

**CORPORATION OF THE TOWNSHIP OF HOWICK**  
**PROCUREMENT POLICIES AND PROCEDURES**

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## **SECTION I - DEFINITIONS**

### **In this Policy,**

**1. Acquisition**

means the process used for obtaining goods and services

**2. Administrator-Treasurer**

means the Administrator-Treasurer for the Corporation of the Township of Howick

**3. Agreement**

means a legal document that binds the Corporation of the Township of Howick and all other parties, subject to the provisions of the contract

**4. Annual Aggregate Value**

means the total amount anticipated to be spent annually by all departments on a particular type of good or service

**5. Approval**

means authorization to proceed with the purchase or disposal of goods and/or services

**6. Bid**

means an offer or submission received in response to a request for quotation, tender or proposal which is subject to acceptance or rejection

**7. Bid Irregularity**

means a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response (see Appendix B)

**8. Bid Request**

means a written request for bids or a solicitation, which may be in the form of a Request for Quotation, Request for Tender or Request for Proposal

**9. Blanket Order (Supply Contract)**

means a Purchase Order which establishes prices or a method for determining prices, terms and conditions and the period of time during which a vendor agrees to provide goods and services to the purchaser upon the purchaser's demand.

**10. Buying Group**

means a cooperative arrangement in which individual members administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the buying group administers procurement for group members. Buying groups may consist of a variety of entities, including the federal government, provincial;/territorial government, other municipalities, or any combination of procuring entities, private sector entities or not-for-profit organizations.

**11. Central Stores**

means the location of inventoried goods stored for regular use of staff

**12. Clerk**

means the Municipal Clerk for the Corporation of the Township of Howick

### **13. Contract**

means a legally binding agreement between two or more parties. Such agreements will consist in the form of a:

- a. Purchase Order, or
- b. Purchase Order incorporating a formal agreement, or
- c. Formal agreement between two or more parties that creates an obligation to provide defined goods and / or perform defined services

### **14. Conflict of Interest**

refers to a situation in which private interests or personal considerations may affect an employee's judgment in acting in the best interest of the Township of Howick. It includes using an employee's position, confidential information, or corporate time, material or facilities, for private gain or advancement or the expectation of private gain or advancement. A conflict may occur when an interest benefits any member of the employee's family, friends, or business associate

### **15. Corporate Signing Officers**

means the Reeve and Municipal Clerk and/or other individuals designated by Council or this policy

### **16. Cost Effective Bid**

means a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selections procedure

### **17. Council**

means the Council for the Corporation of the Township of Howick

### **18. Co-op**

means a co-operative acquisition venture

### **19. Corporation**

means the Corporation of the Township of Howick

### **20. Department Head**

means the person responsible for direction and operational control of a Department, or an authorized designate

### **21. Designated Signing Authorization**

provides the authority for members of staff to execute legally binding contracts, on behalf of the Corporation.

### **22. Direct Appointment**

means to directly appoint a consultant on the basis of defined selection criteria, including but not limited to qualifications and experience

### **23. Disposal**

means the removal of materials owned by the Township by sale, trade-in, auction, alternative use, gift, or destruction which are deemed surplus

**24. Emergency**

means a situation where the purchase of goods and services requires immediate action to prevent or correct dangerous or potentially dangerous safety conditions and/or further damage, to restore minimum service, or to ensure the safety of the public

**25. Execute**

means to legally bind the Corporation of the Township of Howick to the terms and conditions defined within the Purchase Order and/or Agreement

**26. Expression of Interest**

means a situation where vendors are solicited by the Township to advise the municipality of their ability or desire to undertake Township requirements

**27. Goods and/or Services**

includes supplies, equipment, property insurance, maintenance, professional and consulting services and service contracts not otherwise provided for

**28. Group Procurement Organization**

(GPO) means an entity that is created to leverage the purchasing power of a group of businesses to obtain discounts from vendors based on the collective buying power of the GPO members.

**29. List of Bidders**

means a list of those vendors who are interested in submitting bids

**30. Lowest Responsive Bid**

means the lowest bid price submitted which meets the requirements and specifications as set out in the bid request, minor deviations excepted

**31. Material Safety Data Sheets (MSDS)**

means Material Safety Data Sheets which must be submitted by the vendor for all hazardous materials, including an index of chemical compounds with details of properties, handling details, precautions and first-aid procedures

**32. Negotiation**

means the action or process of conferring with one or more vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this Policy

**33. Open Market Procedure**

means obtaining price quotations from vendors verbally or in writing

**34. Privilege Clause**

means the standard clause used in bid documents and advertising that reads in part "the lowest or any tender not necessarily accepted"

**35. Procure/Procurement/Purchase**

means the acquisition, by purchase, rental or lease, of goods and/or services

### **36. Professional and Consulting Services**

includes architects, auditors, engineers, designers, planners, surveyors, management and financial consultants, brokers, legal services, and any other professional and consulting services rendered on behalf of the Township

### **37. Proposal (Request for Proposal /RFP)**

means an offer to provide goods or services to the Township, where it is not practical to prepare precise specifications, or where “alternatives” to detailed specifications will be considered, which may be subject to further negotiation. This process allows vendors to propose solutions to arrive at the end product, and allows for evaluation on criteria other than price.

### **38. Purchase Order**

means a written offer to purchase goods and services or a written acceptance of an offer where such offer has been made on forms prescribed by the Township

### **39. Purchase Requisition**

means a request for goods and/or services initiated by the user, for which budget approval has been granted

### **40. Quotation (Request for Quotation/RFQ)**

means an offer to sell goods and services to the Township, or an offer to purchase surplus goods from the Township

### **41. Real Property**

means land or buildings and any interest, estate or right of easement affecting same.

### **42. Responsive and Responsible Vendor**

means one who complies with the provisions of the bid solicitation, including specifications, contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed contract, based on reputation, or references, or performance on previous contracts, and adequate financial and other resources

### **43. Senior Management Team**

is comprised of the Administrator-Treasurer, Clerk and Department Heads

### **44. Single Source**

means there is more than one source in the open market but, only for reasons of function or service, one vendor is recommended for consideration of the particular goods and/or services

### **45. Sole Source**

means that the goods and/or services are available from only one supplier.

### **46. Surety**

means a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit, or any other form, as deemed necessary and stated in any quotation, tender or proposal documents issued by the Township

**47. Tender**

means an offer received from a supplier of goods and services in response to a public advertisement requesting tenders sealed in an envelope

**48. Township**

means the Corporation of the Township of Howick

**49. Treasurer**

is the Administrator-Treasurer for the Corporation of the Township of Howick

**50. Verbal Quotation**

means the requisitioning department will receive pricing via telephone or in person, and will retain written documentation of the conversation and document the information on the requisition.

**SECTION II - PROCUREMENT PRINCIPLES and GOALS**

The purchasing principles of the Corporation of the Township of Howick are as follows:

1. To procure, by purchase, rental or lease, the required quality and quantity of goods and/or services, including professional and consulting services, in an efficient, timely and cost- effective manner;
2. To encourage open competitive bidding for the acquisition and disposal of goods and services where practicable;
3. To consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in evaluating bid submissions from qualified, responsive and responsible vendors
4. To give full consideration to the annual aggregate value or to consider the total project cost of specific goods and services that will be required by each department and by the Township as a whole prior to determining the appropriate acquisition method;
5. To monitor and report on the economic climate and legislative changes that may have an impact on the Township of Howick, to determine the appropriate actions to be taken through purchasing policies and procedures;
6. To encourage the procurement of goods and services with due regard to the preservation of the natural environment, vendors may be selected to supply goods made by methods resulting in the least damage to the environment and to supply goods incorporating recycled materials where practicable.
7. To review this policy every 5 years or sooner, to evaluate its effectiveness

### **SECTION III - GENERAL CONDITIONS**

1. Elected/Appointed Officials shall have regard to the provisions of the Municipal Conflict of Interest Act, 1990 and the Municipal Freedom of Information and Protected of Privacy Act in adhering to the Procurement Policy
2. Employees shall follow the guidelines of the Township's "*Employment Policy*" with respect to 'conflict of interest' and 'confidentiality' as approved by Council, in adhering to the Procurement Policy.
3. Any commitment being made, where it is recommended that a contract be executed by the Reeve and the Clerk, must first be approved by Council.
4. Where a Department Head is authorized to undertake any act pursuant to this Policy, such act may be undertaken by the Department Head's authorized designate.
5. No expenditure or commitment shall be incurred or made and no account shall be paid by the Township for goods and services, except as approved by Council or as otherwise authorized in accordance with this policy.
6. The Department head of the requisitioning department may remove a vendor's name from the list of bidders for a period of up to two years on the basis of documented poor performance, non-performance, or conflict of interest, and the vendor shall receive written notice of such decision.
7. Use of the privilege clause, which reads in part "the lowest or any tender may not necessarily accepted", must be accompanied by reasons why a bid may be not accepted.
8. The Department Head will assist in developing evaluation criteria and submission analysis for all procurement needs.
9. No employee shall purchase or offer to purchase, on behalf of the Township, any goods and services, except in accordance with this Policy.
10. An Elected Official shall no approve or acquire any goods and services.
11. Any employee who intentionally and knowingly acquires or disposes of any goods and services for the Township in contravention of any section of this Policy shall be submit to disciplinary action in accordance with Township Policy.
12. All petty cash purchases must exclude tendered goods and services.
13. No requirement for goods and services may be divided into two or more parts to avoid the provisions of this policy.
14. A Department Head shall not award a contract where it has been determined that the provisions of this policy have not been adhered to.
15. The Department Head shall reject all purchase requisitions for services where the services could result in the establishment of an employee-employer relationship.
16. Schedules A-D (attached hereto) may be amended or updated by the Clerk or Treasurer from time to time to reflect legislative and practical changes required. Such amendments shall be circulated to Council, Department Heads and affected staff.

#### **SECTION IV - REQUIREMENT FOR APPROVED FUNDS**

1. Net departmental expenditures are authorized by Council each year as part of either the Operating or Capital Budget process. Pending Council's approval of proposed budgetary estimates, Department Heads are authorized to spend up to 50% of the previous years approved departmental allocations.
2. The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Council-approved Budget. Approval in the budget to award a contract provides the Department Head with the authority to process and implement the award, within the constraints of this Procurement Policy.
3. Where goods and/or services are routinely purchased or leased on a multi-year basis, the exercise of authority to award such a contract is subject to the following:
  - a. the identification and availability of sufficient funds in appropriate accounts for the current year within Council-approved estimates, and
  - b. the requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the Treasurer, the required funding can reasonably be expected to be made available.
  - c. the Department Head will co-ordinate with the Administrator-Treasurer, all leasing requirements including term capitalization rate, lease vs. buy (or other) analysis, etc. The Administrator-Treasurer will ensure that all lease commitments comply with Municipal Act 2001, as amended, and regulations made there under.
4. The Administrator-Treasurer may reject purchase requests for which sufficient funds are not available and identified. If the Department Head advises that the deficiency is minimal and alternative funding has been identified, the purchase request may proceed provided appropriate authorizations are met in accordance with this policy.
5. Where this policy prescribes financial limits on a contract that may be awarded under the authority of a Department Head, or provides for financial limits on contracts required to be reported to Council, for the purpose of determining whether a contract falls within these prescribed limits, the contract amount shall be the sum of:
  - a. all costs to be paid to the supplier under the contract, excluding all taxes
  - b. less any rebates

#### **SECTION V - SPECIFICATIONS**

1. The department whose budget provides for the procurement of goods and services shall be responsible, in consultation with the Administrator-Treasurer and any other Township department, for the preparation and approval of all Specifications and/or Terms of Reference (Scope of Work) to be used for the procurement of such goods and services.
2. Where practical, Specifications or Terms of Reference should be considered that are detailed but not brand specific to leave room for potential vendors to provide alternatives in the event an equal or better-proven product or method is available.
3. Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.



When such services are required:

- a. the Administrator-Treasurer shall be advised.
- b. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of the goods and services.
- c. a fee shall be paid.
- d. the detailed specification shall become the property of the Township for use in obtaining competitive bids.

## **SECTION VI - STANDARDIZATION**

It will be the policy of the Township of Howick, wherever possible, to standardize the procurement of goods and services to allow for:

1. reduced number of goods and services required
2. increased volume on common items or services
3. maximizing volume buying opportunities
4. providing economies of scale
5. reduced handling, training and storage costs
6. minimizing maintenance costs
7. co-operative purchasing activities
8. competitive bid results
9. reduced overall cost

## **SECTION VII - RESPONSIBILITIES AND AUTHORITIES**

1. The Department Heads have responsibility for procurement activities within their departments and are accountable for determining and achieving specific objectives as outlined for each procurement project.
2. Department Heads have the authority to award contracts in the circumstances specified in this policy provided that the delegated power is exercised within the limits prescribed in this policy and that the requirements of this policy are met.
3. The Administrator-Treasurer is responsible for providing procurement advice and services to Department Heads, and monitoring compliance with this policy.
4. Department Heads, in consultation with Treasury staff, shall inform Council when non compliance with this policy has occurred.
5. The Administrator-Treasurer has the authority to: instruct the Department Head not to award a contract: submit recommendations to Council for approval: provide additional restrictions concerning procurement, where such action is considered necessary and in the best interests of the Township.

## **SECTION VIII - METHODS OF PROCUREMENT**

Notwithstanding any other provisions of this Policy, the items listed in Appendix "A" do not fall under the acquisition guidelines of the Purchasing Policy and shall be subject to applicable Policies and Procedures established from time to time.

### **1. PROCUREMENT OF GOODS AND/OR SERVICES**

Where a required product or service can be specified, it shall be acquired by a Purchase Requisition

Where it is estimated that the value of the goods and services, inclusive of all delivery charges will cost:

**a. \$0 to \$200**

Direct acquisition is acceptable.

**No purchase requisition is required.**

**b. \$200 to \$2,500**

The user department shall obtain 3 quotations, where possible and practicable.

No Purchase Order is required.

No report to Council is necessary.

**The purchase requisition shall act as the Purchase Order.**

**c. \$2,500 to \$10,000**

The initiating Department in consultation with the Treasurer, shall obtain three (3) written quotations, where possible using a Request for Quotation, invitational Request for Quotation, or other method.

No report to Council is necessary.

**A purchase requisition is used to initiate the process and a purchase order must be issued.**

**d. \$10,000 to \$50,000**

The initiating Department Head, in consultation with the Treasurer, shall issue a Request for Quotation. A minimum of three quotations (where possible) are to be received before the Township commits to a Vendor.

If only one quotation is received, the Township may exercise its right to cancel the call for quotations. Quotations are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission. No report to Council is necessary.

**A purchase requisition is used to initiate the process and a purchase order must be issued.**

**e. \$50,000 and over**

The requisitioning Department Head, in consultation with the Treasurer, shall issue a Tender for approved projects based on defined requirements (specifications are available to readily compare products).

Any requested bid deposit, security or bond must be included with the submission.

Replies are delivered directly to the Clerk's Department, to be opened at a public meeting. If only one tender is received, the Township has the option of not opening the bid and closing the call for tender.

Each sealed bid received in response to a formal bid request is reviewed to determine whether a bid irregularity exists, action is taken according to the nature of the irregularity

(see Appendix B).

A report initiated by the issuing Department Head and reviewed by the Treasurer shall be prepared for Council consideration and approval.

**Upon Council's approval, the Department Head shall ensure that a legally binding agreement is executed by the Reeve and Clerk, or a purchase order is issued.**

The Department Head is responsible for maintaining current insurance certificates and WSIB certificates, as called for in the bid documents.

## **2. REQUESTS FOR PROPOSALS**

### **(INCLUDING THE ENGAGEMENT OF PROFESSIONAL AND CONSULTING SERVICES)**

This method of acquisition can be used for any dollar value and involves the solicitation of proposals when the requirements for goods and/or services cannot be definitely specified, the requirements of the Township are best described in a general performance specification, and innovative solutions are sought. Depending on its' terms, the process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices.

The Department Head shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation-scoring scheme using a standard Request for Proposal that includes factors such as qualification and experience, strategy, approach, methodology, scheduling, and past performance, facilities, and equipment. Department Heads shall identify appropriate criteria from the list but are not limited to the standard criteria from the list. Requests for Proposals are not formally opened in public nor is it necessary to disclose prices or terms at the time of submission. If only one proposal is received, the Department Head, in consultation with the Treasurer, has the option of not opening the bid and closing the call for proposal.

Where the required goods or service cannot be specified and it is estimated that the value of the goods and services (excluding all taxes) cost:

**a. \$10,000 or less**

a written quotation must be acquired by the initiating Department.

No report to Council is required.

**A purchase requisition is required.**

**A purchase order must be issued.**

**The initiating Department must execute a contract**

**b. \$10,000.00 to \$50,000**

written quotations shall be advertised through the Request for Proposal (RFP) process and evaluated on the basis of quantitative and qualitative criteria.

No report to Council is required.

**A purchase order must be issued.**

**The initiating Department must execute a contract.**

**c. Over \$50,000**

written quotations shall be acquired through the Request for Proposal (RFP) process and evaluated on the basis of quantitative and qualitative criteria. A report to Council is required from the department issuing the RFP for Council consideration and approval.

**Upon Councils approval, a contract must be executed by the Reeve and Clerk.**

### **3. EXPRESSION OF INTEREST and/or REQUEST FOR PRE- QUALIFICATION**

Used where bidders offer their interest in submitting a bid on a product or service.

Advertised publicly, and information is requested to determine reference checks, past performance, and financial liability. A reply to the Request for Expression of Interest and/or Pre-Qualification is required by a designated date and time to the Treasury Department, signed by an Officer authorized to legally bind the Corporation.

Submissions are reviewed and subsequently a Request for Quotation or Tender is prepared for a short list to invited pre-qualified bidders.

## METHODS OF PROCUREMENT – SUMMARY TEMPLATE

The following are authorized procedures for the procurement of goods, services, and construction, not available from pre-existing agreements.

METHOD OF PROCUREMENT	TYPE OF QUOTATION	SOURCE OF BIDS	TYPE OF CONTRACT	REPORTING STATUS
<b>1. GOODS AND SERVICES</b>				
a. under \$200			direct acquisition	no report to Council required
b. \$200.00 - 2,500		Purchases made from the competitive marketplace where possible and practicable	Purchase requisition  no purchase order required	no report to Council required
c. \$2,500 -10,000	Written quotation required	3 written quotes to be obtained where possible	Purchase Order	no report to Council required
d. \$10,000–50,000	Written quotation acquired by REQUEST FOR TENDER	Advertised on website/ETN	Purchase Order	no report to Council required.
e. over \$50,000	Written quotation acquired by REQUEST FOR TENDER	Advertised on website/ETN, may advertise in local and/or trade paper	Purchase Order or Executed Contract	report to Council
<b>2. REQUEST FOR PROPOSALS (INCLUDING THE ENGAGEMENT OF PROFESSIONAL AND CONSULTING SERVICES)</b>				
a. under \$10,000	Written quotation acquired by Department Head		Purchase Order or agreement	no report to Council required
b. \$10,000-50,000	Written quotations through REQUEST FOR PROPOSAL	Advertised on website/ETN, may advertise in local and/or trade paper	Purchase Order or agreement	no report to Council required
c. over \$50,000	Written quotations through REQUEST FOR PROPOSAL	Advertised on website/ETN, may advertise in local and/or trade paper	Purchase Order or agreement	Review by Solicitor  Report to Council
<b>3. EXPRESSION OF INTEREST and/or REQUEST FOR PRE-QUALIFICATION</b>				
	Request for information only, followed by INVITATION TO BID or PREQUALIFIED TENDER	Advertise on website/ETN, may advertise in local and/or trade paper	no contract Followed by further request	no report to Council required.

#### **4. EXCEPTIONS TO METHODS OF ACQUISITION**

##### **a. VOLATILE MARKET CONDITIONS**

Notwithstanding the provisions of this policy, where market conditions are such that long term price protection cannot be obtained for goods and services, the Department Head will obtain competitive prices for short term commitments until such time a reasonable price protection and firm market pricing is restored.

##### **b. SOLE SOURCE PROCUREMENT**

Purchase by negotiation may be adopted, if in the judgment of the requisitioning Department Head in consultation with the Treasurer, any of the following conditions apply:

- (i) goods and services are in short supply due to market conditions
- (ii) the sources of supply are restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to any of the following:
  - a. components or replacement parts for which there is no substitute
  - b. compatibility with an existing product, facility or service is required
  - c. specific standards are adopted by Council
- (iii) there is documented evidence that the extension or reinstatement of an existing contract would prove most cost effective or beneficial
- (iv) work is required at a location where a contractor has already been secured by another party through a tender process with established unit prices and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed for the Township
- (xii) after the RFP process has closed, it may be necessary for discussion to clarify and/or make significant revision(s) to the initially defined requirements of the call for quotations/proposals
- (xiii) when only one bid/proposal is received through the procurement process and it is impractical to recall the requirements of the call for quotations/proposals.

##### **c. EMERGENCY PROCUREMENT**

Notwithstanding the provisions of this policy, the following shall only apply in case of an emergency, when an event occurs that is determined by a Department Head or the Head of Council to be a threat to:

- public health
- the maintenance of essential Town services
- the welfare of persons or of public property, or
- the security of the Township's interests

and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive bids

The above criteria are to be applied on the basis of:

**i) Procurement under \$50,000:**

Wherever feasible, the Department Head, shall secure by the most open market procedure at the lowest obtainable price, any goods and services required.  
A purchase order shall be issued.

**(ii) Procurement Over \$50,000:**

The Department Head shall obtain the prior approval of the Head of Council. An information report shall be submitted to Council explaining the actions taken and the reason(s) therefore.  
A purchase order shall be issued.

**d. COOPERATIVE PROCUREMENT (BUYING GROUPS)**

1. The Township may join one or more Buying Groups or purchase from an existing Buying Group Contract with the Treasurer's approval.
2. Once the Treasurer has approved the Township's participation in a Buying Group or Buying Group contract, members of the Senior Management Team may purchase from an existing Buying Group.
3. A Buying Group contract is deemed to be a competitively awarded Contract. Approvals to award the Contract or to purchase from a Buying Group Contract must be obtained as set out in this policy based on the Contract Value of the Contract prior to committing the Township to purchase any Goods or Services.
4. The cooperative procurement may be conducted using a Sole Source process if the goods and/or services are available from only one supplier by reason of:
  - a) It is advantageous to the Township to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body or a Group Procurement Organization (GPO).
  - b) Cooperation with Other Public Agencies in Order to Obtain the Best Possible Value for Every Tax Dollar. The Township is a member of a cooperative procurement group. Made up of several public agencies, this group pools its expertise and resources in order to practice good Value Analysis and to purchase goods and/or services in volume and save tax dollars.

**e. UNSOLICITED PROPOSALS**

Unsolicited proposals received by the Town shall be reviewed by the Department Head and Purchasing Co-ordinator. Any procurement activity resulting for the receipt of an Unsolicited

Proposal shall comply with the provisions of this policy. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement requirements comply with the non-competitive procurement policies and procedures.

## **SECTION IX - BID ANALYSIS**

Analyzing of bid responses shall be as follows;

1. Tenders shall be tabulated and analyzed by the initiating Department Head, and a recommendation forwarded to the Administrator-Treasurer for review
2. Bid responses dealing with the lease, rental or purchase of physical assets shall be tabulated and analyzed by the initiating Department Head, and a recommendation forwarded to the Administrator-Treasurer for review
3. All other bid responses shall be tabulated and analyzed by the Administrator-Treasurer in consultation with the initiating Department Head.

## **SECTION X - REPORTING**

### **GOODS AND SERVICES and PROFESSIONAL AND CONSULTING SERVICES**

1. Where the;
  - a. value of the goods and services is less than \$50,000, and
  - b. procedures defined by this policy has been followed, and
  - c. acquisition is within the approved departmental net budget amount, and
  - d. lowest responsive bid has being recommended.

No report to Council is required and the Department Head shall execute a purchase order or arrange for a contract to be signed by the Corporate Signing Officers.

2. Council approval is required where the:
  - a. value of the goods and services is over \$50,000, or
  - b. purchase is for vehicles or heavy equipment, or
  - c. purchasing policy is being waived, or
  - d. acquisition exceeds the approved capital budget amount by more than 10%, or
  - e. lowest responsive vendor submission is not being recommended, or
  - f. there was no provision in the budget for the item

Based on the above criteria, a purchase order shall be issued and/or contract executed by the Reeve and Clerk in accordance to the reporting guidelines in this policy.

3. All contracts will be held by the Municipal Clerk with copies being sent to the issuing department and the Administrator-Treasurer.

## **SECTION XI - DISPOSAL OF SURPLUS GOODS**

1. The Department Head shall notify the Council once any item has been deemed as surplus assets for sale or disposal. If the value is greater than \$10,000, the Department Head shall obtain the approval of the Council prior to sale or disposition.



2. Surplus assets not required by any other department shall be sold or disposed of by the Department Head via formal auction, internet auction, tender, quotation or trade-in. Any remaining surplus assets may be awarded to a non-profit entity.
3. The disposition shall be documented with a Sales Order. Revenue generated from the sale of surplus assets shall be credited to the appropriate equipment replacement reserve for future allocation.

## **SECTION XII - CONFLICT OF INTEREST**

All consultants (eg: architects, engineers, etc.) retained by the Township of Howick shall disclose to the Township prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Township as directed by the Department Head may, at its discretion, withhold the assignment from the consultant until the matter is resolved. As well, if during the conduct of a Township assignment, a consultant is retained by another client thus giving rise to a potential conflict of interest, then the consultant shall so inform the Township.

## **Schedule "A"**

### **GOODS AND SERVICES "EXEMPT" from PROVISIONS OF THE PROCUREMENT POLICIES**

- 1. Petty Cash Items**
- 2. Training and Education**
  - a) Conferences
  - b) Courses
  - c) Conventions
  - d) Memberships
  - e) Seminars
  - d) Periodicals
  - g) Magazines
  - h) Staff Training
  - l) Staff development
  - j) Staff workshops
  - k) Subscriptions
- 3. Employee Expenses**
  - a) Advances
  - b) Meal allowances
  - c) Travel & Hotel accommodation
  - d) Entertainment
  - e) Miscellaneous — Non-Travel
- 4. Employer's General Expenses**
  - a) Payroll deduction remittances
  - b) Licenses (vehicles, elevators, radios, etc.)
  - c) Debenture payments
  - d) Grants to agencies
  - e) Payments of damages Tax remittances
  - g) Charges to/from other Government or Crown Corporations
  - h) Employee income
- 5. Professional and Special Services**
  - a) Committee fees
  - b) Witness fees
  - c) Court reporters' fees
  - d) Honoraria
  - e) Arbitrators
  - f) Legal settlements
- 6. Utilities**
  - a) Postage
  - b) Water and sewer charges
  - c) Hydro
  - d) Cable television charges

**Schedule “B”**  
**BID IRREGULARITIES**

**1. BID IRREGULARITY**

A bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response.

For the purposes of this policy, bid irregularities are further classified as “major irregularities” or “minor irregularities”.

A “**major irregularity**” is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. The Department Head must reject any bid that contains a major irregularity.

A “**minor irregularity**” is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The Department Head may permit the bidder to correct a minor irregularity.

**2. MATHEMATICAL ERRORS - RECTIFIED BY STAFF**

The Department Head will correct errors in mathematical extensions and/or taxes, and the quoted unit prices will govern. The responsibility for correcting mathematical errors may be delegated to the Treasury department.

**3. ACTION TAKEN**

The Department Head, Administrator-Treasurer and Township Solicitor will be responsible for action taken in dealing with bid irregularities, and will act in accordance with the nature of the irregularity:

- major irregularity (automatic rejection)
- minor irregularity (bidder may rectify)
- mathematical error (additions or extensions) as above

In the event that the vendor withdraws his bid due to the identification of a major irregularity, the Township may disqualify such vendor from participating in Township quotations / tenders / requests for proposals for a period of up to one year.

## BID IRREGULARITIES – SUMMARY

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1.	Late bids (by any amount of time)	X		automatic rejection
2.	Bids completed in pencil	X		automatic rejection
3.	Bid surety not submitted with the bid when the bid request (or any addenda) indicates that such surety is required	X		automatic rejection
4.	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. Surety Company not licensed to do business in Ontario	X		automatic rejection
5.	EXECUTION OF BID BONDS: a. Corporate seal or equivalent proof of authority to bind company or signature of the Bidder or both missing b. Corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X		automatic rejection
6.	OTHER BID SECURITY: Cheque which has not been certified	X		automatic rejection
7.	Bidders not attending mandatory site meeting	X		automatic rejection
8.	Unsealed tender envelope	X		automatic rejection
9.	Proper response envelope or label not used	X	X	acceptable if officially received on time
10.	Pricing or signature pages missing	X		automatic rejection
11.	Insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X or	X	Where security is required & amount is not specified in request, automatic rejection unless insufficiency is <u>deminimus</u> (trivial or insignificant) – where security is required and amount of security is specified in request automatic rejection
12.	Bid received on documents other than those provided in request	X		Not acceptable unless specified otherwise in the request
13.	EXECUTION OF BID DOCUMENT Proof of authority to bind is missing	X		automatic rejection
14.	Part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request

15.	Bids containing minor clerical errors		X	2 working days to correct initial errors. Town reserves the right to waive initialing and accept bid
16.	Uninitialed changes to the request documents which are minor (ie; the bidder's address is amended by overwriting but not initialed)		X	2 working days to correct initial errors. Town reserves the right to waive initialing and accept bid
17.	Alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request
18.	Unit prices in the schedule of prices have been changed but not initialed		X	2 working days to correct initial errors. Town reserves the right to waive initialing and accept bid
19.	Other mathematical errors which are not consistent with the unit prices		X	2 working days to initial corrections. Unit prices will govern
20.	Pages requiring completion of information by vendor are missing	X		automatic rejection
21.	Bid documents which suggest that the bidder has made a major mistake in calculations or bid			consultation with a Solicitor on a case-by-case basis and referenced within the staff report if applicable

**NOTE:** The above list of irregularities should not be considered all-inclusive. The requisitioning department will review minor irregularities not listed. The Department Head may then accept the bid, or request that the bidder rectify the deviation.

**Schedule “C”**  
**TENDER PROCESS**

**Tenders will be called for all work, equipment, and materials with a value exceeding \$50,000 by the way of public advertising or invitational bid, as outlined in the Township’s Purchasing Policy.**

The Department Head will draft and arrange for circulation, an advertisement and tender documents providing the following information, and the Department Head will have plans and specifications prepared at least one day before the ad appears.

- description of work
- dollar value
- Council authority
- Closing date
- All public tenders are advertised locally, at the discretion of the Department Head. Tenders may be advertised in a local, regional, and/or construction newspaper
- In some instances the contract may be advertised to *pre-qualify* potential bidders. Pre-qualification of bidders includes the screening of potential vendors in which such factors as financial capability, reputation, qualified staff and equipment management and product quality are considered. After evaluation of responses, only those contractors who are “pre-qualified” are allowed to submit tenders
- Advertisements must include the following information (if applicable): site meeting time/date/location, contacts names for technical and purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.

The closing date is usually 15 calendar days after date of issue. However, a tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s) being tendered.

Advertised tender packages are available from the Municipal Office, 44816 Harriston Road, RR #1, Gorrie ON, N0G 1X0. The tender fee (if applicable) is payable to the Township of Howick. A copy is available for viewing prior to purchase.

All tender submissions must be addressed to the Municipal Clerk, Township of Howick, and returned in the envelope provided with the tender package. All **sealed** tender submissions will be received at the business office, and will be date and time-stamped.

Administration staff will refuse to accept any tender submission that is

- not sealed
- received after the specified closing deadline
- submitted after a tender has been cancelled.

Requests for withdrawal of a tender shall be allowed if the request is made before the closing time for the contract to which it applies. Requests must be directed to the Municipal Clerk by letter or in person, by a Senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract.

Tenders close at the specified time on the appointed day, and are opened publicly immediately thereafter (unless otherwise specified in the tender documents).

Each tender is reviewed to determine whether a bid irregularity exists, and action is taken according to the nature of the irregularity (see Appendix B).

Tenders are tabulated and evaluated by the using department.

A report initiated by the issuing Department Head and reviewed by the Treasurer shall be prepared for Council's consideration and approval.

Following Council's approval, the Department Head shall either issue a purchase order, or ensure that a contract that legally binds the corporation is executed by the Reeve and Clerk.

**Tender results, if requested, shall be made public by the Department Head.**

**Schedule “D”**  
**REQUEST FOR PROPOSAL PROCESS**

REQUEST FOR PROPOSALS (RFP’s) may be called instead of tenders, by the way of public advertising or invitational bid, as outlined in the Township’s Purchasing Policy:

- when requirements or services are non-standard or specialized in nature, or
- when the requirements or services are non-standard or specialized in nature, or
- when the cost is a minor component making up the award.

The following information must be provided:

- approximate dollar value
- budget authority
- description of work
- closing date

The user Department Head will initiate the RFP process by preparing documents, with input and assistance from the Administrator-Treasurer, if required.

Prior to printing, documents will be reviewed by the Administrator-Treasurer to ensure that all provisions other than specifications have been included in the proper format.

The Department Head will advertise and distribute RFP packages.

All public RFP’s are advertised at the discretion of the Department Head, RFP’s may be advertised in a local, regional, and/or construction newspapers. Advertisements must include the following information (if applicable): site meeting time/date/location, contacts name for technical and purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.

The closing date is usually 15 calendar days after date of issue. However, an RFP may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s).

Request for Proposal document packages are available from the Municipal Office, 44816 Harriston Road, RR #1 Gorrie ON N0G 1X0.

RFP’s clearly marked as such, must be addressed to the Municipal Clerk who will receive all sealed submissions, which will be date and time-stamped.

Administrative staff will refuse to accept any submission that is

- not sealed
- received after the closing deadline
- submitted after and RFP has cancelled

Requests for withdrawal of an RFP shall be allowed if the request is made before the closing time for the contract to which it applies. Requests must be directed to the Municipal Clerk by letter, or in person by a Senior Official of the company, with a signed withdrawal confirming the details.

Telephone request will not be considered. The withdrawal of a RFP does not disqualify a bidder from submitting another RFP on the same contract.

Proposals shall be opened on the appointed day for registration of bids, or at such time as may be set out in the RFP. Only names of bidders will be made public.



Proposals received shall be evaluated on the basis of quantitative and qualitative criteria by an Evaluation Committee.

**RFP's with an anticipated value over \$50,000** require the Township Solicitor's review prior to issuance, and a report from the department to Council for consideration and approval prior to the award. Following Council's approval, a contract must be executed by the Reeve and Clerk.

Once an award is made by Council, the report recommending an award shall be a matter of public record.

**RFP results, if requested, shall be made public by the Department Head.**