



The Corporation of the County of Bruce Purchasing Procedures

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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 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 46th 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.