open for 40 calendar days to comply with CETA/CFTA. Where applicable, all tender opportunities shall contain the following information:
  - a. Name of the municipality or municipalities requiring the goods and/or services
  - b. Tender number
  - c. Type of good, service, or project
  - d. Name of the Purchasing Manager or delegate to receive the tender
  - e. Date, time and location of the closing of the Request for Tender
  - f. Date, time and location at which the tenders will be opened and if there will be a public opening
  - g. Location where plans, specifications, or other details may be obtained,

- if not posted on the County's website
- h.** Fee, if any, for contract documents
- i.** Description of any bid deposit and/or performance security that must accompany the tender See Section 10.1 for bid deposit details.
- j.** The statement "the lowest or any tender not necessarily accepted"  
The tender document for goods will include:
- k.** vendor demonstrating compliance with the Retail Sales Tax requirements
- l.** Official Forms of Tender
- m.** Scope of work material i.e. specifications etc.  
The tender document for Services will include:
  - a.** Vendor demonstrating compliance with the Retail Sales Tax requirements,
  - b.** Official Forms of Tender
  - c.** Scope of work material, i.e. specifications etc.
  - d.** Requirement for Contractor to provide proof of registration with the Workplace Safety Insurance Board (WSIB), or confirmation they are an Independent Contractor for non-construction work only
  - e.** Request for Proof of Insurance
  - f.** County's "Notice to Contractors" respecting the Corporate Statement on Occupational Health and Safety (Appendix A)
  - g.** Accessibility Regulations for Contracted Services

In order for a Department to sole or single source goods or services exceeding \$75,000, rationale must be presented by the requesting Department Director to the Chief Administrative Officer for approval. Input must be sought from the Purchasing Manager in advance to ensure purchasing principles are taken into consideration and risk to the County is minimized. See Purchasing Policy 7.5 Provisions for Exemptions.

If it is a Single or Sole Source, direct negotiation by the Purchasing Manager and/or delegate, or Department Director and/or delegate is acceptable. If the recommended quotation is outside of the Departmental budget, a report shall be submitted to the appropriate committee detailing the reasons and requesting approval to award.

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

A Request for Proposal is used when the end user of the good or service does not have precisely defined requirements and where there is no clear or single

solution. This may be preceded by a Request for Pre-Qualification, or a Request for Information. The Request for Proposal process is designed to select the proposal that earns the highest score in accordance with the evaluation criteria. Sealed proposals shall be submitted through an electronic platform. A bid deposit may be required at the discretion of the Purchasing Manager. Professional consulting services shall be secured through a competitive Request for Proposal.

All proposals must be open for a minimum of twenty-one (21) calendar days. If the cost for goods and services is > \$100K or Construction >\$250K the Tender must be open for 40 calendar days to comply with CETA/CFTA.

## **2.0 Information to Bidders**

The Purchasing Manager or delegate will supply written answers to all supplier questions with a copy to all bidders in the form of an addendum when required to prospective bidders:

## **3.0 Tender Submissions and Openings**

- a. When tenders are received, they shall be dated and the timestamped. Paper submissions shall also be initialed. All RFT's will be received by the Corporate Services Department, in a Sealed Bid format and placed in a secure location until the time of opening.
- b. Any tender received after the deadline shall be initialed, dated, the time noted thereon using the internet's atomic clock and returned unopened immediately. A letter advising that the tender was received after the deadline shall accompany the returned unopened tender.
- c. Public openings are mandatory with the RFT process. If suppliers are in attendance for a public opening the names and total prices offered of only those Bidders who submit compliant bids will be read. The tendered amount should be before HST, then add HST and read the final total amount. In a public opening, it will be announced that all bids will be reviewed for math and tender details prior to award.
- d. If only a single bid is received and is found to be valid after opening, the amount is not read to the public to protect the bidder in the event of a re-tender.
- e. If only two bids are received, both bids are opened and examined for validity before the price is read. If one bid is invalid, this fact is stated and its price is not read. The remaining bid is treated as a single bid and its price is not read to the public in the event of a re-tender.
- f. If more than two bids are received, and all bids are found to be invalid

upon opening due to obvious errors or missing documents, then the amounts will not be read to the public to protect the bidders in the event of a re-tender.

- g.** All tenders shall be opened in the presence of requesting Departmental delegate, a non-Departmental representative and at least one of the following: Purchasing Manager, Buyer or delegate.
- h.** Purchasing to complete a summary report of the tender results and forward to the requesting Department.

#### **4.0 Tender Award**

The tender is typically awarded to the lowest priced Bidder who satisfies all specifications/requirements included in the Request for Tender.

When provisional items are tendered, the lowest price is considered to be the total cost of the base price, plus the cost of the chosen provisional items to be purchased.

If the tender recommended is outside the Departmental budget, a report shall be submitted for approval to the appropriate Committee detailing the reasons. A summary of tenders awarded shall be submitted quarterly (at a minimum) to Committee to inform:

- a.** The amount that was budgeted for the tendered goods, services or project
- b.** The firm which was awarded the Tender, if the Tender is awarded
- c.** The amount of the successful Tender
- d.** Tenders cancelled or postponed, with reason

For contracts where a performance bond is required, the deposit cheque of the successful bidder and second low bidder shall be retained by the County until such time as the said performance bond has been supplied in a form satisfactory to the County, and the Agreement/Contract has been executed with the successful bidder.

For contracts that do not require a performance bond, the deposit cheque of the successful bidder will be retained by the County until such time as the goods or services have been received, or completed to the satisfaction of the County. The cheque of the second low bidder will be retained until the Agreement/Contract has been executed with the successful bidder.



The deposit cheques of the third and higher unsuccessful bidders will be returned to each bidder's address as shown on the tender form as soon as is practical after the acceptance of the tenders.

If the successful bidder fails to enter into a contract, or fails to perform the contract, or fails to provide the goods and/or services, the Director and/or the Chief Administrative Officer may recommend one of the following to Council:

- a. That the tender shall be awarded to the second low bidder  
OR
- b. That the original competition shall be cancelled and re-tendered. In either case, the deposit of the successful bidder shall be forfeited.

#### **4.1 Disclosure of Information, Proprietary Information**

The disclosure of information, contained in a bid, or Agreement/Contracts emanating from Bid Solicitations, shall be made by the appropriate officers of the County in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended and any other applicable legislation.

If a Bidder considers any part of their bid proprietary, the bidder shall clearly mark such page or section of the bid as confidential. This procedure will not automatically protect the information from release, but will assist the County in making a determination on release if a request is made under the Municipal Freedom of Information and Protection of Privacy Act, as amended.

#### **4.2 Withdrawal of Tender by Bidder**

- a. Prior to Tender Closing:
  - (i) Tenders may be withdrawn without a bidder giving any reasons, provided such withdrawal is done in writing and provided it is requested before the closing date and time. Tenders confirmed as withdrawn will be returned unopened to the bidder after the opening of tenders has been completed. Withdrawal notices will be read at the time the tenders are opened. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same competition before the closing date and time.
  - (ii) If more than one tender is received from the same bidder, and no withdrawal notice has been filed, the tender contained in the envelope bearing the time closest to the competition closing time shall be considered the intended bid. Any other tenders received

from that bidder shall be considered withdrawn, and shall be returned in the prescribed manner.

**b. After Tender Closing but Prior to Award:**

- (i)** A bidder may be allowed to withdraw a bid after tender closing, but prior to award, if an honest and valid mistake was made. Documented evidence must be provided by the supplier requesting the withdrawal. If an obvious material error was made by the supplier, and the error is clearly supported, the supplier may be allowed to withdraw the bid without penalty.
- (ii)** If the supplier requesting the withdrawal of a bid is the lowest of the qualified bidders, the Purchasing Manager must decide whether an honest error was made. If satisfied that the reasons justify a withdrawal, the contract will be awarded to the next lowest bidder.
- (iii)** If the claim for error is not clearly supported, the supplier then has the option of proceeding with the tender, or forfeiting the bid security after the tender is awarded by refusing to enter into a contract.

**c. After Award:**

- (i)** A bidder requesting approval to withdraw a bid after having been awarded a contract must make their case in writing and then in person with the Purchasing Manager and applicable Department representative.
- (ii)** If it is decided the withdrawal request is reasonable and justified, the supplier will be notified in writing that the withdrawal is accepted with or without penalty.
- (iii)** If it is decided the request to withdraw is unreasonable, staff will proceed in the same manner as withdrawal of lowest bid. The Purchasing Manager may also decide that further punitive action is warranted, in addition to forfeiting the bid security.

The Purchasing Manager and the Director of Corporate Services reserve the right to remove from its list of bidders, for an indeterminate period, the name of any bidder who fails to execute or accept a contract or for unsatisfactory performance on any previous or current contract held with the County or if the bidder is currently involved in/or responsible for litigation of any kind against the County.

If the lowest bidder withdraws and there is a large price difference between the withdrawing bidder and the next lowest bidder, the Purchasing Manager may decide to re-tender rather than to award the contract to the next lowest bidder.

### **4.3 Re-Tendering**

#### **No Bids Received:**

- a. Re-tender action may take place at the discretion of the Purchasing Manager. If re-tender action is taken, such as when no bids are received, a suitable time interval is allowed to enable staff to discover the reason, if any, for the lack of bids received, and possibly revise the tender.
- b. In the event, there is a substantial change to a previously quoted scope of work, before the contract is awarded, a new Request for Tender will be issued with revised specifications.

### **4.4 Contractual Arrangement for Request for Tenders**

The contract may be an Award Letter or Agreement/Contract and will be completed by the Purchasing Manager or the requesting Department.

### **4.5 Invitational Tender**

When the issuance of a Public Request for Tender is deemed to be less efficient and effective than inviting qualified suppliers to submit bids. A minimum of three suppliers is recommended, although inviting more than three suppliers to bid is preferred. This requirement shall be waived in the case of goods or services that can only be provided by fewer than three suppliers due to unique specifications or specialized services.

An Invitational Tender should only be issued in exceptional circumstances. The Director must get pre-approval from the Purchasing Manager and the CAO through a Purchasing Policy Suspension form.

### **4.6 Pre-Qualification of Acceptable Bidders**

The provisions of this section shall apply in situations where it is deemed by the Purchasing Manager or delegate, in consultation with the requesting Director or delegate that it is necessary to pre-qualify bidders prior to the commencement of the competitive Sealed Bid process.

The purpose of pre-qualification is to ensure that each bidder can demonstrate they have the ability to provide the necessary expertise and resources to satisfactorily complete the work required. Pre-qualification shall only be considered in one or more of the following circumstances:

- a. The work involves complex, time sensitive, multi-disciplinary activities, specialized expertise, equipment, materials, or financial requirements.

- b. The work is such that Contract administration costs (work inspection, follow-up, and extra fee negotiations) could result in a substantial cost to the county if the work is not satisfactorily performed the first time.
- c. The goods or services to be purchased must meet national safety standards, or if no standard has been established, require a demonstrated acceptable level of performance.
- d. The work is considered “high risk” with respect to regulations governed under the Occupational Health and Safety Act.
- e. Where it is felt limiting the number of Bidders who can submit a bid for the final competitive Bid Solicitation process will increase the quality of bids submitted by each, as they know competition has been limited and their chances of success are increased.

Pre-qualification is completed before the bid solicitation process. Pre-qualification sets out criteria requiring bidders to provide information including, but not limited to:

Experience on similar work:

- (i) Staff experience/education/accreditation
- (ii) References provided from other customers for similar work
- (iii) Verification of applicable licenses and certificates
- (iv) Health and Safety policies and staff training
- (v) Financial capability including credit rating
- (vi) History of being able to complete projects on schedule

Appropriate staff and/or consultants, at the direction of the requesting Director or delegate(s), in consultation with the Purchasing Manager, will evaluate and rank the submissions and approve a short list of acceptable suppliers who will be invited to participate in the subsequent procurement process.

## **5.0 Evaluation Criteria and Process of the RFP**

- a. The evaluation criteria and weighted value of each criterion are to be clearly identified in the Request for Proposal document.
- b. The Purchasing Manager shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation scheme using a RFP. This may include, but is not limited to, factors such as qualifications and experience, strategy, approach, methodology, scheduling, past performance, facilities, equipment, and pricing. Weighting of the criteria will be the responsibility of the requesting Department, with input from the Purchasing Manager or delegate where required.

- c. The requesting Department may identify appropriate criteria from the list maintained by the Purchasing Manager for use in a RFP, but are not limited to criteria from the list. Cost will always be included as a factor, as best value includes both quality and cost.
- d. The Director or delegate of the requesting Department shall approve the evaluation criteria and process prior to issuance of the RFP.
- e. A “two-envelope” approach is recommended whereby the proposed price is in one sealed file and the proposal itself is in a second sealed file. The price file will only be opened if the evaluated proposal is awarded a minimum number of points as pre-determined by the Evaluation Committee before any proposals are opened, with the Purchasing Manager’s input. Unopened price files will be retained with the applicable proposal.
- f. Public openings are not required with the RFP process.
- g. Each member of the Evaluation Committee shall confirm in writing that they have No Conflict-of –Interest prior to evaluating any proposals received.
- h. An Evaluation Committee, composed of a minimum of two County staff members, and where applicable one consultant who is overseeing the project, shall review all proposals against the established criteria to reach consensus on the final rating results. The Purchasing Manager or Buyer will facilitate the scoring process of the submissions and prepare a summary report of the Criteria ratings with the recommended proponent.
- i. Supporting documents will be forwarded to Purchasing and kept in the respective procurement file.

### **5.1 Negotiation and Award of the RFP**

- a. Negotiation with Proponents after submission on any or all of the specifications, contract terms and/or price before award may be necessary and shall be completed by the Purchasing Manager or Buyer.
- b. Public reporting will not include summaries of bids, as this information will remain confidential. Any public disclosure of information shall be made in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990.
- c. Unsuccessful proponents may, upon their request to the Purchasing Manager, meet with the requesting Department’s manager or Director, with the Purchasing Manager in attendance to review their submission. Discussions relating to any proposal submitted, other than that of the proponent present, will be strictly prohibited. This debriefing session is intended to provide general feedback regarding the proponent’s rating on

various criteria and to help the proponent understand where improvements might be made on future submissions.

- d. If the highest scoring proposal is outside of the budget, but recommended, the requesting Department Director or delegate shall prepare a report for the appropriate Committee providing a ranking of the qualified firms (1, 2, 3, etc.) and a recommendation. The report shall include:
  - (i) Names of the firms that submitted proposals
  - (ii) Name of the recommended firm
  - (iii) Criteria used in the selection process
  - (iv) Total fee for the project
  - (v) Fee for the lowest priced proposal that met the minimum criteria to consider their price
  - (vi) Amount budgeted for the project, and
  - (vii) Purpose of the project
  - (viii) The contractual arrangement for a Request for Proposal is an Award Letter or Agreement/Contract.

## **6.0 Bid Anomalies**

### **6.1 Rejection of Bid When County/Bidder Relationship Impaired**

- a. The County may reject a bid from a supplier where, in the opinion of both the Purchasing Manager and the Director of Corporate Services, the commercial relationship between the County and the supplier has been impaired by the act(s) or omission(s) of the supplier, within the five-year period immediately preceding the date on which the bid is to be awarded.
- b. The act(s) or omission(s) include, but are not limited to, the following:
  - (i) Threatening litigation, or pursuing litigation of the County, in relation to previous contracts awarded to the bidder by the County, or a person against whom the County is pursuing litigation. Threatening litigation means transmitting a written threat to commence a judicial proceeding.
  - (ii) A claim has been made by the County to the supplier under a security submitted by the supplier, such as a bid deposit, performance bond or materials and labour bond.
  - (iii) The supplier has refused to follow reasonable directions of the County or to cure a default under any Contract with the County.
  - (iv) The supplier refuses to enter into a Contract with the County after the supplier's Bid has been accepted by the County.
  - (v) The supplier has communicated, directly or indirectly, with any other supplier about the preparation of the supplier's bid for the same

work.

- (vi) The supplier or any person with whom that supplier is not at arm's length within the meaning of the *Income Tax Act* (Canada), as amended, has been convicted of an offence under any taxation statute in Canada.
- (vii) The supplier has been convicted under the *Criminal Code* or other legislation.
- (viii) The supplier has been convicted under any environmental legislation.
- (ix) The supplier has been convicted relating to product liability or occupational health or safety.
- (x) The supplier has been convicted under the financial securities legislation.

## **6.2 Tied Bids**

In the event two bids are tied on total price, and neither bidder has offered an early payment discount and all things are equal the award decision will be decided by a coin toss. This will be in the presence of the respective bidders, Purchasing Manager or delegate and respective Director or Director of Corporate Services. The bidder who submitted their bid first by the date/time stamp gets to choose heads or tails.

The coin will be tossed by the Purchasing Manager, or delegate three times. The coin must land on a desk on each toss. The most heads or tails two out of three times will be the successful party.

Prior to the coin toss proponents will be requested to sign a *Tie Bid Declaration* form agreeing to abide by the process and result and waive any legal action against the County.

If more than two Bidders are equal in total price the determination of the successful Bidder shall be established by Lot (Director of Corporate Services drawing a name from a container) in the presence of the low Bidders, Purchasing Manager or delegate and Director or delegate.

## **6.3 All Bids Exceed Approved Budget**

In the event that all bids exceed the approved budget, and staff is not prepared to seek additional funding, the requesting Director may, in consultation with the Purchasing Manager:

- a. Approach the lowest compliant bidder to seek options to change the

scope of work, such as reducing individual line item quantities, and obtain a corresponding price change or unit price hold for the reduced scope. In the event the lowest bidder cannot reduce their price the second lowest bidder may be approached.

- b. Advise all bidders that the bid solicitation process will be cancelled, a review of the scope of work will be undertaken and a new bid solicitation may be issued later.

#### **6.4 Bid Recommended Is Outside the Budget**

Keeping the County's purchasing principles in mind, if the proposal recommended is outside the Departmental budget, a report shall be submitted by the Director to the appropriate Committee for approval, detailing the reasons.

### **7.0 Cooperative Purchasing**

Participating in a Cooperative Purchase requires the written prior approval of the Purchasing Manager when the value is over \$25,000.

The County may issue a competitive solicitation in which the County is the largest purchaser. All other participating agencies shall be invited to the opening of the bids submitted.

The County may also participate with other government agencies, including the Provincial and Federal Government, or public authorities in cooperative purchases when it is in the best interest of the County to do so as determined by the Purchasing Manager and requesting Department. The procedures and policies of the agency issuing the competitive solicitation will be followed. The County participation can be either at the initial stages as part of a competitive bid solicitation that is being issued by the agency or after award to obtain the agency prices.

Each agency will obtain appropriate approval, prepare and execute an Agreement/Contract where required, order, receive, inspect and pay for the good and/or service it uses.

#### **7.1 Purchasing on County Behalf**

When the County is engaged in a joint project with another Municipality in which the other Municipality is responsible for the procurement of goods and services, the issuing Municipality's Purchasing Policy will supersede. The engaged Department will require copies of bid submissions and will review with Purchasing Division prior to authorizing the Municipality to Award.



## **8.0 Request for Information (RFI)**

### **8.1 When Request for Information Is Used**

- a. A Request for Information can be used to build supplier interest and to see if there are enough suppliers to justify a full bid solicitation process.
- b. A RFI may or may not lead to a formal bid process. The Request for Information may request detailed information including, but not limited to:
  - (i) company background
  - (ii) who the interested parties are
  - (iii) what they can offer
  - (iv) what they can do for the County

### **9.0 Seeking Information from Suppliers**

Preparation of the operating or capital budget or specifications for procurement may require information from potential bidders to determine what is available. Contact with suppliers does not preclude them from responding to a bid solicitation that may be subsequently issued when the following conditions are met:

- a. Staff may contact potential suppliers or meet with potential suppliers informally in the gathering of information process. Meetings could be in the form of office sales calls, demonstrations, trade shows, site visits, etc.
- b. When discussing, requesting, or receiving information from suppliers, staff must inform the suppliers that the nature of the undertaking is exploratory and for information or budgetary purposes only, and that any subsequent request to purchase will be conducted according to the County's Purchasing By-law.
- c. No commitment can be made to any supplier.
- d. No information can be given to a supplier that would give the supplier an advantage in a future Bid Solicitation.
- e. Information that may be sought; an estimated cost and scope of work, maintenance, availability, standardizations, warranty, delivery time, training, licensing, certifications and alternatives.

### **9.1 Suppliers Who Assist in Developing Specifications**

It may be desirable to ask a potential supplier to help County staff design or develop specification, or otherwise define a requirement that goes beyond the normal level of service expected from a supplier.

When such services are utilized:

- a. The supplier will be considered as a consultant and a fee paid to the supplier based on a market competitive hourly rate.

- b. The detailed specifications shall be approved by the requesting Department Director or delegate and shall become the property of the County for use in obtaining competitive bids.

## **10.0 Risk Management**

### **10.1 Bid Deposits**

Purchasing, in consultation with the requesting Department, will determine whether a bid deposit will be part of the bid submission requirements and the bid deposit amount.

The amount of the bid deposit will be reflective of the project budget while offering adequate protection to the County in case of default by the bidder and will be 8-10% of the estimated project budget.

Bid deposits will be provided, in their original form and signed, in one of the following methods and shall be clearly specified in the bid documents:

- a. Certified cheque made payable to the Corporation of Bruce County
- b. Bank draft made payable to the Corporation of Bruce County
- c. Money order made payable to the Corporation of Bruce County
- d. A bid bond or an Agreement/Contract to Bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming the Corporation of the County of Bruce as the obligee.

Only when the County allows for sealed electronic bid submissions will an electronic copy of the bid deposit be acceptable.

### **10.2 Bid Bonds & Agreements**

Bid bonds and Agreement/Contracts to Bond must be irrevocable for a minimum of sixty (60) days but can be requested to remain irrevocable for a longer period at the discretion of the requesting Department.

- a. The County will not pay interest on any bid deposits, and all bid documents issued by the County shall include a statement to this effect.
- b. The County is authorized to access any bid deposit in its possession that is forfeited as a result of bid withdrawal after closing.
- c. All deposits will be returned to the respective bidders within 10 days after

tenders are opened, except those which the County elects to hold until the successful bidder has executed the Contract and signed the Form of Agreement. The deposit of the successful bidder shall be returned upon receipt of the performance bond and the signed contract. The tender deposit of the successful bidder shall be forfeited by the bidder should they fail to execute a contract and provide the satisfactory bonds, referred to in 9.1, within ten (10) days after receiving written notice from the County of the award of the contract to him.

The County reserves the right to utilize the awarded company's bid deposit as a performance bond if there are no additional guarantees required.

### **10.3 Other Guarantees**

Purchasing, in consultation with the requesting Department shall select the appropriate means to guarantee execution and performance of the Contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks.

Bidders may be required to provide the following additional bonding:

- a.** Performance Bond, to guarantee the faithful performance of the Contract when the Contract is over \$75,000.

The performance bond must be kept for two (2) years from the earlier of:

- (i)** the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intended

OR

- (ii)** the date on which the Principal is declared in default by the Obligee.
- b.** Labour and Material Bond to guarantee the payment for labour and materials that are supplied from the contractor's direct suppliers and sub-contractors in connection with the contract.
- c.** Maintenance Bond to guarantee the fulfillment of the contractor's obligation under the warranty clause of the contract. Such bonds shall be a minimum of 50% of the Bid amount unless otherwise approved by Purchasing. Purchasing shall ensure that the guarantee methods selected will:
  - a.** not be excessive but sufficient to cover financial risks to the County,
  - b.** provide flexibility in applying leverage on a supplier so that the penalty is proportional to the deficiencies, and

- c. comply with Provincial statutes and regulations.

On all work completed with a contract value over \$75,000 all amounts invoiced prior to substantial performance will be subject to a 10% holdback as per the Construction Lien Act 1983. The General Contractor should provide a Statutory Declaration (CCDC9A) with each progress draw.

Once the work has been substantially performed or completed the General Contractor must advertise it in *The Daily Commercial News*. A lien search will be conducted on the 46<sup>th</sup> day after the substantial performance has been advertised.

If no lien is registered, the General Contractor may then submit application for final payment. Application for final payment must include:

- a. Final invoice showing all previously paid progress draws.
- b. Provide to the County a Certificate of Publication.
- c. Statutory Declaration, CCDC 9A
- d. WSIB clearance Certificate

Prior to providing notice to release the holdback, the requesting Department Director or delegate must ensure all terms and conditions of the contract have been completed to his/her satisfaction.

#### **10.4 Liability and Property Damage Insurance, Workplace Safety and Insurance Board**

Prior to execution of the contract, regardless of the contract dollar value, for any work performed on County property evidence of satisfactory insurance coverage must be obtained from the bidder's insurance agent or broker, ensuring indemnification of Bruce County from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the Contract.

#### **10.5 Recommended Standard Insurance Amounts**

- a. \$5 million – commercial/general liability insurance
- b. \$2 million – automobile liability insurance
- c. \$2 million – homeowner's liability insurance (for leasing of facilities)
- d. \$1 million – professional errors and omissions liability
- e. Builder's Risk – the amount of the project cost

All of the above minimums shall be per occurrence. The type of insurance required will be relevant to the goods, services or construction being purchased. The appropriate insurance coverage shall be determined by Purchasing in consultation with the requesting Department, maintaining an adequate amount of protection to the County. In the event of an unusually large project budget the Purchasing Manager may recommend a higher insurance requirement. A lower insurance requirement may be recommended by Purchasing in consultation with the requesting Department for lower value work.

All standard bid documents must indicate the insurance requirements to be provided by the successful bidder.

Prior to execution of a contract, or prior to work commencing if a contract is not required, the vendor must supply a Certificate of Insurance confirming the required coverage to Purchasing within seven business days of award notification. The Certificate of Insurance must name the County of Bruce as an additional insured. In certain circumstances, other identified parties or agents may be requested by the requesting Department to also be added as an additional insured.

The successful bidder is required to keep in force the required insurance requirements throughout the course of the Contract and will not allow the insurance policy to lapse, or change, without giving thirty days written notice to Corporate Services.

The County requires successful bidders to be in good standing with the Workplace Safety & Insurance Board. The County will be using the E-Clearance system to ensure that the Workplace Safety & Insurance Board has issued a Clearance Certificate number indicating the Respondent(s)'s good standing with the Board:

- a. Prior to award
- b. Prior to the expiration of the Contract Period
- c. At any other time when requested by the Corporation

For non-construction work only, if the Contractor is unable to obtain a clearance as required, because it is an independent operator, with no insurable workers, it shall submit to the County written confirmation from the Worker's Compensation Board of its status as an independent operator for the Contract. This must be

given to the County within seven (7) business days of receipt of the notification of the award. If the Contractor does not produce such confirmation the County may, at its sole option, terminate the contract/award.

In the case of construction work an “independent contractor” must provide the County an E-Clearance number. Failure to provide either of the above documents may result in the contract being terminated, and the bid security used toward damages.

## **11.0 Dispute Resolution**

In the event, any company or person who has been involved in the bidding or purchasing process as described in this by-law identify a dispute in regards to the process followed, the following dispute resolution steps shall be followed. In each step the County shall keep the resolution process fair and transparent to all concerned.

- a. The company or person identifying a dispute shall be required to state the nature of the dispute in writing giving full details and history of the events leading to the dispute claim and address the written dispute claim to the Director of Corporate Services (where the Corporate Services Department is directly involved in the dispute topic, the written dispute claim will be directed to the CAO).
- b. Upon receipt of the written dispute claim, the Director of Corporate Services shall request a meeting with all persons named in the dispute claim to discuss the particulars of the dispute claim.
- c. If those attending the said meeting shall agree that the matter can best be handled by a written response only, the Director of Corporate Services or delegate shall, with the assistance of those named above, prepare a written response and send it to the company or person who issued the dispute claim.
- d. If those attending said meeting shall agree that the matter needs further clarification, such clarification may be requested by an additional written response from the originator of the dispute claim or by the calling of a meeting between those attending the meeting and the originator of the dispute claim.
- e. At a meeting between those who have been named in the written dispute claim and the originator of the dispute claim, the Director of Corporate Services or delegate shall chair such meeting and appoint a meeting recorder to record all pertinent conversation. If the dispute can be resolved at this meeting a written report of such resolution shall be sent by the Director of Corporate Services or delegate to all

who were in attendance at the meeting.

- f. In the event a resolution could not be achieved at said meeting and the originator of the dispute claim requests to further prosecute the dispute claim, the Director of Corporate Services or delegate shall forward the dispute claim to the County Solicitor. The dispute claim shall then be handled by the County Solicitor in accordance with established procedures for processing such claim.

### **11.1 Exclusion of Bidders in Litigation**

The County may, in its absolute discretion, reject a Tender or Proposal submitted by the bidder if the bidder, or any officer or Director of the bidder is or has been engaged, either directly or indirectly through another corporation, in a legal action against the County, its elected or appointed officers and employees in relation to:

- a. any other contract or services; or
- b. any matter arising from the County's exercise of its powers, duties, or functions.

The Director of Corporate Services may, in consultation with the County Solicitor:

- c. place the supplier on probation until current litigation against the County is resolved.
- d. put the supplier on notice that all future bids may result in non-award of a contract for a maximum of up to five years.

### **11.2 Exclusion of Bidders Due To Poor Performance**

The requesting Department Director or delegate shall document evidence and advise the Purchasing Manager in writing where the performance of a supplier has been unsatisfactory. This includes:

- a. Failure to meet contract specifications
- b. Schedule and/or terms and conditions
- c. Health and Safety violations
- d. Withdrawing a tender before a contract was awarded but after a tender opening
- e. Withdrawing a tender after the contract was awarded.

The Corporate Services Department shall centralize the information for future reference.

The Director of Corporate Services may prohibit an unsatisfactory supplier from bidding on future contracts for a period of up to five years or permanently.

### **11.3 Rejection of Supplier's Bid**

The County may reject a bid if a supplier;

- a. Incomplete submissions. See section 7.7 of the Purchasing Policy, Bid Irregularities.
- b. Provides incomplete, unrepresentative references, or receives unsatisfactory external and/or internal references in a reference check undertaken by County staff.
- c. Has engaged in conduct that leads the County to determine that it would not be in the County's best interests to accept the bid.

## **12.0 Emergency and Special Circumstances Procurement**

### **12.1 Authorized Actions Related to an Emergency**

As the result of an Emergency, the following actions are authorized: During the emergency:

- a. The Chief Administrative Officer, or the requesting Director or Department Manager or delegates, shall approve the purchase of goods and/or services deemed necessary to remedy the emergency.
- b. Procurement shall take place by the most expedient and economical means given the relevant circumstances.
- c. The Corporate Services Department will provide cooperative assistance when requested to expedite any purchasing documents necessary to deal with the emergency.
- d. For amounts greater than \$25,000 but less than \$75,000 to the Chief Administrative Officer using a Purchasing Policy Suspension Form.
- e. For amounts greater than \$75,000, a report to Council. As soon as practical after the Emergency, if an Emergency purchase greater than \$75,000 has been made pursuant to this part, and where the expenditure would normally have been subject to a competitive process, a report shall be prepared and presented to Council by the requesting Director or delegate, explaining the action taken and reasons therefore.

## **13.0 Payments and Reports**

### **13.1 Invoice Verification, Approval, Payment**

Each Department shall approve payment of all invoices representing charges to that Department indicating the account distribution of the expenditure. The Director or delegate, before approving the payment, shall ensure that the following have been checked and found correct:



- a. The proper authorized staff members have initialed/coded the invoice
- b. Quantity and quality of goods received are as invoiced
- c. Pricing is correct
- d. Calculations are correct
- e. The policies and procedures in this Purchasing by-law were followed

### **13.2 Invoiced Quantities Exceed Estimates**

The Director or delegate has the authority to authorize payment of an invoice containing charges for services and/or materials that exceed the original estimated quantities, provided that the Department project or program budget is not exceeded.

### **13.3 Payment Basis for Exempt Expenditures**

Payment for an exempt expenditure may be made on the basis of an invoice from a supplier, or based on an internal cheque request, with the appropriate account number(s) indicated and which has been signed by an employee with applicable approval authority. In some cases, a purchase requisition or a contract may be required.

## **14.0 Disposal of Surplus Goods and Real Property**

### **14.1 Surplus and Obsolete Goods**

Disposal in the following order:

- a. Be scrapped or recycled, if unsafe.
- b. Be offered to other Departments at no charge.
- c. Be sold, returned or traded to the original supplier or others in that line of business where it is determined that a higher net return will be obtained than by following other procedures.
- d. Be sold by external advertisement, formal request, auction (on-line or in person) or public sale (where it is deemed appropriate, a reserve price may be established).
- e. Be donated to a registered charity
- f. In the event that all efforts to dispose of goods by sale or donation are unsuccessful or impractical surplus goods are to be scrapped or recycled.

Upon completion of disposal of an asset, the Asset Disposal Form is to be completed and submitted to the Capital Asset Analyst.

## **14.2 Disposition of Real Estate**

The process to be used to dispose of real estate owned by the County shall be in accordance with the *Sale of Real Property Policy* adopted by By-law 2011-024, or any successor policy.

During the period of an election year, when the actions of the out-going Council have become restricted in accordance with Section 275 of the Municipal Act 2001, as amended, or when there are no meetings of the outgoing Council held after Nomination Day during which the disposal of real property can be approved by Council, the Chief Administrative Officer is authorized to dispose of real property. All such sales will be reported to the new Council at the first available opportunity.

## **15.0 Contract, Letters of Authorization**

### **15.1 Contract or Authorization Letter**

It shall be the responsibility of the requesting Department, in consultation with Purchasing, and/or a Consultant or Solicitor, if necessary, to determine if it is in the best interests of the County to enter into a Contract with the Vendor. Conversely, an Authorization Letter can be used when the resulting project is straightforward. The terms and conditions relevant to the Award will be outlined in the Authorization Letter.

A Contract and/or authorization letter is required when one or more of the following apply:

- a. There is an award of a bid to a successful bidder.
- b. There is a mandatory requirement by any external funding agency that a contract is required.
- c. The supplier requires a Contract.

### **15.2 If A Contract Is Required**

- a. It shall be stated in the formal bid solicitation document. A sample contract may be attached to the bid solicitation document.
- b. The Purchasing Manager in consultation with the requesting Director, or delegate, shall prepare the Contract. When deemed appropriate the County Solicitor will also be consulted.

#### **15.2.1 Authorization of Contracts**

- a. A contract may be authorized (signed) by the requesting Director or delegate and Purchasing Manager if the bid solicitation process

was a Request for Tender or Request for Proposal that is being awarded to the lowest bidder and the expenditure is within the approved budget. In the absence of either the requesting Director or Purchasing Manager the Clerk may authorize the contract.

- b. The Clerk and Warden authorizes (signs) the contract if the award is not being made to the lowest bidder. The Tender details are to be presented to Committee in a Tender report for approval in order for the signing to be authorized,
- c. Work or services shall not proceed prior to the execution of the Contract unless exceptional circumstances exist.

### **15.2.2 Documentation**

All original purchasing and contract documentation for the contracting of goods or services shall be retained in accordance with the *Records Retention By-law*.

### **15.2.3 Term of Contract**

The term of the Contract will be determined by the requesting Department in consultation with the Purchasing Manager.

## **15.3 Amendments to Contracts**

Amendments can be made when the requirements or scope of work have changed, which may or may not affect the original award price. The Purchasing Manager and Department Director may approve amendments to Contracts resulting in additional payments to suppliers provided that:

- a. The total value of the original Contract, plus any previous amendments, plus the value of the additional proposed amendment, are within their respective authority as noted in Part 15.2.1 of this by-law;  
AND
- b. The total value of the original Contract, plus any previous amendments, plus the value of the additional proposed amendment is within the Approved Department Budget.

Where the total value of the original Contract, plus any previous amendments, plus the value of the additional proposed amendment, cannot be accommodated within the Approved Department Budget, the Director shall submit a report to Council recommending the amendment and proposing the source of financing.

## **15.4 Exercise of Contract Renewal Options**

Where a contract for goods or services contains an option for renewal, the requesting Department may authorize such option provided that all of the following

apply:

- a.** the supplier's performance in supplying the goods or services is considered to have met the requirements of the contract,
- b.** the requesting Department Director and the Purchasing Manager agree that exercising the renewal option is in the best interests of the County,
- c.** funding is available in appropriate accounts within the County Council approved budget including authorized revisions, to meet the proposed expenditure,
- d.** The contract falls within the authority to award limitations outlined in the Purchasing Policy Appendix "A".
- e.** the supplier agrees to either not increase their prices at time of renewal or agrees to an increase not to exceed the average change in the Ontario Consumer Price Index (CPI) for the twelve (12) month period immediately prior to the contract renewal date. Any increase requested greater than the CPI must be approved by the Director and Purchasing Manager.

## **Appendix A - Notice to All Contractors - Corporate Statement - Occupational Health and Safety**

The Corporation of the County of Bruce is committed to ensuring that a high standard of health and safety is provided and maintained for all employees, visitors, guests, contractors, agents and others on our premises.

### **All Contractors Shall:**

- a.** Demonstrate establishment and maintenance of health and safety program with objectives and standards consistent with applicable legislation.
- b.** Include health and safety provisions in their management systems to reach and maintain consistently a high level of health and safety.
- c.** Ensure that workers in their employ are aware of hazardous substances that may be in use at their place of work and wear appropriate personal protective equipment as may be required.
- d.** Upon request at any time from award to completion of contract, submit proof of fulfilment of above responsibilities.
- e.** Using the E-Clearance System Purchasing will ensure that the Workplace Safety & Insurance Board has issued a Clearance Certificate number indicating the Respondent(s)'s good standing with the Board.



## The Corporation of the County of Bruce Purchasing Procedures

### CONTENTS

CONTENTS .....	1
1.0 Definitions .....	4
2.0 Defining The Responsibilities For Procuring Goods And Services.....	9
2.1 Responsibilities of All Staff Involved In The Procurement Process .....	9
2.2 Responsibilities of The Purchasing Manager or Delegate .....	10
2.3 Responsibilities of Department Directors .....	10
2.4 Responsibilities of The Director of Corporate Services:.....	11
2.5 Cross-Functional Team.....	11
3.0 Standardization of Documents.....	11
4.0 Types of Procurement Processes .....	11
4.1 Direct Purchase .....	11
4.2 Request for Quotation (RFQ).....	12
4.3 Request for Tender (RFT).....	13
5.0 Information to Bidders.....	14
5.1 Tender Submissions and Openings .....	14
5.2 Tender Award .....	15
5.3 Disclosure Of Information, Proprietary Information .....	16
5.4 Withdraw of Tender By Bidder .....	17
5.5 Re-Tendering.....	18
5.6 Contractual Arrangement For Request For Tenders.....	18
5.7 Invitational Tender .....	18
5.8 Pre-Qualification of Acceptable Bidders.....	19

6.0	Request for Proposal (RFP).....	20
6.1	Evaluation Criteria and Process.....	20
6.2	Negotiation and Award.....	21
6.3	Rejection of Bid When County/Bidder Relationship Impaired .....	22
6.4	Tied Bids.....	23
6.5	All Bids Exceed Approved Budget .....	24
6.6	Lowest Bid Not Recommended.....	24
7.0	Cooperative Purchasing.....	24
8.0	Request for Information (RFI) .....	25
8.1	When Request for Information Is Used .....	25
8.2	Seeking Information from Suppliers .....	25
8.3	Suppliers Who Assist in Developing Specifications .....	25
9.0	Risk Management.....	26
9.1	Bid Deposits.....	26
9.2	Bid Bonds & Agreements.....	26
9.3	Other Guarantees .....	27
10.0	Liability And Property Damage Insurance, Workplace Safety And Insurance Board.....	28
10.1	Recommended Standard Insurance Amounts .....	28
11.0	Dispute Resolution.....	30
11.1	Exclusion Of Bidders In Litigation .....	31
11.2	Exclusion Of Bidders Due To Poor Performance .....	31
11.3	Rejection of Supplier's Bid .....	32
12.0	Emergency and Special Circumstances Procurement.....	32
12.1	Authorized Actions Related to an Emergency.....	32
13.0	Payments and Reports .....	33
13.1	Invoice Verification, Approval, Payment.....	33
13.2	Invoiced Quantities Exceed Estimates .....	33
13.3	Payment Basis for Exempt Expenditures.....	33
14.0	Disposal Of Surplus Goods and Real Property .....	33

14.1	Surplus and Obsolete Goods May .....	33
14.2	Disposition of Real Estate .....	34
15.0	Contract, Letters of Authorization.....	34
15.1	Contract or Authorization Letter .....	34
15.2	If A Contract Is Required.....	34
15.2.1	Authorization of Contracts .....	35
15.2.2	Documentation .....	35
15.2.3	Term of Contract .....	35
15.3	Amendments to Contracts .....	35
15.4	Exercise of Contract Renewal Options .....	36
16.0	Appendix C - Notice to All Contractors - Corporate Statement - Occupational Health and Safety.....	37



## 1.0 Definitions

### As per Policy Section 2: References and Related Documents

**“Accessibility Standard”**- means the Ontario Regulation 429/07 created under the Accessibility for Ontario with Disabilities Act, 2005 (AODA) which provides for standards to enhance the accessibility of an organization (“the Standard”). Under the Accessibility Standard, persons with disabilities will be given an opportunity equal to that given to others, to obtain, use or benefit from the goods and services provided by and on behalf of the Municipality.

**“Approval Authority”**- the specific authorization to proceed with procurement.

**“Approved Budget”**- a budget approved by the Council for the current fiscal year.

**“Authority”**- the legal right to conduct the tasks outlined in this By- Law as directed by Council.

**“Award”**- the acceptance of a bid or a quote.

**“Before Tax Amounts”**- prices and authority levels stated in this by-law do not include any applicable taxes.

**“Bid”**- an offer or submission from a bidder that is subject to acceptance or rejection.

**“Bidder”**- the person/business who responds to a Request for Quote, Tender or Proposal.

**“Bid Deposit”**- means currency, certified cheque, bank draft, bond surety issued by a surety company or other form of negotiable instrument submitted by a bidder as evidence of their commitment to do the work outlined in the Request for Quote or Tender.

**“Bid Solicitation”**- the act of requesting a bid from qualified potential bidders.

**“Chief Administrative Officer”**- means the Chief Administrative Officer (CAO) of the Corporation of the County of Bruce.

**“Coat-tailing”**- a prohibited practice where an employee negotiates with a supplier, or accepts an offer from a supplier, to purchase a good or service for personal use at the same price that is being offered by the supplier to the County.

**“Consultant”**- a vendor, who by virtue of a particular expertise, is hired by the County to undertake a specific task or assignment that may include designing specifications and preparing plans or programs, architectural services or consulting services.

**“Contract”**- a written binding Contract or Agreement between the County and the party/parties providing the goods and services at a specified price within a specified time frame, which has been duly authorized and executed in accordance with this By-law.

**“Cooperative Purchasing”**- coordination of County purchases with purchases from other institutional organizations such as other municipalities, school boards, hospitals, universities and/or the taking advantage of Broader Public Sector pricing available through the Federal or Provincial Government.

**“Cost”**- the actual price of acquisition, including term discounts, freight charges, exchange rates but excluding applicable taxes.

**“Council”**- the Council of the County of Bruce duly elected.

**“County”**- the Corporation of the County of Bruce.

**“Department”**- any department within the County, including any board for which the municipality provides purchasing services.

**“Chair”**- the Chair of the respective Committee as appointed by Council annually.

**“Delegate”**- the person(s) authorized to represent a person identified in this By-law who has specific approval or signing authority. Authorization to become a delegate is effective only when made in writing by the person delegating the authority and must be approved by the Director of Corporate Services or the Chief Administrative Officer.

**“Director”**- the senior manager of a department within the Corporation of the County of Bruce.

**“Direct Negotiation”**- a non-competitive purchasing method and refers to the negotiation of an agreement for the purchase of goods and services with only one supplier.

**“Direct Purchase”**-used to purchase goods or services expected to cost less than \$25,000 and are required on a one-time basis.

**“Disposal”**- an act through which the County and/or Department gives up title to real or personal property, and includes a sale, a donation or the discarding of an item.

**“Emergency”**- a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health, welfare and/or property of the general public, and which requires actions to be taken to prevent serious damage, disruption of work, or to restore or maintain essential service to a minimum level. It includes, but is not limited to, a situation where, under the

Emergency Management Act, as amended, and the County's *Emergency Response Plan By-law 4129* the Warden has declared that a State of Emergency exists in the County or in any part thereof, and may take such action and make such orders as he or she considers necessary and are not contrary to law to implement the emergency plan of the municipality and to protect property and the health, safety and welfare of the inhabitants of the emergency area.

**“Evaluation Criteria”**- request for proposal projects are analyzed on the basis of key criteria developed by user group.

**“Evaluation Committee”**- a committee of staff and/or consultants established to evaluate the proposal submissions according to the Evaluation Criteria, and is comprised of staff from the requesting department, and where practical, at least one member from another department.

**“External Approvals”**- a procurement requires further approvals external to the County, the report recommending award shall so indicate and such external approvals shall be obtained, where possible, prior to the Contract being executed and proceeding with the proposed procurement.

**“Firms”**- the company, group, business or individuals conducting business and supplying goods and services.

**“Goods and/or Services”**- any one or more of supplies, personal property, construction materials, construction services, insurance, employee benefits, construction of assets, and maintenance and service.

**“Independent Contractor/Operator”**- a contractor/operator with no insurable workers.

**“Invitational Tender”**- a procurement process used in lieu of a Request for Tender for goods or services and of a specialized or technical nature; or due to exceptional circumstances it is more efficient and cost effective to invite approved suppliers to quote without advertising.

**“Manager”**- the Manager of a Department or within a Department, a project or activity within The County of Bruce.

**“Performance Bond”**- “Performance Bond” is a surety that guarantees that the service provider will perform its obligations under the contract in accordance with the contract's terms and conditions and to provide the county protection, ensuring completion of the contract in the event of default of the service provider. It is a condition of this bond that it must remain valid for a period of two years from the date of substantial performance. If the definition of substantial performance does not exist than the surety will remain in place for two years from the date the work is ready for use or is being used for the purpose intended.

**“Personal Purchase”**- a purchase of goods and services, the requirement for which is not for the County or any of its purposes, but is personal to the person requesting the purchase.

**“Procurement”**- the obtaining of goods and/or services for use, whether on a permanent or on a temporary basis.

**“Professional and Consulting Service”**- a person or firm, who by virtue of particular expertise is hired by the County to undertake a specific task or assignment that may include designing specifications and preparing plans, programs, or services.

**“Proponent”**- a supplier who has submitted a bid/tender for consideration.

**“Proposal”**- an offer received from a supplier for the supply of goods and/or services, in response to a Request for Proposals, acceptance of which may be subject to further negotiation.

**“Purchases”**- the acquisition of goods or services for which the County will undertake to pay, regardless of the cost being funded or subsidized by other levels of government.

**“Purchase Requisition”**- an internal written or online request for procuring goods and/or services.

**“Quotation”**- an offer received from a selected supplier for the supply of specific goods and/or services, in response to Request for Quotations.

**“Recall Action”**- the reissuance of a Request for Tender or Quotation because the original request resulted in no acceptable bids being received

**“Request for Information (RFI)”**- a request by the County seeking responses from potential suppliers for the purpose of gathering information from the marketplace to provide a scope of work or services contemplated to be procured by the County.

**“Request for Pre-Qualification (RFPQ)”**- a request by the County preceding a Request for Proposal, Request for Quotation or a Request for Tender seeking submissions from potential suppliers where it is deemed that the nature and complexity of the work involved warrants the time and effort required to pre-select the most experienced and qualified suppliers.

**“Request for Proposal (RFP)”**- a formal form of bid solicitation whereby the County invites potential suppliers to submit proposals with respect to a particular project, or the supply of goods and/or services where a need is identified, but the method by which it will be achieved is unknown at the outset. This process

allows vendors to propose solutions or methods to arrive at the desired result and each proposal is evaluated based on defined criteria.

**“Request for Quotation (RFQ)”**- a request for prices on specific goods and/or services valued at \$25,000 but less than \$75,000.

**“Request for Tender (RFT)”**- a formal form of bid solicitation whereby the County publishes the specifications, terms, conditions and details concerning the proposed Contract and advertises for, or invites suppliers to submit sealed bids in response to detailed specifications, and the cost is expected to be \$75,000 and greater.

**“Responsive and Responsible Bidder”**- a bidder who complies with the provisions of a bid solicitation, including specifications, and contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed Contract based on, in part, reputation, references, performance on previous Contracts, and sufficiency of financial and other resources.

**“Single Source”**- a situation where there is more than one potential supplier, but a supplier is selected without a bid solicitation.

**“Sole Source”**- a situation where there is only one known supplier of the particular goods and/or services.

**“Special Circumstances”**:

- (i) an event that is exceptional or could not be foreseen and is likely to pose a threat to the health, safety or welfare of the public;
- (ii) an event that, unless immediately addressed, is likely to cause significant loss or damage to property;
- (iii) an event that has disrupted any essential service that needs to be re-established without delay; or
- (iv) an emergency as defined in the Emergency Management Act, R.S.O. 1990, c. E.9, as amended, or any successor legislation thereto;

**“Splitting of Purchases”**- the separation of a purchase into two or more invoices, with the intent of circumventing the provisions of this By-law.

**“Substantial Performance and Completion”**- Excerpt from the Construction Lien Act, R.S.O. 1990, c. C.30:

- 2. (1) for the purposes of this Act, a contract is substantially performed,
  - a. when the improvement to be made under that contract or a substantial part thereof is ready for use or is being used for the purposes intended; and

- b. when the improvement to be made under that contract is capable of completion or, where there is a known defect, correction, at a cost of not more than,
  - (i) 3 percent of the first \$500,000 of the contract price,
  - (ii) 2 percent of the next \$500,000 of the contract price, and
  - (iii) 1 percent of the balance of the contract price. R.S.O. 1990, c. C.30, s. 2 (1).

**“Supplier”**- a person or company from whom the County may purchase or lease goods and/or services.

**“Tender”**- an offer received from a supplier for the supply of goods and/or services, in response to a Request for Tender, the acceptance of which will result in the formation of a contract or agreement.

**“Corporate Services – Finance Department”**- the administrative unit within the County’s Corporate Services Department that is responsible for administering the County’s Purchasing Policy.

**“Vendor of Record (VOR)”**- a procurement arrangement resulting from a fair, open, transparent and competitive procurement process that authorizes one or more vendors(suppliers) to offer specific goods or services to the County for a defined time period, with terms and conditions and pricing as set out in the particular VOR Agreement. The use of VOR arrangements approved by the Purchasing Manager is mandatory. VOR established by the Provincial and Federal Governments may also be used when procuring on behalf of the County.

**“Warden”**- the duly elected Warden of the County of Bruce or the person(s) appointed by Council to act in the Warden’s stead.

## **2.0 Defining The Responsibilities For Procuring Goods And Services**

### **2.1 Responsibilities of All Staff Involved In The Procurement Process**

All County staff shall have the following responsibilities relating to the procurement policy:

- a. Open and honest dealings with everyone who is involved in the purchasing process.
- b. No preferential treatment or public endorsement given to any supplier.
- c. Ensure procurement activities are carried out in accordance with this by-law.
- d. Ensure sufficient approved budget exists for planned purchases before a procurement process commences.

- e. Review goods and/or services received and ensure they match specifications, quality, quantity and price.
- f. Ensure that business transactions are conducted ethically and professionally.

## **2.2 Responsibilities of The Purchasing Manager or Delegate**

The Purchasing Manager or delegate(s) has the following specific responsibilities:

- a. Prepare tender documents, in conjunction with the requesting department's director and/or delegate, advertise when necessary, post the documents on the County's website, prepare and circulate addendums and oversee public tender openings. Ensure tender documents are in accordance with the Accessibility for Ontarians with Disabilities Act 2005.
- b. Ensure the purchasing policy as set out in this by-law is followed.
- c. Advise on the suitability of specifications to ensure a maximum number of competitive bids and to ensure a supplier's ability to supply.
- d. The Purchasing Manager shall keep apprised of best purchasing practices for responsible environmental procurement and shall bring same to the attention of requesting Departments wherever the same are applicable.
- e. Review the corporate use of goods and/or services to ensure the County is receiving the best quality, quantity, service and price.
- f. Assist the requesting department in the preparation of Agreements/Contracts/Leases as needed.
- g. Direct staff that have procurement authority to the Purchasing Policy and Procedures and train staff as required to ensure a clear understanding of the procurement process.

## **2.3 Responsibilities of Department Directors**

Directors shall have the following responsibilities relating to the procurement policy:

- a. Ensure procurement activities in their department are carried out in accordance with by-law.
- b. Determine appropriate delegated procurement and signing authority of staff in their Departments as authorized by this by-law. See Appendix A in the Purchasing Policy.
- c. Ensure sufficient funds exists for planned purchases.

- d. Department director is responsible for ensuring that all specifications and/or the scope of work to be used for the procurement of such goods and/or services are prepared. Prepare all specifications and/or the scope of work to be used for the procurement of such goods and/or services. The specifications shall incorporate accessibility criteria and features in accordance with the Accessibility for Ontarians with Disabilities Act 2005, where practical. Where it is not practical to incorporate accessibility criteria an explanation shall be provided when requested.
- e. Prepare award reports for Committee approval with the assistance of the Purchasing Manager, where required, in accordance with formats required for Committee reports.

#### **2.4 Responsibilities of The Director of Corporate Services:**

The Director of Corporate Services or delegate(s) has the following specific responsibilities:

- a. Consult with the Purchasing Manager for any inquiries or uncertainties regarding purchasing process / supplier management.

#### **2.5 Cross-Functional Team**

In conjunction with the Senior Management Team, be responsible for the administration of the purchasing policy and purchasing procedure, including the development, implementation and review.

### **3.0 Standardization of Documents**

Standard formats and language will be developed by the Purchasing Manager, with the exception of specifications, and shall be used by all staff involved in procurement when creating the following documents:

- a. Request for Quotation
- b. Request for Tender
- c. Request for Proposal
- d. Request for Information
- e. Request for Pre-Qualification
- f. Public notification in the form of advertising, print and electronic media

### **4.0 Types of Procurement Processes**

#### **4.1 Direct Purchase**

##### **Less than \$25,000**

The direct purchase process is used when goods or services are expected to cost less than \$25,000 and are required on a one time (non-repetitive)



basis. It is recommended that price comparisons be requested for purchases from up to three suppliers and that the *Request for Quotation Form* be used.

#### **4.2 Request for Quotation (RFQ)**

##### **\$25,000 - < \$75,000**

Request for Quotation (RFQ) is used when goods or services are expected to cost more than \$25,000, but less than \$75,000 and are required on a one-time (non-repetitive) basis, and the end user of the good or service has identified a clear or single solution. Sealed written quotations shall be sought, from three (3) or more suppliers where possible. The Purchasing Manager and/or Buyer coordinates the process.

All quotes must be open for a minimum of five (5) business days.

When quotations are received, they shall be dated and the timestamped. Paper submissions shall also be initialled. All RFQ's will be received by the Corporate Services Department, in a sealed bid format and placed in a secure location until the time of opening.

Any quotation received after the deadline shall be initialled, dated, the time noted thereon using the internet's atomic clock and returned unopened immediately. A letter advising that the quotation was received after the deadline shall accompany the returned unopened quotation.

If it is the lowest quotation received and this policy is followed, the appropriate director or delegate may award the quotation provided the goods and services are budgeted for. A *Report to Committee* is required if the total project budget is exceeded. The *Report to Committee* will be completed by the director of the requesting department.

If the lowest quotation is not recommended, a report shall be submitted to the appropriate committee detailing the reasons and requesting approval to award.

The quotation award should be in writing in the form of an e-mail confirmation or award letter.

Copies of the written quotes & quote summary shall be attached to the invoice for processing.

Any sole or single sourcing with an amount between \$25,000 and less than \$75,000 must be reported by the applicable director or delegate to the Purchasing Manager or delegate for written approval before the purchase is made. See Purchasing Policy 5.11 Provision for Exemption. If

it is a Single or Sole Source, direct negotiation may be completed by the Purchasing Manager and/or delegate.

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

##### **\$75,000 and Greater**

Request for Tender (RFT) process is used when goods or services are expected to cost \$75,000 or greater and it is possible to obtain competitive bids based on precisely defined requirements. Tender request shall be issued only if it represents an approved budget item, or has stipulated in the Request for Tender that it is subject to Council approval.

- a. It is a sealed Bid Process only
- b. E-mail and fax submissions will **NOT** be accepted
- c. A bid deposit is required unless the Purchasing Manager has determined it is in the County's best interests not to request a bid deposit. Refer to Section 9.0 -Risk Management for bid deposits and other guarantee requirements
- d. The Request for Tender may be preceded by a Request for Pre-Qualification or Request for Information
- e. All tender opportunities will be placed on the County's website and may also be placed in relevant media

All tenders must be open for a minimum of ten (10) business days. Where applicable, all tender opportunities shall contain the following information:

- a. name of the municipality or municipalities requiring the goods and/or services
- b. tender number
- c. type of good, service, or project
- d. name of the Purchasing Manager or delegate to receive the tender
- e. date, time and location of the closing of the Request for Tender
- f. date, time and location at which the tenders will be opened and if there will be a public opening
- g. location where plans, specifications, or other details may be obtained, if not posted on the County's website
- h. fee, if any, for contract documents
- i. description of any bid deposit and/or performance security that must accompany the tender See Section 9.1 for bid deposit details.
- j. the statement "the lowest or any tender not necessarily accepted"

The tender document for Goods will include:

- a. vendor demonstrating compliance with the Retail Sales Tax requirements
- b. official Forms of Tender
- c. scope of work material i.e. specifications etc.

The tender document for Services will include:

- a. vendor demonstrating compliance with the Retail Sales Tax requirements,
- b. official Forms of Tender
- c. scope of work material, i.e. specifications etc.
- d. requirement for Contractor to provide proof of registration with the Workplace Safety Insurance Board (WSIB), or confirmation they are an Independent Contractor for non-construction work only
- e. request for Proof of Insurance
- f. County's "Notice to Contractors" respecting the Corporate Statement on Occupational Health and Safety (Appendix C)
- g. Accessibility Regulations for Contracted Services

In order for a Department to sole or single source goods or services exceeding \$75,000 an operating strategy outlining the rationale must be presented by the requesting department director to the Chief Administrative Officer for approval. Input must be sought from the Purchasing Manager in advance to ensure purchasing principles are taken into consideration and risk to the County is minimized. See Purchasing Policy 5.9 Provision for Exemption.

If it is a Single or Sole Source, direct negotiation by the Purchasing Manager and/or delegate, or department director and/or delegate is acceptable.

## **5.0 Information to Bidders**

The Purchasing Manager or delegate will supply written answers to all supplier questions with a copy to all bidders in the form of an addendum when required to prospective bidders:

### **5.1 Tender Submissions and Openings**

- a. When tenders are received, they shall be dated and the timestamped. Paper submissions shall also be initialed. All RFT's will be received by the Corporate Services Department, in a Sealed Bid format and placed in a secure location until the time of opening.
- b. Any tender received after the deadline shall be initialed, dated, the time noted thereon using the internet's atomic clock and returned unopened

immediately. A letter advising that the tender was received after the deadline shall accompany the returned unopened tender.

- c. Public openings are mandatory with the RFT process. If suppliers are in attendance for a public opening the names and total prices offered of only those Bidders who submit compliant bids will be read. The tendered amount should be before HST, then add HST and read the final total amount. In a public opening, it will be announced that all bids will be reviewed for math and tender details prior to award.
- d. If only a single bid is received and is found to be valid after opening, the amount is not read to the public to protect the bidder in the event of a re-tender.
- e. If only two bids are received, both bids are opened and examined for validity before the price is read. If one bid is invalid, this fact is stated and its price is not read. The remaining bid is treated as a single bid and its price is not read to the public in the event of a re-tender.
- f. If more than two bids are received, and all bids are found to be invalid upon opening due to obvious errors or missing documents, then the amounts will not be read to the public to protect the bidders in the event of a re-tender.
- g. All tenders shall be opened in the presence of requesting Department representative, a non-departmental representative and at least one of the following:  
Purchasing Manager or delegate, Director of Corporate Services, Deputy Treasurer, Financial Analyst.
- h. Purchasing to complete a summary report of the tender results and forward to the requesting Department.

## **5.2 Tender Award**

The tender is typically awarded to the lowest priced Bidder who satisfies all specifications/requirements included in the Request for Tender.

When provisional items are tendered, the lowest price is considered to be the total cost of the base price, plus the cost of the chosen provisional items to be purchased.

If the lowest tender is not recommended, a report shall be submitted for approval to the appropriate Committee detailing the reasons.

A summary of tenders awarded shall be submitted quarterly (at a minimum) to Committee to inform:

- a. the amount that was budgeted for the tendered goods, services or project
- b. the firm which was awarded the Tender, if the Tender is awarded
- c. the amount of the successful Tender
- d. Tenders cancelled or postponed, with reason

For contracts where a performance bond is required, the deposit cheque of the successful bidder and second low bidder shall be retained by the County until such time as the said performance bond has been supplied in a form satisfactory to the County, and the Agreement/Contract has been executed with the successful bidder.

For contracts that do not require a performance bond, the deposit cheque of the successful bidder will be retained by the County until such time as the goods or services have been received, or completed to the satisfaction of the County. The cheque of the second low bidder will be retained until the Agreement/Contract has been executed with the successful bidder.

The deposit cheques of the third and higher unsuccessful bidders will be returned to each bidder's address as shown on the tender form as soon as is practical after the acceptance of the tenders.

If the successful bidder fails to enter into a contract, or fails to perform the contract, or fails to provide the goods and/or services, the director and/or the Chief Administrative Officer may recommend one of the following to Council:

- a. that the tender shall be awarded to the second low bidder

OR

- b. that the original competition shall be cancelled and re-tendered.

**In either case, the deposit of the successful bidder shall be forfeited.**

### **5.3 Disclosure Of Information, Proprietary Information**

The disclosure of information, contained in a bid, or Agreement/Contracts emanating from Bid Solicitations, shall be made by the appropriate officers of the County in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended and any other applicable legislation.

If a Bidder considers any part of their bid proprietary, the bidder shall clearly mark such page or section of the bid as confidential. This procedure will not automatically protect the information from release, but will assist the County in making a determination on release if a request is

made under the Municipal Freedom of Information and Protection of Privacy Act, as amended.

#### **5.4 Withdraw of Tender By Bidder**

**a. Prior to Tender Closing:**

- (i)** Tenders may be withdrawn without a bidder giving any reasons, provided such withdrawal is done in writing and provided it is requested before the closing date and time. Tenders confirmed as withdrawn will be returned unopened to the bidder after the opening of tenders has been completed. Withdrawal notices will be read at the time the tenders are opened. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same competition before the closing date and time.
- (ii)** If more than one tender is received from the same bidder, and no withdrawal notice has been filed, the tender contained in the envelope bearing the time closest to the competition closing time shall be considered the intended bid. Any other tenders received from that bidder shall be considered withdrawn, and shall be returned in the prescribed manner.

**b. After Tender Closing but Prior to Award:**

- (i)** A bidder may be allowed to withdraw a bid after tender closing, but prior to award, if an honest and valid mistake was made. Documented evidence must be provided by the supplier requesting the withdrawal. If an obvious material error was made by the supplier, and the error is clearly supported, the supplier may be allowed to withdraw the bid without penalty.
- (ii)** If the supplier requesting the withdrawal of a bid is the lowest of the qualified bidders, the Purchasing Manager must decide whether an honest error was made. If satisfied that the reasons justify a withdrawal, the contract will be awarded to the next lowest bidder.
- (iii)** If the claim for error is not clearly supported, the supplier then has the option of proceeding with the tender, or forfeiting the bid security after the tender is awarded by refusing to enter into a contract.

**c. After Award:**

- (i)** A bidder requesting approval to withdraw a bid after having been awarded a contract must make their case in writing and

then in person with the Purchasing Manager and applicable Department representative.

- (ii) If it is decided the withdrawal request is reasonable and justified, the supplier will be notified in writing that the withdrawal is accepted with or without penalty.
- (iii) If it is decided the request to withdraw is unreasonable, staff will proceed in the same manner as withdrawal of lowest bid. The Purchasing Manager may also decide that further punitive action is warranted, in addition to forfeiting the bid security.

The Purchasing Manager and the Director of Corporate Services reserve the right to remove from its list of bidders, for an indeterminate period, the name of any bidder who fails to execute or accept a contract or for unsatisfactory performance on any previous or current contract held with the County or if the bidder is currently involved in/or responsible for litigation of any kind against the County.

If the lowest bidder withdraws and there is a large price difference between the withdrawing bidder and the next lowest bidder, the Purchasing Manager may decide to re-tender rather than to award the contract to the next lowest bidder.

## **5.5 Re-Tendering**

### **No Bids Received:**

- a. Re-tender action may take place at the discretion of the Purchasing Manager. If re-tender action is taken, such as when no bids are received, a suitable time interval is allowed to enable staff to discover the reason, if any, for the lack of bids received, and possibly revise the tender.
- b. In the event, there is a substantial change to a previously quoted scope of work, before the contract is awarded, a new Request for Tender will be issued with revised specifications.

## **5.6 Contractual Arrangement For Request For Tenders**

The contract may be an Award Letter or Agreement/Contract and will be completed by the Purchasing Manager or the requesting Department.

## **5.7 Invitational Tender**

When the issuance of a Public Request for Tender is deemed to be less efficient and effective than inviting qualified suppliers to submit bids. A minimum of three suppliers is recommended, although inviting more than three suppliers to bid is preferred. This requirement shall be waived in the

case of goods or services that can only be provided by fewer than three suppliers due to unique specifications or specialized services.

- a. An Invitational Tender should only be issued in exceptional circumstances. The director must get pre-approval from the Purchasing Manager and the CAO through a Purchasing Policy Suspension form.
- b. Features of the Invitational Tender are the same as listed in Part 4.3.1.

### **5.8 Pre-Qualification of Acceptable Bidders**

The provisions of this section shall apply in situations where it is deemed by the Purchasing Manager or delegate, in consultation with the requesting director or delegate that it is necessary to pre-qualify bidders prior to the commencement of the competitive Sealed Bid process.

The purpose of pre-qualification is to ensure that each bidder can demonstrate they have the ability to provide the necessary expertise and resources to satisfactorily complete the work required. Pre-qualification shall only be considered in one or more of the following circumstances:

- a. The work involves complex, time sensitive, multi-disciplinary activities, specialized expertise, equipment, materials, or financial requirements.
- b. The work is such that Contract administration costs (work inspection, follow-up, and extra fee negotiations) could result in a substantial cost to the County if the work is not satisfactorily performed the first time.
- c. The goods or services to be purchased must meet national safety standards, or if no standard has been established, require a demonstrated acceptable level of performance.
- d. The work is considered “high risk” with respect to regulations governed under the Occupational Health and Safety Act.
- e. Where it is felt limiting the number of Bidders who can submit a bid for the final competitive Bid Solicitation process will increase the quality of bids submitted by each, as they know competition has been limited and their chances of success are increased.

Pre-qualification is completed before the bid solicitation process. Pre-qualification sets out criteria requiring bidders to provide information including, but not limited to:

Experience on similar work:

- (i) Staff experience/education/accreditation
- (ii) References provided from other customers for similar work
- (iii) Verification of applicable licenses and certificates



- (iv) Health and Safety policies and staff training
- (v) Financial capability including credit rating
- (vi) History of being able to complete projects on schedule

Appropriate staff and/or consultants, at the direction of the requesting director or delegate(s), in consultation with the Purchasing Manager, will evaluate and rank the submissions and approve a short list of acceptable suppliers who will be invited to participate in the subsequent procurement process.

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

A Request for Proposal may be preceded by a Request for Pre-Qualification, or a Request for Information.

The Request for Proposal process is designed to select the proposal that earns the highest score in accordance with the evaluation criteria.

Sealed proposals shall be submitted through an electronic platform.

A bid deposit may be required at the discretion of the Purchasing Manager. Professional consulting services shall be secured through a competitive Request for Proposal.

All proposals must be open for a minimum of fifteen (15) business days.

### **6.1 Evaluation Criteria and Process**

- a. The evaluation criteria and weighted value of each criterion are to be clearly identified in the Request for Proposal document.
- b. The Purchasing Manager shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation scheme using a RFP. This may include, but is not limited to, factors such as qualifications and experience, strategy, approach, methodology, scheduling, past performance, facilities, equipment, and pricing. Weighting of the criteria will be the responsibility of the requesting department, with input from the Purchasing Manager or delegate where required.
- c. The requesting department may identify appropriate criteria from the list maintained by the Purchasing Manager for use in a RFP, but are not limited to criteria from the list. Cost will always be included as a factor, as best value includes both quality and cost.
- d. The weighting of the cost section of the evaluation criteria should not exceed 30%, but there may be cases where it will be recommended to be higher than 30%.
- e. The director or delegate of the requesting department shall approve the evaluation criteria and process prior to issuance of the RFP.

- f. A two-envelope approach is recommended whereby the proposed price is in one sealed envelope or file and the proposal itself is in a second sealed envelope or file. The price envelope or file will only be opened if the evaluated proposal is awarded a minimum number of points as pre-determined by the Evaluation Committee before any proposals are opened, with the Purchasing Manager's input. Unopened price envelopes or files will be retained with the applicable proposal.
- g. The RFP may be posted on the County's website and an advertisement may be placed in relevant media or approved suppliers may be invited to submit a proposal.
- h. All paper proposals will be received by the Corporate Services Department, in a Sealed Bid format and placed in a secure location until the time of opening. All proposals submitted electronically to the County's third party website provider will be automatically sealed until the time of opening.
- i. Public openings are not required with the RFP process.
- j. Each member of the Evaluation Committee shall confirm in writing that they have No Conflict-of –Interest prior to evaluating any proposals received.
- k. An Evaluation Committee, composed of a minimum of two County staff members, and where applicable one consultant who is overseeing the project, shall review all proposals against the established criteria to reach consensus on the final rating results. The Purchasing Manager or delegate will facilitate the scoring process of the submissions and prepare a summary report of the Criteria ratings with the recommended proponent.
- l. Supporting documents will be forwarded to Purchasing and kept in the respective procurement file.

## **6.2 Negotiation and Award**

- a. Negotiation with Proponents after submission on any or all of the specifications, contract terms and/or price before award may be necessary and shall be completed by the Purchasing Manager or Buyer.
- b. Public reporting will not include summaries of bids, as this information will remain confidential. Any public disclosure of information shall be made in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990.

- c. Unsuccessful proponents may, upon their request to the Purchasing Manager, meet with the requesting department's manager or director, with the Purchasing Manager in attendance to review their submission. Discussions relating to any proposal submitted, other than that of the proponent present, will be strictly prohibited. This debriefing session is intended to provide general feedback regarding the proponent's rating on various criteria and to help the proponent understand where improvements might be made on future submissions.
- d. If the lowest priced proposal is not recommended, the requesting department director or delegate shall prepare a report for the appropriate Committee providing a ranking of the qualified firms (1, 2, 3, etc.) and a recommendation. The report shall include:
  - (i) Names of the firms that submitted proposals
  - (ii) Name of the recommended firm
  - (iii) Criteria used in the selection process
  - (iv) Total fee for the project
  - (v) Fee for the lowest priced proposal that met the minimum criteria to consider their price
  - (vi) Amount budgeted for the project, and
  - (vii) Purpose of the project
  - (viii) The contractual arrangement for a Request for Proposal is an Award Letter or Agreement/Contract.

### **6.3 Rejection of Bid When County/Bidder Relationship Impaired**

- a. The County may reject a bid from a supplier where, in the opinion of both the Purchasing Manager and the Director of Corporate Services, the commercial relationship between the County and the supplier has been impaired by the act(s) or omission(s) of the supplier, within the five-year period immediately preceding the date on which the bid is to be awarded.
- b. The act(s) or omission(s) include, but are not limited to, the following:
  - (i) Threatening litigation, or pursuing litigation of the County, in relation to previous contracts awarded to the bidder by the County, or a person against whom the County is pursuing litigation. Threatening litigation means transmitting a written threat to commence a judicial proceeding.
  - (ii) A claim has been made by the County to the supplier under a security submitted by the supplier, such as a bid deposit, performance bond or materials and labour bond.

- (iii) The supplier has refused to follow reasonable directions of the County or to cure a default under any Contract with the County.
- (iv) The supplier refuses to enter into a Contract with the County after the supplier's Bid has been accepted by the County.
- (v) The supplier has communicated, directly or indirectly, with any other supplier about the preparation of the supplier's bid for the same work.
- (vi) The supplier or any person with whom that supplier is not at arm's length within the meaning of the *Income Tax Act (Canada)*, as amended, has been convicted of an offence under any taxation statute in Canada.
- (vii) The supplier has been convicted under the *Criminal Code* or other legislation.
- (viii) The supplier has been convicted under any environmental legislation.
- (ix) The supplier has been convicted relating to product liability or occupational health or safety.
- (x) The supplier has been convicted under the financial securities legislation.

#### **6.4 Tied Bids**

In the event two bids are tied on total price, and neither bidder has offered an early payment discount and all things are equal the award decision will be decided by a coin toss. This will be in the presence of the respective bidders, Purchasing Manager or delegate and respective director or Director of Corporate Services. The bidder who submitted their bid first by the date/time stamp gets to choose heads or tails.

The coin will be tossed by the Purchasing Manager, or delegate three times. The coin must land on a desk on each toss.

The most heads or tails two out of three times will be the successful party.

Prior to the coin toss proponents will be requested to sign a *Tie Bid Declaration* form agreeing to abide by the process and result and waive any legal action against the County.

If more than two Bidders are equal in total price the determination of the successful Bidder shall be established by Lot (Director of Corporate Services drawing a name from a container) in the presence of the low Bidders, Purchasing Manager or delegate and Director or delegate.

### **6.5 All Bids Exceed Approved Budget**

In the event that all bids exceed the approved budget, and staff is not prepared to seek additional funding, the requesting director may, in consultation with the Purchasing Manager:

- a. Approach the lowest compliant bidder to seek options to change the scope of work, such as reducing individual line item quantities, and obtain a corresponding price change or unit price hold for the reduced scope. In the event the lowest bidder cannot reduce their price the second lowest bidder may be approached.
- b. Advise all bidders that the bid solicitation process will be cancelled, a review of the scope of work will be undertaken and a new bid solicitation may be issued later.

### **6.6 Lowest Bid Not Recommended**

Keeping the County's purchasing principles in mind, if the lowest quotation is not recommended, a report shall be submitted by the Director to the appropriate Committee for approval, detailing the reasons.

## **7.0 Cooperative Purchasing**

Participating in a Cooperative Purchase requires the written prior approval of the Purchasing Manager when the value is over \$25,000.

The County may issue a competitive solicitation in which the County is the largest purchaser. All other participating agencies shall be invited to the opening of the bids submitted.

The County may also participate with other government agencies, including the Provincial and Federal Government, or public authorities in cooperative purchases when it is in the best interest of the County to do so as determined by the Purchasing Manager and requesting department. The procedures and policies of the agency issuing the competitive solicitation will be followed. The County participation can be either at the initial stages as part of a competitive bid solicitation that is being issued by the agency or after award to obtain the agency prices.

Each agency will obtain appropriate approval, prepare and execute an Agreement/Contract where required, order, receive, inspect and pay for the good and/or service it uses.

## **8.0 Request for Information (RFI)**

### **8.1 When Request for Information Is Used**

- a. A Request for Information can be used to build supplier interest and to see if there are enough suppliers to justify a full bid solicitation process.
- b. A RFI may or may not lead to a formal bid process.

The Request for Information may request detailed information including, but not limited to:

- (i) company background
- (ii) who the interested parties are
- (iii) what they can offer
- (iv) what they can do for the County

### **8.2 Seeking Information from Suppliers**

Preparation of the operating or capital budget or specifications for procurement may require information from potential bidders to determine what is available. Contact with suppliers does not preclude them from responding to a bid solicitation that may be subsequently issued when the following conditions are met:

- a. Staff may contact potential suppliers or meet with potential suppliers informally in the gathering of information process. Meetings could be in the form of office sales calls, demonstrations, trade shows, site visits, etc.
- b. When discussing, requesting, or receiving information from suppliers, staff must inform the suppliers that the nature of the undertaking is exploratory and for information or budgetary purposes only, and that any subsequent request to purchase will be conducted according to the County's Purchasing By-law.
- c. No commitment can be made to any supplier.
- d. No information can be given to a supplier that would give the supplier an advantage in a future Bid Solicitation.
- e. Information that may be sought; an estimated cost and scope of work, maintenance, availability, standardizations, warranty, delivery time, training, licensing, certifications and alternatives.

### **8.3 Suppliers Who Assist in Developing Specifications**

Where a Request for Information (RFI) is not used, and it is necessary to do more than seek basic information from a supplier it may be desirable to ask a potential supplier to help County staff design or develop specifications, or

otherwise help define a requirement that goes beyond the normal level of service expected from a supplier.

When such services are utilized:

- a. The supplier will be considered as a consultant and a fee paid to the supplier based on a market competitive hourly rate.
- b. The detailed specifications shall be approved by the requesting department director or delegate and shall become the property of the County for use in obtaining competitive bids.

## **9.0 Risk Management**

### **9.1 Bid Deposits**

Purchasing, in consultation with the requesting department, will determine whether a bid deposit will be part of the bid submission requirements and the bid deposit amount.

The amount of the bid deposit will be reflective of the project budget while offering adequate protection to the County in case of default by the bidder and will be 8-10% of the estimated project budget.

Bid deposits will be provided, in their original form and signed, in one of the following methods and shall be clearly specified in the bid documents:

- a. Certified cheque made payable to the Corporation of Bruce County
- b. Bank draft made payable to the Corporation of Bruce County
- c. Money order made payable to the Corporation of Bruce County
- d. A bid bond or an Agreement/Contract to Bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming the Corporation of the County of Bruce as the obligee.

Only when the County allows for sealed electronic bid submissions will an electronic copy of the bid deposit be acceptable.

### **9.2 Bid Bonds & Agreements**

Bid bonds and Agreement/Contracts to Bond must be irrevocable for a minimum of sixty (60) days but can be requested to remain irrevocable for a longer period at the discretion of the requesting department.

- a. The County will not pay interest on any bid deposits, and all bid documents issued by the County shall include a statement to this effect.
- b. The County is authorized to access any bid deposit in its possession that is forfeited as a result of bid withdrawal after closing.
- c. All deposits will be returned to the respective bidders within 10 days after tenders are opened, except those which the County elects to hold until the

successful bidder has executed the Contract and signed the Form of Agreement. The deposit of the successful bidder shall be returned upon receipt of the performance bond and the signed contract. The tender deposit of the successful bidder shall be forfeited by the bidder should they fail to execute a contract and provide the satisfactory bonds, referred to in 9.1, within ten (10) days after receiving written notice from the County of the award of the contract to him.

The County reserves the right to utilize the awarded company's bid deposit as a performance bond if there are no additional guarantees required.

### **9.3 Other Guarantees**

Purchasing, in consultation with the requesting department shall select the appropriate means to guarantee execution and performance of the Contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks.

Bidders may be required to provide the following additional bonding:

- a.** Performance Bond, to guarantee the faithful performance of the Contract when the Contract is over \$75,000.  
The performance bond must be kept for two (2) years from the earlier of:
  - (i) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intendedOR
  - (ii) the date on which the Principal is declared in default by the Obligee.
- b.** Labour and Material Bond to guarantee the payment for labour and materials that are supplied from the contractor's direct suppliers and sub-contractors in connection with the contract.
- c.** Maintenance Bond to guarantee the fulfillment of the contractor's obligation under the warranty clause of the contract.

Such bonds shall be a minimum of 50% of the Bid amount unless otherwise approved by Purchasing.

Purchasing shall ensure that the guarantee methods selected will:



- a. not be excessive but sufficient to cover financial risks to the County,
- b. provide flexibility in applying leverage on a supplier so that the penalty is proportional to the deficiencies, and
- c. comply with Provincial statutes and regulations.

On all work completed with a contract value over \$75,000 all amounts invoiced prior to substantial performance will be subject to a 10% holdback as per the Construction Lien Act 1983. The General Contractor should provide a Statutory Declaration (CCDC9A) with each progress draw.

Once the work has been substantially performed or completed the General Contractor must advertise it in *The Daily Commercial News*. A lien search will be conducted on the 46<sup>th</sup> day after the substantial performance has been advertised. If no lien is registered, the General Contractor may then submit application for final payment. Application for final payment must include;

- a. Final invoice showing all previously paid progress draws.
- b. Provide to the County a Certificate of Publication.
- c. Statutory Declaration, CCDC 9A
- d. WSIB clearance Certificate

Prior to providing notice to release the holdback, the requesting department Director or delegate must ensure all terms and conditions of the contract have been completed to his/her satisfaction.

## **10.0 Liability And Property Damage Insurance, Workplace Safety And Insurance Board**

Prior to execution of the contract, regardless of the contract dollar value, for any work performed on County property evidence of satisfactory insurance coverage must be obtained from the bidder's insurance agent or broker, ensuring indemnification of Bruce County from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the Contract.

### **10.1 Recommended Standard Insurance Amounts**

- a. \$5 million – commercial/general liability insurance
- b. \$2 million – automobile liability insurance

- c. \$2 million – homeowner’s liability insurance (for leasing of facilities)
- d. \$1 million – professional errors and omissions liability
- e. Builder’s Risk – the amount of the project cost

All of the above minimums shall be per occurrence. The type of insurance required will be relevant to the goods, services or construction being purchased.

The appropriate insurance coverage shall be determined by Purchasing in consultation with the requesting department, maintaining an adequate amount of protection to the County. In the event of an unusually large project budget the Purchasing Manager may recommend a higher insurance requirement. A lower insurance requirement may be recommended by Purchasing in consultation with the requesting department for lower value work.

All standard bid documents must indicate the insurance requirements to be provided by the successful bidder.

Prior to execution of a contract, or prior to work commencing if a contract is not required, the vendor must supply a Certificate of Insurance confirming the required coverage to Purchasing within seven business days of award notification. The Certificate of Insurance must name the County of Bruce as an additional insured. In certain circumstances, other identified parties or agents may be requested by the requesting department to also be added as an additional insured.

The successful bidder is required to keep in force the required insurance requirements throughout the course of the Contract and will not allow the insurance policy to lapse, or change, without giving thirty days written notice to Corporate Services.

The County requires successful bidders to be in good standing with the Workplace Safety & Insurance Board. The County will be using the E-Clearance system to ensure that the Workplace Safety & Insurance Board has issued a Clearance Certificate number indicating the Respondent(s)’s good standing with the Board:

- a. Prior to award
- b. Prior to the expiration of the Contract Period
- c. At any other time when requested by the Corporation

For non-construction work only, if the Contractor is unable to obtain a clearance as required, because it is an independent operator, with no insurable workers, it shall submit to the County written confirmation from the Worker's Compensation Board of its status as an independent operator for the Contract. This must be given to the County within seven (7) business days of receipt of the notification of the award. If the Contractor does not produce such confirmation the County may, at its sole option, terminate the contract/award.

In the case of construction work an "independent contractor" must provide the County an E-Clearance number. Failure to provide either of the above documents may result in the contract being terminated, and the bid security used toward damages.

### **11.0 Dispute Resolution**

In the event, any company or person who has been involved in the bidding or purchasing process as described in this by-law identify a dispute in regards to the process followed, the following dispute resolution steps shall be followed. In each step the County shall keep the resolution process fair and transparent to all concerned.

- a. The company or person identifying a dispute shall be required to state the nature of the dispute in writing giving full details and history of the events leading to the dispute claim and address the written dispute claim to the Director of Corporate Services (where the Corporate Services Department is directly involved in the dispute topic, the written dispute claim will be directed to the CAO).
- b. Upon receipt of the written dispute claim, the Director of Corporate Services shall request a meeting with all persons named in the dispute claim to discuss the particulars of the dispute claim.
- c. If those attending the said meeting shall agree that the matter can best be handled by a written response only, the Director of Corporate Services or delegate shall, with the assistance of those named above, prepare a written response and send it to the company or person who issued the dispute claim.
- d. If those attending said meeting shall agree that the matter needs further clarification, such clarification may be requested by an additional written response from the originator of the dispute claim or by the calling of a meeting between those attending the meeting and the originator of the dispute claim.

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

**11.1 Exclusion Of Bidders In Litigation**

The County may, in its absolute discretion, reject a Tender or Proposal submitted by the bidder if the bidder, or any officer or director of the bidder is or has been engaged, either directly or indirectly through another corporation, in a legal action against the County, its elected or appointed officers and employees in relation to:

- a. any other contract or services; or
- b. any matter arising from the County's exercise of its powers, duties, or functions.

The Director of Corporate Services may, in consultation with the County Solicitor:

- a. place the supplier on probation until current litigation against the County is resolved.
- b. put the supplier on notice that all future bids may result in non-award of a contract for a maximum of up to five years.

**11.2 Exclusion Of Bidders Due To Poor Performance**

The requesting department director or delegate shall document evidence and advise the Purchasing Manager in writing where the performance of a supplier has been unsatisfactory. This includes:

- a. Failure to meet contract specifications
- b. Schedule and/or terms and conditions
- c. Health and Safety violations

- d. Withdrawing a tender before a contract was awarded but after a tender opening
- e. Withdrawing a tender after the contract was awarded.

The Corporate Services Department shall centralize the information for future reference.

The Director of Corporate Services may prohibit an unsatisfactory supplier from bidding on future contracts for a period of up to five years or permanently.

### **11.3 Rejection of Supplier's Bid**

The County may reject a bid if a supplier;

- a. Incomplete submissions. See section 5.10 of the Purchasing Policy, Bid Irregularities.
- b. Provides incomplete, unrepresentative references, or receives unsatisfactory external and/or internal references in a reference check undertaken by County staff.
- c. Has engaged in conduct that leads the County to determine that it would not be in the County's best interests to accept the bid.

## **12.0 Emergency and Special Circumstances Procurement**

### **12.1 Authorized Actions Related to an Emergency**

As the result of an Emergency, the following actions are authorized:

During the emergency:

- c. The Chief Administrative Officer, or the requesting Director or Department Manager or delegates, shall approve the purchase of goods and/or services deemed necessary to remedy the emergency.
- d. Procurement shall take place by the most expedient and economical means given the relevant circumstances.
- e. The Corporate Services Department will provide cooperative assistance when requested to expedite any purchasing documents necessary to deal with the emergency.
- f. For amounts greater than \$25,000 but less than \$75,000 to the Chief Administrative Officer using a Purchasing Policy Suspension form.
- g. For amounts greater than \$75,000, a report to Council. As soon as practical after the Emergency, if an Emergency purchase greater than \$75,000 has been made pursuant to this part, and where the expenditure would normally have been subject to a competitive process, a report shall be prepared and presented to Council by the

requesting director or delegate, explaining the action taken and reasons therefore.

### **13.0 Payments and Reports**

#### **13.1 Invoice Verification, Approval, Payment**

Each Department shall approve payment of all invoices representing charges to that department indicating the account distribution of the expenditure. The director or delegate, before approving the payment, shall ensure that the following have been checked and found correct:

- a. The proper authorized staff members have initialed/coded the invoice
- b. Quantity and quality of goods received are as invoiced
- c. Pricing is correct
- d. Calculations are correct
- e. The policies and procedures in this Purchasing by-law were followed

#### **13.2 Invoiced Quantities Exceed Estimates**

The director or delegate has the authority to authorize payment of an invoice containing charges for services and/or materials that exceed the original estimated quantities, provided that the Department project or program budget is not exceeded.

#### **13.3 Payment Basis for Exempt Expenditures**

Payment for an exempt expenditure may be made on the basis of an invoice from a supplier, or based on an internal cheque request, with the appropriate account number(s) indicated and which has been signed by an employee with applicable approval authority. In some cases, a purchase requisition or a contract may be required.

### **14.0 Disposal Of Surplus Goods and Real Property**

#### **14.1 Surplus and Obsolete Goods May**

- a. Be scrapped or recycled, if unsafe.
- b. Be offered to other Departments at no charge.
- c. Be sold, returned or traded to the original supplier or others in that line of business where it is determined that a higher net return will be obtained than by following other procedures.
- d. Be sold by external advertisement, formal request, auction (on-line or in person) or public sale (where it is deemed appropriate, a reserve price may be established).
- e. Be donated to a registered charity

- f. In the event that all efforts to dispose of goods by sale or donation are unsuccessful or impractical surplus goods are to be scrapped or recycled.

Upon completion of disposal of an asset, the Asset Disposal Form is to be completed and submitted to the Capital Asset Analyst.

#### **14.2 Disposition of Real Estate**

The process to be used to dispose of real estate owned by the County shall be in accordance with the *Sale of Real Property Policy* adopted by By-law 2011-024, or any successor policy.

During the period of an election year, when the actions of the out-going Council have become restricted in accordance with Section 275 of the Municipal Act 2001, as amended, or when there are no meetings of the outgoing Council held after Nomination Day during which the disposal of real property can be approved by Council, the Chief Administrative Officer is authorized to dispose of real property. All such sales will be reported to the new Council at the first available opportunity.

### **15.0 Contract, Letters of Authorization**

#### **15.1 Contract or Authorization Letter**

It shall be the responsibility of the requesting department, in consultation with Purchasing, and/or a Consultant or Solicitor, if necessary, to determine if it is in the best interests of the County to enter into a Contract with the Vendor. Conversely, an Authorization Letter can be used when the resulting project is straightforward. The terms and conditions relevant to the Award will be outlined in the Authorization Letter.

A Contract and/or authorization letter is required when one or more of the following apply:

- a. There is an award of a bid to a successful bidder.
- b. There is a mandatory requirement by any external funding agency that a contract is required.
- c. The supplier requires a Contract.

#### **15.2 If A Contract Is Required**

- a. It shall be stated in the formal bid solicitation document. A sample contract may be attached to the bid solicitation document.

- b. The Purchasing Manager in consultation with the requesting director, or delegate, shall prepare the Contract. When deemed appropriate the County Solicitor will also be consulted.

#### **15.2.1 Authorization of Contracts**

- a. A contract may be authorized (signed) by the requesting Director or delegate and Purchasing Manager if the bid solicitation process was a Request for Tender or Request for Proposal that is being awarded to the lowest bidder and the expenditure is within the approved budget. In the absence of either the requesting Director or Purchasing Manager the Director of Corporate Services may authorize the contract.
- b. The Clerk and Warden authorizes (signs) the contract if the award is not being made to the lowest bidder. The Tender details are to be presented to Committee in a Tender report for approval in order for the signing to be authorized,
- c. Work or services shall not proceed prior to the execution of the Contract unless exceptional circumstances exist.

#### **15.2.2 Documentation**

All original purchasing and contract documentation for the contracting of goods or services shall be retained in accordance with the *Records Retention By-law*.

#### **15.2.3 Term of Contract**

The term of the Contract will be determined by the requesting Department in consultation with the Purchasing Manager.

### **15.3 Amendments to Contracts**

Amendments can be made when the requirements or scope of work have changed, which may or may not affect the original award price.

**15.3.1** The Purchasing Manager and Department Director may approve amendments to Contracts resulting in additional payments to suppliers provided that:

- a. The total value of the original Contract, plus any previous amendments, plus the value of the additional proposed amendment, are within their respective



approval authority as noted in Part 15.2.1 of this by-law;

**AND**

- b. The total value of the original Contract, plus any previous amendments, plus the value of the additional proposed amendment is within the Approved Department Budget.

**15.3.2** Where the total value of the original Contract, plus any previous amendments, plus the value of the additional proposed amendment, cannot be accommodated within the Approved Department Budget, the Director shall submit a report to Council recommending the amendment and proposing the source of financing.

**15.4 Exercise of Contract Renewal Options**

Where a contract for goods or services contains an option for renewal, the requesting Department may authorize such option provided that all of the following apply:

- a. the supplier's performance in supplying the goods or services is considered to have met the requirements of the contract,
- b. the requesting Department Director and the Purchasing Manager agree that exercising the renewal option is in the best interests of the County,
- c. funding is available in appropriate accounts within the County Council approved budget including authorized revisions, to meet the proposed expenditure,
- d. the contract falls within the authority to award limitations outlined in the Purchasing Policy Appendix "A".
- e. the supplier agrees to either not increase their prices at time of renewal or agrees to an increase not to exceed the average change in the Ontario Consumer Price Index (CPI) for the twelve (12) month period immediately prior to the contract renewal date. Any increase requested greater than the CPI must be approved by the director and Purchasing Manager.

**16.0 Appendix C - Notice to All Contractors - Corporate Statement - Occupational Health and Safety**

The Corporation of the County of Bruce is committed to ensuring that a high standard of health and safety is provided and maintained for all employees, visitors, guests, contractors, agents and others on our premises.

**All Contractors Shall:**

- a.** Demonstrate establishment and maintenance of health and safety program with objectives and standards consistent with applicable legislation.
- b.** Include health and safety provisions in their management systems to reach and maintain consistently a high level of health and safety.
- c.** Ensure that workers in their employ are aware of hazardous substances that may be in use at their place of work and wear appropriate personal protective equipment as may be required.
- d.** Upon request at any time from award to completion of contract, submit proof of fulfilment of above responsibilities.
- e.** Using the E-Clearance System Purchasing will ensure that the Workplace Safety & Insurance Board has issued a Clearance Certificate number indicating the Respondent(s)'s good standing with the Board.



## Committee Report

**To:** Warden Paul Eagleson  
Members of the Corporate Services Committee

**From:** Bettyanne Cobean, C.M.O.  
Director of Corporate Services

**Date:** March 1, 2018

**Re:** Municipal Asset Management

---

### Resolution:

The Municipal Asset Management report is for information.

### Background:

In a report to Committee on September 7<sup>th</sup>, 2017 I provided an update on Bill 6 - the Proposed Municipal Asset Management Planning Regulation and received approval to apply for a grant opportunity from the Federation of Canadian Municipalities Asset Management Program for Inventory Analysis Condition Assessments. The Federation of Canadian Municipalities (FCM) launched this 5 year, \$50 million program to help Canadian municipalities make informed infrastructure investment decisions based on sound asset management practices. Eligible activities include assessing the physical condition of assets which is a need for Bruce County. This fund has a rolling application deadline and if approved maximum funding is up to 80% of total eligible projects, to a maximum of \$50,000.

On December 13, 2017, the province approved the new Municipal Asset Management Planning Regulation (O. Reg. 588/2017) under the Infrastructure for Jobs and Prosperity Act, 2015.

Improved asset management planning has been a key objective of the province's Municipal Infrastructure Strategy since 2012. Building on this objective, O. Reg 588/2017 was introduced to help municipalities take stock of their infrastructure challenges, better understand what important services need to be supported over the long-term, and seek new opportunities to address infrastructure challenges through innovative solutions.



O. Reg. 588/2017 comes after more than a year and a half of consultations with municipalities, stakeholders and the broader public. The new requirements will be introduced using a phased approach. Having heard from municipalities that the original timelines proposed for preparation of asset management plans did not provide adequate time for implementation, the province has increased the phase-in period from four to six years, according to the following dates:

- January 1, 2018: Effective date of Regulation (there were no requirements to have been met at that date)
- July 1, 2019: Date for municipalities to have a finalized strategic asset management policy.
- July 1, 2021: Date for municipalities to have an approved asset management plan for core assets (roads, bridges and culverts, water, wastewater and storm water management) that discusses current levels of service and the cost of maintaining those services.
- July 1, 2023: Date for municipalities to have an approved asset management plan for all municipal infrastructure assets that discusses current levels of service and the cost of maintaining those services.
- July 1, 2024: Date for municipalities to have an approved asset management plan for all municipal infrastructure assets that builds upon the requirements set out in 2023. This includes a discussion of proposed levels of service, what activities will be required to meet proposed levels of service, and a strategy to fund the activities.

The Province also addressed other important feedback heard during the consultations, by:

1. Removing the requirement for a licensed engineering practitioner to endorse completed asset management plans and,
2. Reducing the level of detail required under the financial planning aspects of the regulation.



The Ministry of Infrastructure is planning to collect information from municipal asset management plans, such as levels of service and financial planning information, but this information collection has not been set out in the regulation. They are continuing to work with the Ministry of Municipal Affairs to plan for the collection of this information through the Financial Information Return and are currently proposing that this information would be collected starting in 2025 (one year after the final requirements of O. Reg. 588/2017 are phased in). After the initial submission in 2025, municipalities would submit asset management planning information every time their plan is updated (at least every 5 years). More information will be provided on the ministry's proposed data collection processes in 2018.

Eligible municipalities will be able to seek financial support to help with the implementation of O. Reg. 588/2017 as the Ministry is providing up to \$25 million over the next five years in dedicated funding for asset management planning tools and supports. This funding will be targeted to build municipal capacity through coaching and communities of practice, as well as support to get planning activities done (e.g. condition assessments) in small communities. More details are to be provided from the Ministry.

O. Reg 588/2017 will provide a strong basis for improved asset management planning and set the stage for advancing Ontario's Municipal Infrastructure Strategy as we work together to address municipal infrastructure challenges.

Although the County has taken great strides to date, these latest requirements as a result of Bill 6 and O. Reg 588/2017 will require significant internal and external resources. To assist us to date Public Sector Digest (City Wide) was engaged to complete Phase II of the original requirements, as well as to include and update conditions and replacement costs for the infrastructure categories in the original Asset Management Plan (Phase I).

#### **Financial/Staffing/Legal/IT Considerations:**

A Request for Proposal will be issued to complete the Conditioning Analysis and the costs will be financed by the grant if successful, or alternate sources of funding as approved by Committee at a future date.

#### **Interdepartmental Consultation:**

A working group of staff from Corporate Services, Human Services, Museum, Health Services and Transportation have come together to insure that the requirements of Bill 6 and O. Reg 588/2017 are implemented according to the timeline. This working group is known as the Capital Asset Management Plan (CAMP) Squad under the leadership of the Deputy Treasurer and Capital Asset Analyst.



[Link to Strategic Goals and Elements:](#)

Goal # 9 - Coordinate concerted efforts to advance our agenda

An Asset Management Plan and Strategic Asset Management Policy will provide the foundation for a number of Strategic Plan Initiatives, but most significantly will assist in advancing our agenda with senior levels of government to provide adequate funding to sustainably finance infrastructure in Bruce County.

**Approved by:**

Kelley Coulter  
Chief Administrative Officer



## Committee Report

**To:** Warden Paul Eagleson  
Members of the Corporate Services Committee

**From:** Bettyanne Cobean, C.M.O.  
Director of Corporate Services

**Date:** March 1, 2018

**Re:** Small-Scale Value-Added and Commercial Activities of Farms

---

### Recommendation:

That the Small-Scale Value-Added and Commercial Activities of Farms report be received for information.

### Background:

The 2016 Ontario Budget announced that the Ministry of Finance would consult with municipalities and the farming community as part of a review of the property tax treatment of small-scale value-added and commercial activities on farms. Preliminary consultations took place in 2016 with the municipal sector, agriculture sector and partner ministries. Discussions have focused on how to provide sustainable property tax treatment to farmers who engage in small-scale, value-added activities as part of their farming business, while maintaining a level playing field for large agricultural processors located off farms.

Starting in 2018 municipalities will have the option to reduce the tax rate on qualifying value-added activities occurring on farms as part of the farming business. Under this program optional new subclasses can be created in the industrial and commercial property classes allowing municipalities to reduce the municipal tax rate by 75% for the first \$50,000 of assessment related to the qualifying activities. If adopted the education tax rate would be reduced by 75% of the business education tax (BET) target rate and the reduction would apply to all qualifying properties reflecting the Province's commitment to farmers who engage in small-scale processing or retail activities as a direct extension of the farming business.

The Ministry of Finance advised Municipal Treasurers on December 22, 2017 that they would be implementing regulations related to municipal flexibility in setting property tax policy and education property tax rates. You had considered the 2018 Property Tax Policy Review on December 7, 2017, and adopted the parameters for 2018 based on the available information, and approved the tax rate bylaw for passing on March 1st, 2018.



Regulations establishing the new subclasses and authorizing the setting of municipal and education tax rates were filed on February 13th and are scheduled to be printed in the March 3, 2018 edition of the Ontario Gazette. MPAC can now begin to identify eligible properties and issue amended assessment notices for the affected properties.

There are a number of factors to consider related to this new flexibility not the least of that being the lateness in the year when many have already set tax ratios and tax rates for 2018.

Historically the County hasn't supported these shifts in assessment because it just transfers the burden to the other classes. Establishing separate classes will result in some properties subsidizing others, as the tax rates for these classes would be different from the main class. In an effort to provide relief to the farming community the use of separate classes could be seen as discriminatory and moving away from fairness, and contrary to basic premise of reassessment. There is no limitation that this option could not be implemented in future years and it will be added to the annual tax policy review. For 2018 the classes will remain status quo.

#### **Financial/Staffing/Legal/ITS Consideration:**

There is no staffing, legal or IT considerations associated with this report. Establishing separate classes will result in some properties subsidizing others and may create a perception of unfairness.

#### **Interdepartmental Consultation:**

Input was sought from the Lower Tier Treasurers who have received a copy of this report.

#### **Link to Strategic Goals and Elements:**

None Identified

#### **Approved by:**

Kelley Coulter  
Chief Administrative Officer





## Committee Report

**To:** Warden Paul Eagleson  
Members of the Corporate Services Committee

**From:** Bettyanne Cobean, C.M.O.  
Director of Corporate Services

**Date:** March 1, 2018

**Re:** Comprehensive Economic and Trade Agreement (CETA) and  
the Canadian Free Trade Agreement (CFTA) Update

### Recommendation:

The Comprehensive Economic and Trade Agreement (CETA) and the Canadian Free Trade Agreement (CFTA) Update report is for information.

### Background:

Canadian entities including Municipal Corporations face enhanced obligations under the newly updated Federal Agreements, the *Comprehensive Economic and Trade Agreement* (CETA) and the *Canadian Free Trade Agreement* (CFTA) (which replaces the 1995 Agreement on Internal Trade AIT).

Toward the end of 2017, Supply Chain Ontario brought forward guidelines of impact and how to implement organizationally. The County of Bruce Purchasing Division was able to interpret, develop a plan for implementation and include changes to purchasing procedures, in effect.

### Obligations:

The two largest outcomes of the changes are:

1. The thresholds to which these agreements apply (CETA/CFTA). New thresholds are listed below.

Governing Body	Procurement Type	Municipalities, school boards, publicly funded academic, health and social services
CFTA	Goods	\$100,000
	Services	\$100,000
	Construction	\$250,000
CETA	Goods	\$340,600
	Services	\$340,600
	Construction	\$8,500,500



2. How long CETA defines an RFT/RFP must be open to the public.

- 40 days minimum subject to time reductions below\*
- Can reduce by 5 days if a Notice of Procurement is posted\*\*\*
- Can reduce by 5 days if the RFT/RFP documents are published online\*\*
- Can reduce by 5 days if submission for the RFT/RFP are accepted electronically\*\*

\* The exception to this applies when:

- contracts are recurring in nature and this is indicated in the Notice of Procurement
- it is a state of urgency (that you have duly substantiated)
- there is a prequalification of suppliers (with restrictions of compliance to CFTA Article 507 and CETA Article 19.7)

\*\* Days meaning calendar days. Timing reductions can be combined but in no case can the time period be less than 10 days.

\*\*\* The Notice of Procurement must be published at least 40 days but not more than 12 months in advance of issuing the RFT/RFP document.

### What the County is doing where CETA/CFTA apply:

As of January 1, 2018 the County of Bruce is now publishing all solicitations online and in most cases accepting submissions online reducing the minimum days to post to 30 days. In some instances, where the Department is able, a Notice of Procurement will be posted allowing the minimum days to post to be reduced to 25.

The County is observing these timing rules with the CFTA thresholds of \$100,000 for goods/services and \$250,000 for construction, thereby abiding by CETA rules as well. For procurement less than \$100,000 the County will act in accordance to the original timing rules set out in the County of Bruce Purchasing Policy.

### Financial/Staffing/Legal/IT Considerations:

There is no staffing, legal or IT considerations associated with this report.

### Interdepartmental Consultation:

All staff have been made aware of the new requirements as part of the January 2018 refresher training on the Procurement Policy.



Corporation of the County of Bruce  
Corporate Services

brucecounty.on.ca

**BRUCE**  
county

Link to Strategic Goals and Elements:

None

Written by: Heather Thomson - Buyer

Approved by:

Kelley Coulter  
Chief Administrative Officer

**Corporation of the County of Bruce**  
**Statement of Remuneration & Expenses**  
**For the Period January 1, 2017 to December 31, 2017**

Remuneration and Expenses as set out in By-Law #2017-001 passed under the authority of the Municipal Act, 2001 Section 284 for Members of Council and Appointees to Boards and other Bodies.

Name	Position	Remuneration (Per Diem)	Expenses	Total
Faubert, Jacqueline	Alternate	80.00	45.36	125.36
Gamble, Wilf	Alternate	600.00	237.60	837.60
Gieruszak, Dan	Alternate	600.00	125.28	725.28
Charbonneau, Luke	Alternate	150.00	54.00	204.00
Buckle, Robert	Councillor	23,170.32	3,226.66	26,396.98
Eadie, Anne	Councillor	22,180.32	4,464.24	26,644.56
Eagleson, Paul	Councillor	23,491.11	2,559.93	26,051.04
Inglis, Dave	Councillor	24,110.32	4,489.34	28,599.66
Jackson, Janice	Councillor	21,720.32	5,451.44	27,171.76
McIver, Milt	Councilor	22,950.32	5,820.78	28,771.10
Smith, Mike	Councillor	23,260.32	4,710.48	27,970.80
Dickison, Catherine	Library Appointee	1,250.00	885.27	2,135.27
Moszynski, Mike	Library Appointee	1,020.00	1,690.03	2,710.03
Symon, Patricia	Library Appointee	1,330.00	2,508.71	3,838.71
McGugan, Ed	Accessibility Advisory	80.00	42.27	122.27
Twolan, Mitch	Warden	40,149.02	11,053.10	51,202.12
<b>Total</b>		<b>206,142.05</b>	<b>47,364.49</b>	<b>253,506.54</b>