

## **The Corporation of the Township of Cavan Monaghan By-law No. 2024-54**

### **Being a by-law respecting the fair, transparent and accountable procurement of Goods and Services for the Township of Cavan Monaghan**

**WHEREAS**, Section 270 (1) paragraph 3 of the *Municipal Act, 2001*, S.O. 2001, c. 25 requires that a municipality adopt and maintain policies with respect to its procurement of goods and services.

**AND WHEREAS**, the Council of the Township of Cavan Monaghan has undertaken a review of its existing procurement of goods and services policy as contained in By-law No. 2020-22 and deems it desirable to repeal, in its entirety, By-law No. 2020-22, and pass a new by-law with respect to the procurement of goods and services.

**NOW THEREFORE**, the Council of Township of Cavan Monaghan hereby enacts as follows:

#### **1.0 Purpose, Goals and Objectives of this Purchasing Policy**

##### **1.1 The purposes, goals, and objectives of this by-law are:**

- (a) purchases of goods and services to provide the best value for the Municipality;
- (b) to encourage competition among suppliers;
- (c) to ensure fairness, impartiality, honesty, accountability and transparency in the procurement process; and
- (d) to promote and implement procurement practices that abide by the principles of the *Accessibility for Ontarians with Disabilities Act, 2005*.

#### **2.0 Definitions**

**"Award"** means the selection of a Bid or a Proponent as the case may be and/or its Goods/Services by the Township;

**"Bid"** means a submission received in response to a call for bids, and includes either a quotation, a tender or a proposal;

**"Bidder"** means any legal entity that submits a bid in response to a call for bids;

**"Call for bids"** means a formal request for bids and includes, but is not necessarily limited to, a request for quotations, a request for tenders or a request for proposals;

**“CAO”** shall mean the Chief Administrative Officer for the Municipality.

**“Community benefits”** means additional physical, social, economic and/or environmental benefits for local communities that can be leveraged through funds already being spent on goods, services, construction and/or land development projects;

**“Conflict of interest”** means:

(a) when applied to individuals, any situation or circumstance in which an individual's impartiality may be affected because of a personal relationship or where an individual may stand to gain from the outcome of a procurement;

(b) when applied to suppliers, any situation or circumstance where:

(i.) in the context of a procurement process, the supplier has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including, but not limited to:

A. having, or having access to, confidential information of the Township that is not available to other suppliers;

B. communicating with any person with a view to influencing preferred treatment in the procurement process; or

C. engaging in conduct that compromises, or could be seen to compromise, the integrity of an open and competitive procurement process or render that process non-competitive or unfair; or

(ii.) in the context of performance under a contract, the supplier's other commitments, relationships or financial interests:

A. could, or could be seen to, exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement; or

B. could, or could be seen to, compromise, impair or be incompatible with the effective performance of its contractual obligations;

**“Contingency”** means an event or circumstance that gives rise to an increase in a contract price, and which could not have been reasonably anticipated at the time the call for bids closed;

**“Contract”** means any form of binding agreement between the Township and a contractor for the purchase of deliverables;

**“Contractor”** means any legal entity to whom a contract is awarded;

**“Council”** means the Council of the Corporation of the Township of Cavan Monaghan;

**“Deliverables”** means goods, services, and construction;

**“Department Head”** shall mean the head of a department operating within the Township of Cavan Monaghan, being the Chief Building Official; Clerk; Director of Finance/Treasurer; Fire Chief; Director of Planning; Director of Public Works; Manager of Parks & Facilities and the Chief Administrative Officer (where applicable).

**“Emergency”** means an event or circumstance where the immediate purchase of deliverables is necessary to prevent or alleviate: (a) a serious delay in service delivery that could not have been foreseen; (b) a threat to the health, safety or welfare of any person; (c) the disruption of essential services; or (d) damage to public or private property, and includes, but is not limited to, an emergency declared under the *Emergency Management and Civil Protection Act*,

**“Essential service”** means any service rendered to or by the Township, the interruption of which could endanger the life, health or personal safety of any person;

**“Proponent”** an entity or person that submits a response to a Bid.

**“Municipality”** means the Corporation of the Township of Cavan Monaghan;

**“MFIPPA”** means the *Municipal Freedom of Information and Protection of Privacy Act*;

**“Township”** means the the Corporation of the Township of Cavan Monaghan; and

**“Vendor”** means any legally entity supplying goods or services to the Township;

### 3.0 Application

3.1 This by-law shall apply to the procurement of all deliverables made by or on behalf of the Township except as expressly excluded under Appendix “A” of this by-law, and includes the acquisition of deliverables by purchase, rental or lease.

### 4.0 Purchasing Procedures

Any person acquiring Good/Services on behalf of the Municipality, shall do so in accordance with this By-law and the following purchasing procedures:

- Direct Acquisition/Low Value (5.1), procurement less than or equal to \$20,000
- Pre-Approved Suppliers (4.1), annual expenditures less than \$50,000
- Request for Quotation, RFQ (5.2), procurement less than \$100,000



- Request for Tender, RFT (5.3), procurement equal to or greater than \$100,000
- Request for Proposal, RFP (5.4)
- Request for Pre-Qualification (5.5)
- Non-Competitive Purchases; Sole Source, Single Source (5.6)
- Emergency Purchases (5.7)

#### **4.1 Pre-Approved Suppliers**

The Department Head shall be authorized to make purchases of goods and services, from a pre-approved supplier, for annual expenditures less than \$50,000 without obtaining quotations. A pre-approved supplier has been selected through a Request for Supplier Qualification, RFSQ, which authorizes the supplier to provide goods/services for a defined period of time on terms and conditions, including pricing/discounts, as set out in the agreement.

The Request for Supplier Qualification is a public competitive procurement process posted in a fair, open and transparent manner. The Department Head, in conjunction with a municipal employee deemed appropriate by the CAO, are involved in evaluating proposals received as part of the RFSQ process. Proposals representing the best quality and range of products, level of customer service, delivery and potential cost savings are selected to become pre-approved suppliers for the Municipality. Pre-approved Suppliers are selected to cover a broad range of commodities commonly used in municipal operations.

Suppliers may submit an application, at any time during the year, to be considered for the Pre-Approved Supplier List as published annually. The same qualification requirements, evaluation process and agreements that were included in the original RFSQ shall apply to any subsequent process for the qualifying of a new supplier. Any newly approved applicants will be added annually in April to the Pre-Approved Supplier List. Annual applications are required to remain on the Suppliers list.

Pre-approved suppliers that fail to perform contracts awarded in a satisfactory manner, as determined in accordance with the supplier performance evaluation process, will be removed from the Pre-Approved Suppliers List and will no longer be eligible to participate or re-qualify during a two-year period.

A summary of each agreement, including product categories, is maintained by the Department Head and the Pre-Approved Suppliers List is posted on the municipal website.

## **4.2 Expenditure Authorization**

Council has ultimate authority and accountability for all expenditures. Council delegates this authority through the authorization of budgets and/or by specific resolution or by-law. This purchasing policy outlines how spending authority is to be used unless Council directs otherwise.

In accordance with best practices in Municipal procurement, there is a need for a clear separation of political and administrative functions in relation to the Municipality's procurement of goods, services and construction. It is the role of Council to establish Policy and approve expenditures through the budget process. Through this Policy, Council delegates authority to Municipal employees to incur expenditures in accordance with approved budgets through the procurement of goods, services and construction in accordance with the rules set out herein.

To avoid the potential appearance of bias or political influence in procurement Contract award decisions, members of Council shall have no involvement in competitive procurement processes from the time those procurement processes have been initiated through the advertisement or issuance of the solicitation document until a Contract has been entered into with the successful bidder, except where Council is required to approve the Contract award in accordance with the provisions of the Policy.

## **4.3 Department Head Authorization and Responsibilities**

4.3.1 The Department Head shall be responsible for procurement, purchasing and acquisitions within the approved budget or any amendment to same, as approved by Council.

4.3.2 Notwithstanding the provisions of this By-law, the Municipality shall have the absolute discretion in awarding contracts and retains the right to reject any or all Bids. Where the procurement value is equal to or greater than \$100,000, the award or rejection requires Council approval.

## **4.4 Purchasing Designate**

A Department Head may appoint a Purchasing Designate to exercise direct acquisition responsibilities assigned to that Department Head, as per 5.1.

## **5.0 Purchasing Mechanisms**

In determining which purchasing mechanism is the most appropriate, the Department Head shall have regard for the goals as outlined in Section 1, the purchasing responsibilities as outlined in section 4 and the threshold values stated in section 5.



**5.1 Direct Acquisition, procurement less than or equal to \$20,000**

The Department Head shall be authorized to make direct purchases of goods and services up to an amount of \$20,000 from such vendor and upon such terms and conditions as the Department Head deems appropriate. The Department Head shall first attempt to use vendors from the "Pre-approved Supplier" list for goods or services where the total is less than \$20,000. If there is not a pre-approved supplier available, the Department Head may obtain comparable prices from known suppliers who can provide acceptable quality goods or services and proceed with a direct purchase from the supplier.

**5.2 Request for Quotation, procurement less than \$100,000**

5.2.1 The Department Head shall be authorized to make purchases of goods and services for estimated expenditures less than \$100,000 from such vendor and upon such terms and conditions as the Department Head deems appropriate subject to first obtaining at least three (3) Quotations whenever possible.

5.2.2 Notwithstanding 5.2.1 when the preferred Quotation exceeds the line item approved budget but does not exceed \$100,000.00, the Department Head may proceed with the purchase of goods and services provided the funds are available within the overall departmental budget.

5.2.3 In the event there are no funds available within the overall departmental budget and the respective Department Head wishes to undertake a procurement without budget support, the Department Head shall prepare a report to Council for approval with the source of financing endorsed by the CAO and Treasurer or designate.

**5.3 Request for Tender, procurement equal to or greater than \$100,000**

5.3.1 The Department Head shall not order goods and services equal to or exceeding \$100,000 without requesting and obtaining sealed tenders (hardcopy) or electronic tenders for the goods and services and receiving Council approval of the tender. At least three (3) bids shall be obtained whenever possible.

5.3.2 In the preparation of a tender, the document shall be developed by the respective Department Head, with support and input from the Treasurer and/or Chief Administrative Officer or designates.

5.3.3 When it becomes necessary to revise, delete, substitute or add to the tender documents for a tender call, the Treasurer or their designate, shall approve the issuance of an addendum prepared by the Department Head.

A copy of each addendum shall be forwarded by email by the Department Head or his/her designate or government authorized e-procurement to all persons on the list referenced in section 5.8 and a copy shall be attached to all undistributed tender documents.

- 5.3.4 After the opening of the tenders, the Department Head responsible for the initiation of the Request For Tender shall review and confirm that each bid meets the tender specifications and is compliant.
- 5.3.5 The respective Department Head shall prepare a preliminary tender summary report of the tenders received, including the names of all those submitting a tender and the tender amounts and security/deposit amounts (if applicable) and a recommendation in writing to the CAO and Treasurer for review and comment prior to submission to Council. The report will then be forwarded to Council for direction.
- 5.3.6 Notwithstanding Section 5.3.3 & 5.3.4, where tenders are coordinated by a Consultant for a designated project, or by the County of Peterborough/other municipalities for co-operative purchasing, the Consultant/County/Municipality shall prepare a recommendation in writing and provide to the respective Department Head, who will prepare a report for Council.
- 5.3.7 Council shall make the final determination as to awarding of all tenders. The lowest tender, or any tender, is not necessarily accepted. Appendix 'B' attached hereto outlines the Bid Irregularities and the guidance and direction of use.

#### **5.4 Requests for Proposal**

- 5.4.1 The Department Head may use a Request for Proposal in place of a tender or quotation when an evaluation criteria is appropriate for the given goods and services. At least three (3) proposals shall be obtained whenever possible.
- 5.4.2 An RFP proposal document shall be developed by the respective Department Head, with support and input from the Treasurer and/or Chief Administrative Officer or designates.
- 5.4.3 When it becomes necessary to revise, delete, substitute or add to the tender documents for a tender call, the Treasurer or their designate, shall approve the issuance of an addendum prepared by the Department Head.
- 5.4.4 After the opening of the proposals the evaluation members shall review the documentation individually and score all RFP documents by using a scoring matrix, if applicable.



- 5.4.5 The respective Department Head shall prepare a preliminary proposal summary report of the proposals received, including the names of all those submitting a proposal and the amounts and security/deposit amounts (if applicable) and a recommendation in writing to the CAO and Treasurer for approval. When the preferred proposal exceeds the line item approved budget the Department Head may proceed with the purchase of goods and services with approval from the CAO and Treasurer, provided the funds are available within the overall departmental budget.
- 5.4.6 In the event there are no funds available within the overall departmental budget and the respective Department Head wishes to undertake a procurement without budget support, the Department Head shall prepare a report to Council for approval with the source of financing endorsed by the Treasurer and/or Chief Administrative Officer or designates.

## **5.5 Request for Pre-Qualification**

- 5.5.1 For any of the purchasing methods listed in this By-law, a pre-qualification process may be used where the Authorized Person wishes to ensure that Suppliers have the necessary experience, qualifications, and resources to provide the Goods, Services, or Construction anticipated to be procured. The selection of Bidders to proceed to a procurement method by way of a pre-qualification shall not create any contractual obligation between the Township and a pre-qualified Supplier.

## **5.6 Non-Competitive Purchases (Sole Source, Single Source)**

The requirement for a competitive bid process for the selection of a supplier for goods, services and construction (except for Emergencies – see 5.7) may be waived under authority of the CAO and replaced with direct negotiations by the Department Head (or delegate) under the following circumstances.

- a. The procurement qualifies as 'Sole Source' as defined in 5.6.1;
- b. The procurement qualifies as a 'Single Source' as defined in 5.6.2.

### **5.6.1 Sole Source**

The 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. Statutory or market-based monopoly;
- b. Competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, licence, technical secrets or controls of raw material; or



- c. The complete item, service, or system is unique to one supplier and no alternative or substitute exists.

If this method of purchasing is utilized, the Department Head and/or Consultant (as approved by the Department Head) must, in consultation with the CAO provide a written report to Council which shall identify the eligible reason(s) and provide confirmation that the sole source purchase satisfies the eligibility criteria.

### 5.6.2 Single Source

Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications.

The procurement may be conducted with valid and sufficient reasons for selecting one supplier in particular, as follows:

- a. An attempt to acquire the required goods and/or services by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing and compliant supplier;
- b. The confidential nature of the requirement is such that it would not be in the public interest to solicit competitive bids;
- c. There is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e. contract extension or renewal);
- d. The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;
- e. The goods are purchased under circumstances which are exceptionally advantageous to the Municipality, such as in the case of a bankruptcy or receivership;
- f. It is advantageous to the Municipality to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body;
- g. It is advantageous to the Municipality to acquire the goods or services directly from another public body or public service body;
- h. Another organization is funding or substantially funding the acquisition and has determined the supplier, and the terms and conditions of the commitment into which the Municipality will enter are acceptable to the Municipality; or
- i. Where due to abnormal market conditions, the goods, services or construction required are in short supply.

If this method of purchasing is utilized, the Department Head and/or Consultant (as approved by the Department Head) must, in consultation with the CAO provide a written report to Council which shall identify the eligible reason(s) and

provide confirmation that the single source purchase satisfies the eligibility criteria.

## **5.7 Emergency Purchases**

- 5.7.1 The Department Head shall be authorized to make emergency purchases in excess of \$50,000 upon the approval of the Chief Administrative Officer in an emergency, as defined herein.

The Department Head shall present a report to Council at its next meeting providing sufficient details on the purchase, emergency involved or timing rationale, and impact on approved departmental budget.

A supplier should be chosen from the Pre-Approved Suppliers List, whenever possible.

## **5.8 List of Prospective Bidders**

The Department Head or their designate shall keep a list of all persons taking out Tender and RFP documents directly or through government authorized e-procurement. Such list shall contain the prospective bidder's name, address, email address, and telephone number and shall be made available to the public.

## **5.9 Goods or Services at a Trade Show**

The Department Head or designate may have the opportunity to attend trade shows, where on occasion special limited time pricing can be obtained on specific goods or services. The Department Head or designate shall obtain at least one (1) price from a known supplier of the goods or services in advance of the attendance at the trade show in order to ascertain that the price(s) obtained at the trade show are in fact competitive. The Department Head or designate shall record the price obtained prior to and following attendance at the trade show.

## **6.0 Co-Operative Purchasing**

The CAO, Treasurer and Department Head are hereby authorized to participate in co-operative purchasing arrangements with other municipalities, counties/regions, associations, local boards and public agencies within the Province of Ontario. The procurement policies or procurement by-law of the host agency will apply upon the CAO, Treasurer and Department Head(s) satisfying themselves that the host agency will be proceeding to the open market to obtain competitive pricing via a fair process. Award approvals of all Co-operative Purchasing contracts shall be in accordance with the Purchasing Procedures.



## **7.0 Exercise of Contract Renewal Options**

7.1 Where a contract contains a Municipal option for renewal, Council shall decide whether the option should be exercised.

7.2 Prior to the date upon which a Municipal option may be exercised, the Department Head shall provide a report to Council for consideration in the exercise of its authority under subsection 7.1 above. Such report shall include and/or address the following:

- Whether the supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract,
- Whether the Department Head and CAO recommend that the exercise of the option is the best interest of the Municipality,
- A summary or business case supporting the Department Head/CAO's recommendation which includes commentary on the applicable market situation and trends, and
- Whether funds are available in appropriate accounts within the approved budget including authorized revisions to meet the proposed expenditure.

## **8.0 Contract Amendments and Revisions**

8.1 No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Municipality.

8.2 No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.

8.3 Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within the approved budget including authorized revisions.

8.4 Where expenditures for the proposed amendment combined with the price of the original contract exceeds approved budget for the project, a report prepared by the Department Head, with the source of financing endorsed by the Treasurer or designate, shall be submitted to Council for approval.

## **9.0 Communications**

9.1 All bid documents, and their respective advertisement of invitation, shall state the date, time and place of bid closing and, if applicable, any public opening.

9.2 The Municipality web site shall include a section dedicated to Tenders and RFP's. The website shall include a copy of the current purchasing policy. All notices for Tenders and RFPs shall be posted on the website.

## 10.0 Debriefing

Upon request of an unsuccessful bidder, made in writing within 90 days of the award of a contract, municipal staff shall, within a reasonable time, debrief with the unsuccessful bidder and provide the reasons why the municipality did not select its tender.

In the debriefing meeting, municipal staff shall not provide the unsuccessful bidder with information that would:

- a. impede law enforcement;
- b. might prejudice fair competition between suppliers;
- c. would prejudice the legitimate commercial interests of third persons, including the protection of intellectual property;
- d. would be contrary to the public interest; or
- e. would be exempt or prohibited from disclosure under MFIPPA, or its disclosure would contravene other applicable law.

## 11.0 Administration

11.1 All Tenders and RFPs shall be received online through the government authorized e-procurement or as a hardcopy received at the Township of Cavan Monaghan, 988 County Road 10, Millbrook, Ontario for recording of date and time received for safekeeping pending the opening of same.

11.2 All Tenders and RFPs shall close at the time and day specified in the advertisement.

11.3 Within three (3) hours of the closing, or a time deemed reasonable by the Department Head, the Tenders shall be opened publicly and the names of those submitting and the amounts shall be disclosed at the time of opening.

11.4 Tenders shall be opened in the presence of the Department Head, at least one other Department Head (Clerk and/or Treasurer) and/or the CAO and any other person deemed necessary.

11.5 No contract or purchase shall be divided to avoid the requirements of this policy.

11.6 Vendor contact regarding any procurement/purchasing with Council Members is prohibited and can be considered as grounds for disqualification from the selection process.

11.7 The Municipality may participate with other units of government, their agencies or public authorities in co-operative purchase ventures when the best interest of the Municipality will be served.



11.8 Purchases may be made for items of small value by a Department Head or his/her designate by way of a petty cash fund. The purchase of combined small value purchases through petty cash at one time shall not exceed \$300. The Department shall submit receipts, coded to the correct general ledger account and approved by the appropriate Department Head(s) to the Finance Department.

## 12.0 Conflict of Interest

12.1 The Department Head shall not open and consider any bid, or otherwise acquire any goods or services from an elected official, officer or employee of the Municipality unless the elected official, officer or employee declares a conflict of interest prior to the close of the bid or the acquisition of the goods and services. In the event that a conflict of interest is declared, appropriate mitigation measures shall be instituted to manage the conflict and maintain the integrity of the process for all bidders and the municipal corporation.

12.2 No Elected Official, officer or employee of the Municipality shall allow contact with a person, or any officer, employee or agent of the person who has submitted a bid to the Municipality unless the bid call has been awarded or the contact is for the purpose of receiving a complaint and are subject to the provision of MFIPPA.

12.3 All consultants (e.g. Architects, engineers, etc.) retained by the Municipality shall disclose to the Municipality prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Municipality as directed by the Department Head, may at its discretion, withhold the assignment from the consultant until the matter is resolved. And furthermore, if during the contract of a Municipality assignment, a consultant is retained by another client giving rise to a potential conflict of interest, then the consultant shall so inform the Municipality.

12.4 Elected officials, officers or employees of the Municipality shall declare a conflict of interest when they submit a bid and shall not be present when any decision is being made.

## 13.0 Financial Services

13.1 All invoices or accounts from vendors shall be forwarded to the Finance Department only after they have been marked as received, coded to the correct general ledger account and approved by the appropriate Department Head(s).

13.2 Prior to the adoption of the annual estimates, the services provided shall continue at the level carried out the previous year. The Department Heads are

authorized to incur expenses, and the Treasurer is authorized to pay the accounts, of such ordinary business transactions.

- 13.3 Prior to the approval of the current budget a department may incur normal operating expenditures (up to 50% of the previous years' operating budget) and normal roads network capital expenditures (up to 75% of the Asset Management Plan annual funding required for sustainability plus annual indexing) and expenses for capital projects carried forward from the previous year. Annual licensing, membership and insurance renewals may incur normal operating expenditures up to 100% of the previous year's operating budget.
- 13.4 After the adoption of estimates, the Treasurer is authorized to pay the accounts approved by the respective Department Heads.

#### 14.0 **Purchasing Policy Best Practices**

In order to ensure that Council and staff are familiar with this policy and that the policy reflects best practices, it shall be reviewed once in each term of Council. The review shall be coordinated by the Treasurer or designate and shall include an initial review by the Department Heads, suggestion of any proposed amendments or additions, and a report by the Chief Administrative Officer with recommendations to Council.

#### 15.0 **Repeal**

By-law No. 2020-22 is hereby repealed in entirety.

#### 16.0 **Severability**

In the event that any court should adjudge that any Section of this By-law is not valid for any cause, such Section or Sections shall be severable from the remainder of the By-law to the same extent as if the offending Section or Sections had not been included therein.

#### 17.0 **MFIPPA Compliance**

This by-law shall be read in conjunction with the *Municipal Freedom of Information and Privacy Act* ("MFIPPA"). MFIPPA prevails over any inconsistency between the terms of this By-law and the legislation.

#### 18.0 **Effective date**

This By-law comes into force the 7<sup>th</sup> day of October, 2024



  
  
**Matthew Graham**  
**Mayor**  
**Cindy Page**  
**Clerk**

## Appendix A – List of Items Exempt from the Policy

The following items are excluded from the requirements of this Policy and therefore no quotations, tenders, or proposals are required:

### Petty Cash Items

#### Training and Education

- a. Conferences, Courses, Conventions and Seminars.
- b. Magazines, Books, Periodicals
- c. Memberships
- d. Staff training/development/workshops

#### Refundable Employee and Council Expenses

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

Unless otherwise noted, Goods/Services as set out below may be procured without a competitive process by the Finance Department and/or signed off by the Department Head.

- a) banking services
  - b) utilities (hydro, television service, natural gas, sewer and water)
  - c) inter-departmental charges
  - d) insurance
  - d) internet and/or website hosting ongoing supplies & maintenance of existing IT hardware and software
  - f) municipal audit
  - g) police services
  - h) property taxes
  - i) telephone/cellular hardware/services
  - j) human resources services
- ii. Payments made in accordance with employee salary, wages and payroll benefits, including allowances/settlements as authorized by Council.
- iii. Credit card payments
- iv. Petty Cash replenishment
- v. Refundable Employee Expenses
  - a) employee mileage and/or travel
  - b) meal allowances
  - c) medicals



- d) training and education (membership, conferences, seminars, courses, books magazines)
- vi. Other Expenditures as authorized in the budget:
  - a) fuel expenditures
  - b) legal services
  - c) licenses
  - d) membership fees – professional associations
  - e) magazine and periodical subscriptions
  - f) postage
  - g) travel expenses, meals, accommodation and mileage
- vii. Federal, Provincial and Municipal Mandated Programs
- vii. Government payments  
All accounts for fees and levies payable to the federal, provincial or other Municipal government, or to any agency, board or commission thereof.
- ix. Debt  
All accounts for payments of principal or interest on debentures, loans or overdrafts, including foreign exchange in accordance with Council's investment policy.

## **Appendix B - Bid Irregularity**

### **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 CAO must reject any bid, which contains a major irregularity. The bidder will be notified of the rejection due to the 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 CAO may permit the bidder to correct a minor irregularity.

### **Mathematical Errors – Rectified by Staff**

The Treasurer and/or CAO will correct errors in mathematical extensions and/or taxes, and the unit prices will govern. If, based on the corrected total the required bid deposit is insufficient, the bidder shall be notified and will be given 24 hours to rectify the issue or the bid will be automatically rejected.

### **Action Taken:**

The Treasurer and/or CAO or designate will be responsible for all action taken in dealing with bid irregularities, and acts 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 the bid due to the identification of a major irregularity, the Municipality may disqualify such vendor from participating in Municipality quotations/tenders/requests for proposals for a period of up to one year.



## Appendix B

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) indicated 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 envelopes	X		automatic rejection
9.	Proper response envelope or label not used		X	acceptable if officially received on time
10.	Pricing or signature pages missing or not properly signed and executed	X		automatic rejection
11.	Insufficient financial security (i.e.: no deposit or bid bond or insufficient deposit)	X or	X	where security is required & amount is not specified in request, automatic rejection unless

Bid Irregularities – Summary				
Item	Description	Major	Minor	Action
				insufficiency is de minimus (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.	Bids containing minor clerical errors		X	1 working day to correct initial errors. Municipality reserves the right to waive initialing and accept bid
15.	Un-initialed changes to the request documents which are minor (i.e., the bidder's address is amended by overwriting but not initialed)		X	1 working day to correct initial errors. Municipality reserves the right to waive initialing and accept bid
16.	Alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request



Bid Irregularities – Summary				
Item	Description	Major	Minor	Action
17.	Unit prices in the schedule of prices have been changed but not initialed		X	1 working day to correct initial errors. Municipality reserves the right to waive initialing and accept bid
18.	Other mathematical errors which are not consistent with the unit prices		X	1 working day to initial corrections. Unit prices will govern.
19.	Pages requiring completion or insertion of information by vendor are missing		X	1 working day to provide upon request
20.	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
21.	When a document fee is requested, respondents must have previously purchased the respective bid document and be on the corresponding plan takers list	X		automatic rejection
22.	Tendered item does not meet mandatory specifications	X		automatic rejection

**Note: The above list of irregularities should not be considered all inclusive. The Treasurer and/or CAO, in consultation with the requisitioning department will review minor irregularities not listed. The Treasurer and/or CAO may then accept the bid, or request that the bidder rectify the deviation.**