

TOWNSHIP OF SEVERN

PROCUREMENT POLICY



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PART 1

1. DEFINITIONS

"Acquisition" means the purchase of Goods, Services and/or Construction;

"Acquisition Method" means the process by which Goods, Services and/or Construction are purchased;

"Advertisement" means the public communication of bid opportunities through one or more predetermined methods that may include, electronic mail, newspaper, electronic tendering method, to ensure an open, fair, transparent and competitive solicitation process;

"Agreement" means a legal document that binds the Town and other parties;

"Approval" means authorization to proceed with a purchase of Goods, Services and/or Construction or a Disposal;

"Award" means the authorization to proceed with the purchase of Goods, Services and/or Construction from a selected Proponent(s);

"Bid" means an offer or submission received from a Proponent in response to a Call for Bid, which is subject to acceptance or rejection;

"Bidder" means the entity or person who submits a response to a Request for Quote, Request for Tender or Request for Standing Offer;

"Bid Irregularity" means a deviation between the requirements (including terms, conditions, specifications, or special instructions) of a Bid Request and the information provided in a Bid;

"Bid Request" means a written request for Bids or a solicitation, which may be in the form of a Call for Bid;

"Call for Bid" means a formal or informal request for Bid, on the terms and conditions set forth in the Town's Bid documents, that may be in the form of a Request for Quotation, Proposal, Tender, or Standing Offer;

"Chief Administrative Officer" or "CAO" means the person appointed to that position as approved by Council and includes his or her Designate;

"Collusion" means an activity undertaken by two or more people for the purpose of dividing the market, setting prices, limiting production, or limiting open competition, by deceiving, misleading, or defrauding others of their legal rights, or

to obtain an objective forbidden by law, typically by defrauding or gaining an unfair advantage;

"Compliant Bid" or "Compliant Bidder/Proponent" means a responsive and responsible Bid or Bidder/Proponent that submits a Bid, respectively, that meets all requirements stipulated in the Call for Bid and that possesses the capacity and ability, including financial and technical abilities, to perform as contractually required;

"Conflict of Interest" means a situation where the existence of a personal or business relationship or interest of an elected official, officer or employee of the Township creates a potential conflict with the best interest of the Township.

"Construction" means a creation, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work, including site preparation, excavation, drilling, seismic investigations, soil investigations, the supply of products and materials and equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering design or architectural work, but DOES NOT include the Consulting and Professional Services related to the construction Contract unless they are included in the specifications for that Procurement;

"Consulting and Professional Services" means those services requiring the skills of a specialist for a defined service and includes architects, engineers, designers, surveyors, planners, accountants, auditors, management professionals, marketing professionals, software and information technology experts, financial consultants, lawyers, law firms, real estate agents and brokers, environmental planners and engineers, hydro geologists, transportation planners and engineers, communications consultants and any other consulting or professional services required by the Township.

"Contract Change Order" or "CCO" means a mutually agreed upon addition to, deletion from, or modification of a Contract between the Township and the Vendor that could not have been reasonably foreseen and thereby included in the Call for Bid document;

"Cooperative Purchase" means an Acquisition Method that combines the requirements of two or more entities in order to obtain the benefits of volume purchases and/or reduction in administrative effort and costs;

"Council" means the Council of the Townships comprised of elected officials)

"Designate" means a person authorized by the CAO, Director to act on his or her behalf;

"Director" means the person responsible for direction and operational control of a Township's service area or authorized Designate(s);

"Disposal" means the removal of physical materials or assets owned by the Township and deemed to be Surplus through its sale, trade-in, auction, alternative use, gift, or destruction;

"Emergency Purchase" means an Acquisition that does not follow the regular procurement process because of a circumstance described in Section 8.3 of this by-law;

"GBAPPC" means the Georgian Bay Area Public Purchasing Cooperative;

"Goods" means moveable property including the costs of installing, operating, maintaining, or manufacturing such moveable property, and any necessary raw materials, products, supplies, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a Construction Contract;

"Lease" means a time limited grant of either real or personal property from the owner of that property (known as the "lessor") to another party (known as the "lessee"), under which the lessee is entitled to the use and benefit of the property in question for the period so granted, in exchange for the payment of a stipulated rent or other consideration to the owner;

"Low Cost Purchases" or "LCP" means a purchase of Goods, Services and/or Construction at the thresholds indicated in this Purchasing By-Law;

"Negotiation" means the action or process of conferring with one or more Vendors with the goal of reaching an agreement on an Acquisition made pursuant to this Purchasing By-law;

"Procurement" means purchasing, renting, leasing or otherwise acquiring any Goods, Services and/or Construction, including the description of requirements, solicitation method, selection of sources, preparation and Award of Contract and all phases of the contract administration;

"Proponent" means the entity or person who submits a response to a Request for Proposal or Request for Pre-Qualification;

"Purchasing Procedures" means the administrative document that establishes procedures to be followed by Township staff for Acquisition that represents "best practices" and that is consistent with the intent of the Purchasing By-Law;

"Request for Expression of Interest" or "RFEOI" means a written, formal, non-binding solicitation document to determine if there is any interest in the market place to provide the Goods, Services and/or Construction that the Township is contemplating procuring. It is typically used when it is unknown if a market for the desired Goods, Services and/or Construction exists. A subsequent Call for Bid may follow an RFEOI;

"Request for Information" or "RFI" means a written, formal, non-binding solicitation document to obtain information on product or service details, comments, feedback or reactions from potential Bidders/Proponents prior to issuing a Call for Bid. It is typically used when the specifications are unknown. Price is generally not required. Feedback may include best practices, industry standards, and technology issues;

"Request for Pre-Qualification" or "RFPQ" means a written, formal, non-binding solicitation document to obtain detailed information from firms and/or individuals that may include their experience, financial strength, education, background and personnel, to prequalify to supply Goods, Services and/or Construction to the Township. The RFPQ may be a precondition to a further Call for Bid opportunity;

"Request for Proposal" or "RFP" means a written, informal or formal, Call for Bid document to obtain proposal submissions from firms and/or individuals where detailed specifications cannot be clearly identified and/or where price is not the primary evaluation factor. RFP's may have provisions for Negotiations and may be in a single or multi-step process;

"Request for Quotation" or "RFQ" means a written, informal or formal, Call for Bid document used for Acquisitions based on clearly defined specifications;

"Request for Tender" or "RFT" means a written, formal, Call for Bid document used for Acquisitions based on clearly defined specifications;

"Request for Standing Offer" or "RFSO" means a written, formal, Call for Bid document used for Acquisition based on clearly defined specifications from one or more Vendors to provide pricing for a defined time period on an "as needed" basis, where there are no defined quantities nor commitment to utilize the awarded Vendor(s);

"Service" means the services to be provided under a contract and includes labour and Consulting and Professional Services;

"Single Source" means the Procurement decision whereby Acquisitions are made from one source where other sources may be available;

"Sole Source" means the Procurement decision whereby Acquisitions are made from one source where only one source of supply exists that meets the requirements of the Township;

"Surplus" means Goods fully owned by the Township that have been deemed surplus by the relevant Director and are no longer required by the Township;

"Tender" means a Bid specifically provided in response to a Request for Tenders;

"Township" means The Corporation of the Township of Severn;

"Director of Corporate Services" means the person as appointed by Council and includes his or her Designate(s);

"Unsolicited Proposal" means an offer or proposal submitted by a contractor, supplier, Vendor or consultant, in the absence of a Call for Bid. It may be submitted in response to a perceived need but not in response to a Call for Bid;

"Vendor(s)" means the entity or individual who may or does currently supply Goods, Services and/or Construction to the Township.

2. INTRODUCTION

2.1 Purpose

The purposes of this Purchasing By-Law are set out in the Recitals and they form part of the operative provisions of this by-law.

2.2 Application

This Purchasing By-Law applies to all elected officials, committee members and staff of the Township and its Local Boards.

2.3 Title and Administration of By-Law

This by-law may be referred to as the "Purchasing By-Law". The Director of Corporate Services is responsible for the administration of this by-law, which includes updating and evaluating for effectiveness, as appropriate but no later than every five (5) years.

2.4 Validity and Severability

Should any section, subsection, clause, paragraph or provision of the by-law be declared by a court of competent jurisdiction to be invalid or unenforceable, the decision shall not affect the validity or enforceability of any other provision of this Purchasing By-Law as a whole.

2.5 Interpretation

In this Purchasing By-Law,

- i. The word "may" is permissive.
- ii. The words "shall" and "will" are imperative.
- iii. Words used in the present terms include the future.
- iv. Words in the singular number include the plural number and vice versa.
- v. Where staff of the Township are authorized to do any act, such act may be done by their authorized delegate unless specifically stated otherwise.
- vi. Where the context so requires, the masculine gender shall include the feminine and neutral genders and vice versa.

2.6 Public Purchasing Code of Ethics

All employees authorized to purchase Goods, Services and/or Construction on behalf of the Township shall adhere to the following principles, which are based on the tenets of the Ontario Public Buyer Association's Code of Ethics:

- i. **Open and Honest Dealings with Everyone Who is Involved in the Purchasing Process.** This includes all businesses with which the Township contracts or from which it purchases Goods and Services, as well as all members of staff and of the public who utilize the services of Purchasing Services.
- ii. **Fair and Impartial Award Recommendations for All Contracts and Tenders.** This means that the Township does not extend preferential treatment to any Vendor, including local companies. Not only is it against the law, it is not good business practice, since it limits fair and open competition for all Vendors and is therefore a detriment to obtaining the best possible value for each tax dollar.
- iii. **An Irreproachable Standard of Personal Integrity on the Part of All Those Designated as Authorized Purchasers for the Townships.** Absolutely no gifts or favours are accepted by any employee or elected official of the Township in return for business or the consideration of business. Also, employees and elected officials do not publicly endorse one company in order to give that company an advantage over others.
- iv. **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 purchasing 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 Services in volume and save tax dollars.

3. PURCHASING PRINCIPLES & GOALS

The Township adheres to the following purchasing principles:

- 3.1** To purchase, rent or Lease the required quality and quantity of Goods, Services and/or Construction by promoting an open, fair, and transparent competitive process in an efficient, professional and cost effective manner while maintaining budgetary control and protecting the best interests of the Township.
- 3.2** To encourage an open fair and transparent competitive processes for the Acquisition and Disposal of Goods and Services and to obtain the best value for the Township.
- 3.3** To offer a variety of Acquisition Methods and to use the most appropriate method depending on the particular circumstances of the Acquisition.
- 3.4** To consider all costs and factors, including, but not limited to, Acquisition, operating, training, maintenance, quality, warranty, payment terms, Disposal value and Disposal costs, in evaluating submissions.
- 3.5** To utilize comprehensive and unbiased specifications in order to maximize competition.
- 3.8** To encourage the purchase of Goods, Services and Construction 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 supply Goods incorporating recycled materials where practicable and cost efficient.
- 3.9** To avoid real and perceived conflicts between the interests of the Township and those of the Township's employee has, elected officials and committee members and to ensure compliance with the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.5, as amended.
- 3.10** To promote respect for international and interprovincial trade treaties and agreements.
- 3.11** To promote and incorporate, whenever possible, the relevant requirements of the *Ontarians with Disabilities Act, 2001*, S.O. 2001, c. 32 and *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11, in Procurement for the Township.

PART IV

4. GENERAL CONDITIONS

- 4.1** No Township staff, elected official or committee member shall purchase or offer to purchase, on behalf of the Township, any Goods, Services or Construction except in accordance with this by-law and following the rules set out in the Purchasing Procedures, as amended from time to time.
- 4.2** Any employee who intentionally and knowingly acquires or disposes of any Goods or Services for the Township in contravention of this Purchasing By-Law or the Purchasing Procedures, as amended from time to time, may be subject to disciplinary action.
- 4.3** Exceptions to this by-law are identified in Schedule A.
- 4.4** All purchases must have appropriate pre-approved funding and must be authorized prior to the preparation of a Call for Bid.
- 4.5** A Director shall not Award where the Director of Corporate Services has determined that the provisions of this Purchasing By-Law have not been adhered to and he or she has so advised the Director.
- 4.6** No employee or designated representative for the Township shall prepare, design or otherwise structure Procurement, select an evaluation method or divide Procurement requirements into two or more parts in order to circumvent any obligation and/or threshold of this by-law.
- 4.7** The Township shall not enter into any Contract for Goods, Services or Construction where there would be the establishment of an employee-employer relationship, except as exempted under Schedule A.
- 4.8** For the purpose of determining whether a Contract falls within the prescribed financial limits on Contracts that may be awarded under the authority of a Director or provides for financial limits on Contracts required to be reported to Council, the Contract amount shall be the sum of all costs to be paid to the Proponent under the Contract, including the non-rebated portion of tax.
- 4.9 Standardization**

It shall be the intent of the Township, wherever possible, to standardize the purchase of Goods, Services and Construction to allow for:

- i. Reduced amount of Goods, Services and Construction required;
- ii. Increased volume on common cross departmental items or services;
- iii. Maximizing volume buying opportunities;
- iv. Providing economies of scale;
- v. Reduced handling, training and storage costs;
- vi. Minimizing maintenance costs;
- vii. Cooperative Purchasing activities;
- viii. More competitive Bid results; and
- ix. Reduced overall costs.

4.10 No Local Preference and Non-Discrimination

The Township shall not practice local preference in awarding purchases, pursuant to the *Discriminatory Business Practices Act*, R.S.O. 1990, c. 012; *Agreement of Internal Trade Implementation Act*, S.C. 1996, c. 17; and, the *Competition Act*, R.S.C. 1985, as amended.

4.11 Code of Conduct

All Procurement by the Township shall be undertaken in accordance with the Township's Code of Conduct, the Township's Code of Conduct for Member of Council Policy and the *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M.50, as amended.

4.12 Lobbying Restrictions

- 4.12.01 Vendors, their staff, or anyone involved in preparing a Bid shall not engage in any form of political or other lobbying whatsoever or seek to influence the outcome of the purchasing process or subsequent Award. This restriction extends to all of the Township's elected officials, committee members and staff.
- 4.12.02 No Township's elected officials, committee members, or employees shall provide information regarding the Township's need for a specific Good, Service or Construction to prospective Vendors where the provision of the knowledge could provide an unfair advantage whether perceived or actual to that Vendor.
- 4.12.03 The Township may reject any Bid by any Bidder/Proponent that engages in lobbying, without further consideration, and may terminate that Bidder /Proponent's right to continue in the purchasing process.
- 4.12.04 During a formal Call for Bid process, no Vendor or person acting on behalf of a Vendor or group of Vendors, shall contact any elected official, committee member or employee of the Township to attempt to seek information or to influence the Award. This restriction extends to all of the Township's elected officials, committee members and staff.

4.13 Access to Information

The disclosure of information received in relation to a Call for Bid or the Award shall only be made by the appropriate staff in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56, as amended.

4.14 Persons with Disabilities

When procuring Goods, Services and Construction, the Township will incorporate accessibility criteria and features when applicable and practical as may be required by applicable legislation.

4.15 Legal Claims

The Township reserves the right to neither accept nor Award to any Bidder/Proponent, inclusive of its sub-contractor(s), a Contract with who the Township is in litigation.

4.16 Collusion

Collusion will not be tolerated and Bids may be rejected without further consideration if Collusion is suspected or present.

4.17 Elected Officials and Committee Members

Elected officials and committee members shall completely separate themselves from the Procurement process. This includes but is not limited to obtaining information on any particular Procurement and participating as an evaluation member in any Procurement process.

4.18 Disposal of Surplus Goods or Assets

No staff member, elected official or committee member shall personally obtain any real or personal property with a market value of greater than \$500 that has been declared Surplus, unless it is obtained through a public process.

4.19 Lowest or Any Bid

Each procurement document will include the statement “ Lowest or any Any Bid may not necessarily be accepted.

5. REQUIREMENT FOR APPROVED FUNDS

5.1 The beginning of the Procurement process commences with the approval by Council of the operating and capital budgets for the Township. Upon approval of these budgets, Director have the authority to purchase Goods, Services and Construction (excluding leasing of greater than one year, which requires Council approval).

5.2 Sufficient funds must be allocated for each Acquisition in the appropriate accounts within the Council approved operating or capital budget prior to the Award and execution of the Contract subject to the requirements in Schedule B.

5.3 Multi-Year Contracts:

Where certain Goods and Services are routinely purchased on a multi-year basis, the exercise of authority to Award and execute such a Contract is subject to the following:

- I. the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates; and
11. in the opinion of the Director that the requirement for the Goods or Services will continue to exist in subsequent years and the concurrence of the Director of Corporate Services that the required funding can reasonably be expected to be made available.

5.4 Acquisitions Outside of the Approved Budget:

- I. Acquisitions that are deemed by a Director to be necessary but that **are not** in the approved capital budget must be approved by Council prior to the commencement of the solicitation process.

5.5 Insufficient Budget at Time of Award of Solicitation:

In the event that the Bid that is recommended for Award exceeds the approved funds available, the Township may pursue any of the following options:

- I. Council may add additional funds to the approved budget, provided that there are sufficient funds available to allow the Township to Award. Director are required to submit a Staff Report to Council seeking approval of the additional funds:
- II. Award part of the Call for Bid;
- III. Negotiate if the Call for Bid Permits it;
- IV. Cancel the Call for Bid; or,
- V. Materially revise the Call for Bid and issue the revised Call for Bid.

6. RESPONSIBILITIES AND AUTHORITIES

Considerations

Township Staff are accountable for the decisions and actions, which they take pursuant to this bylaw and in the administration of Contracts that have been awarded.

6.1 Director

6.1.1 Director shall

- i. Monitor adherence to the provisions of this by-law and the Purchasing Procedures and report any noncompliance to the Director of Corporate Services.
- ii. Facilitating all aspects of the Call for Bid process including creating and issuing the Call for Bid documents, opening, verifying compliance with the terms and conditions of the Call for Bid as well as facilitating the Award and execution of all Agreements and Contracts. Additionally, where applicable, facilitate Contract extensions, Contract Change Orders, Vendor performance, dispute resolution, additional funding, and Contract termination.
- iii. Facilitate the Disposal of physical materials and assets that have been deemed Surplus by Director's through one of

the methods outlined in the Purchasing Procedures.

- iv. Where applicable, participate in Negotiations.
- v. Be responsible for Procurement activities within his or her department and shall be accountable for determining and achieving specific objectives as outlined for each Procurement project.
- vi. Ensure that there are sufficient funds available and identified for all purchase requests.
- vii. Be responsible for monitoring and documenting Vendor performance and compliance with Contracts as outlined in the Vendor Performance section of this by-law.
- viii. Ensure that Contract Change Order forms are properly completed with appropriate approvals.
- ix. Ensure that the required additional funding must be in place prior to the execution of the Contract or amendment thereto.
- x. Directors are responsible for reviewing all contemplated Lease agreements with the Director of Corporate Services. The Director of Corporate Services may recommend that a staff report be prepared for Council consideration as the Township's debt capacity may be impacted.

6.2 Director of Corporate Services

- 6.2.1 The Director of Corporate Services shall address all instances of non-compliance of this by-law with the appropriate Director and continued non-compliance shall be reported to the CAO.
- 6.2.2 The Director of Corporate Services together with a Director has the authority to Award Emergency Purchases as outlined in Schedule B in consultation with the CAO.

6.3 Chief Administrative Officer (CAO)

The CAO shall ensure that all staff adhere to this by-law and Purchasing Procedures and shall address any non-compliance that the Director of Corporate Services has brought to their attention.

PART V

7. STANDARD METHODS OF PROCUREMENT

7.1 General

The Acquisition Methods described below shall be utilized, unless another section of this by-law applies, as recommended by the Director of Corporate Services and shall be advertised, reported, approved and the Contract executed in accordance with the provisions of this by-law and in accordance with Schedule B.

7.2 Low Cost Purchase (LCP)

A Low Cost Purchase (LCP) shall be conducted for Acquisitions not covered under an existing Contract or otherwise requiring another Acquisition Method as described in this by-law. Acquisitions within this category are not to be repetitive or ongoing and are instead intended to be "one-off" or small, multiple purchases with a cumulative value not exceeding the prescribed threshold.

Where practical, three written quotes should be solicited to ensure that a fair and competitive process has been conducted.

The threshold, advertising, approval and purchase execution parameters for this Acquisition method are outlined in Schedule B.

7.3 Informal Request for Quotation (RFQ)

Use of an Informal Request for Quotation for Goods, Services and Construction shall follow the process outlined below and shall be used only when specifications can be clearly defined:

1. A Call for Bid document shall be issued to the service area by Director for the solicitation;
2. Solicitation should be issued to a minimum of three (3) Bidders;
3. Award of the Contract shall be to the lowest Compliant Bidder; and,
4. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

7.4 Formal Request for Quotation (RFQ)

Use of a Formal Request for Quotation for Goods, Services and Construction shall follow the process outlined below and shall be used only when specifications can be clearly defined:

1. A Call for Bid document shall be issued by Director for the solicitation;
2. Solicitation shall be advertised through local and/or Commercial Newspaper and/or other forms of advertising;
3. Award of the Contract shall be to the lowest Compliant Bidder;
4. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

7.5 Request for Tender (RFT)

Use of a Request for Tender for Goods, Services and Construction shall follow the process outlined below and shall be used only when specifications can be clearly defined:

1. A Call for Bid document shall be issued by Director for the solicitation;
2. Solicitation shall be advertised through an local and/or Commercial Newspaper and/or other forms of advertising;
3. Award of the Contract shall be to the lowest Compliant Bidder.

7.6 Informal Request for Proposal (RFP)

Use of an Informal Request for Proposal for Goods, Services and Construction shall follow the process outlined below and may be used when specifications cannot be clearly defined:

1. A Call for Bid document shall be issued by Director for the solicitation;
2. Solicitation should be issued to a minimum of three (3) Proponents;
3. Evaluation will be based on the criterion as outlined in the Call for Bid document of which price is only one criterion;
4. Award of the Contract shall be issued to the highest scoring Compliant Proponent;
5. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

7.7 Formal Request for Proposal (RFP)

Use of a Formal Request for Proposal for Goods, Services and Construction shall follow the process outlined below and may be used when specifications cannot be clearly defined:

1. A Call for Bid document shall be issued by the Director for the solicitation;
2. Solicitation shall be advertised through Local and/or Commercial newspaper and/or other forms of advertising where desired;
3. Evaluation will be based on the criterion as outlined in the Call for Bid document of which, price is only one criterion;
4. Award of the Contract shall be issued or Negotiated (where permitted) with the highest scoring Compliant Proponent;
5. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

7.8 Request for Standing Offer (RFSO)

Use of a Request for Standing Offer for Goods, Services and Construction shall be used when

- (i) there is a need to develop a short list of qualified Proponents that have the capabilities to meet the Township's requirements;
- (ii) specifications can be clearly defined; and,

(iii) there is a need for a roster list of Vendors for their services that will be provided on an "as needed or required" basis.

RFSO shall follow the process outlined below:

1. A Call for Bid document shall be issued by the Director for the solicitation;
2. Solicitation shall be advertised through Local and/or Commercial newspaper and/or other forms of advertising where desired;
3. Evaluation will be based on the criterion as outlined in the Call for Bid document;
4. Selection methodology of the Proponent's will be as outlined in the Call for Bid document;
5. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

7.9 Request for Information (RFI)

Use of a Request for Information for Goods, Services and Construction shall follow the process outlined below and shall be used when the requesting service area is seeking information, clarification, comments, feedback and/or reactions from the marketplace that may assist in compiling a potential future Call for Bids:

1. A written, formal, non-binding document shall be issued by Director for the RFI;
2. If applicable, the RFI may request publicly available commodity cost details for the purpose of budget planning;
3. An RFI submission shall not create any contractual obligation between the Township and the respondent;
4. The RFI document shall be advertised through an electronic tendering method;
5. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

7.10 Request for Expression of Interest (RFEOI)

Use of a Request for Expression of Interest for Goods, Services and Construction shall follow the process outlined below and shall be used when there is uncertainty regarding the market availability and interest in providing the Goods, Services and/or Construction for which the Township is contemplating Acquisition to assist with a potential future Call for Bids:

1. A written, formal, non-binding document shall be issued by the Director for the RFEOI;
2. An RFEOI submission shall not create any contractual obligation between the Township and the respondent;
3. The RFEOI document shall be advertised through an electronic tendering method;
4. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

7.11 Request for Prequalification (RFPQ)

Use of a Request for Prequalification for Goods, Services and Construction shall follow the process outlined below and shall be used when the work is considered complex, high risk or there is a need to develop a short list of qualified Proponents that have the capabilities to meet the Township's requirements for an initial phase of a two or more phase solicitation process:

1. A Call for Bid document shall be issued by the Director for the solicitation;
2. A subsequent Call for Bid document will be issued as outlined in the RFPQ only to the prequalified Proponents;
3. An RFPQ submission shall not create any contractual obligation between the Township and the Proponent;
4. Solicitation shall be advertised through an electronic tendering method;
5. Evaluation will be based on the criterion as outlined in the Call for Bid document;
6. Selection methodology of the prequalified Proponent's will be as outlined in the Call for Bid document;
7. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

PART VI

8. ALTERNATIVE METHODS OF PROCUREMENT

8.1 Single Source

A Single Source may only be used when one of the following circumstances applies:

1. A Good or Service is compatible with an existing Township owned Good or Service where a substitute Good or Service is available, however the warranty, maintenance, or service will be affected if the substitute is used and it is therefore not in the Township's best interest to use the substitute;
2. A Good or Service is in short supply due to market conditions;
3. When either no Bids or no Compliant Bids were received in a Call for Bid process;
4. Specific Standards are adopted by Council requiring certain Goods or Services;
5. A Good or Service is being purchased for a defined testing or trial use for a predetermined timeframe;
6. A Good or Service is of a confidential condition or matter and where the disclosure of such in an open competition could compromise confidentiality of the Vendor/Township or be contrary to public interest; or,
7. When the Township has a Lease with a purchase option and exercising the purchase option would benefit the Township.

Negotiations may be used with a Single Source. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

8.2 Sole Source

A Sole Source may only be used when one of the following circumstances applies:

1. A Good or Service is covered by an exclusive right such as a patent, copyright or exclusive licence; or,
2. A Good or Service is compatible with an existing Township owned Good or Service or is a replacement part for which there are no substitutes.

Negotiations may be used with a Sole Source. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

8.3 Emergency Purchase

An Emergency Purchase may be authorized by a Director in collaboration

with the CAO when it is required to:

1. Prevent or alleviate serious delay;
2. Maintain essential Township services;
3. Maintain security or order;
4. Protect public property;
5. Protect human, animal, plant life, health or prevent/alleviate a threat to same;
6. Comply with official orders issued by an upper tier government; or,
7. Comply with the Emergency Response Plan or respond to a State of Emergency.

Negotiations may be permitted and used with this type of purchase. The threshold, advertising, approval and purchase execution parameters are outlined in Schedule B.

8.4 Cooperative Purchase

Cooperative Purchases are encouraged through any public sector agency where it is in the Township's best interest. Deviations from this by-law may be required and are permitted when engaging with Cooperative Purchases because agencies may have different procurement procedures and strict compliance with all policies may not be practical.

8.5 Unsolicited Proposal

An Unsolicited Proposal received by the Township shall be reviewed by the relevant Director. Any Acquisitions resulting from the receipt of an Unsolicited Proposal shall comply with the provisions of this by-law.

8.6 Sponsorship

Sponsorship opportunities will arise from; unsolicited proposals, direct solicitation, or a competitive process. Sponsorship will not result in, or perceived to result in, any competitive advantage, benefit, or preferential treatment outside the sponsorship agreement. There shall be no actual or implied obligation to purchase product or services of any sponsor.

Sponsorship opportunities will be offered in an open, equitable and fair manner, however it is acknowledged that the majority of sponsorships shall be the result of direct solicitation by Township staff for such purposes without the process of competitive bidding.

The Township will make the sole and final determination as to whether a sponsorship or advertising opportunity may be a competitive or non-competitive arrangement.

8.7 Negotiated Purchase

Negotiations during Acquisitions may be used under any of the following circumstances:

1. When only one submission is received and it exceeds the amount allocated in the budget, Negotiations may be conducted provided that the selected Vendor is Compliant;
2. During a Single, Sole or Emergency Purchase;
3. When a competitive Bid process has been conducted and an extension of the Contract term is available as outlined in the original Call for Bid;
4. When a competitive Bid process has been conducted and the Contract has expired or will shortly expire and unforeseeable circumstances have caused a delay in issuing a new Call for Bid; in such cases, the Contract extension should not extend beyond a one (1) year term;
5. Where a competitive Bid process has been conducted and expanded works or coordinated works are appropriate in the circumstances.

PART VII

9. OTHER

9.1 Specifications

Staff are responsible for the preparation of the specifications for the applicable Acquisition Method.

- 9.1.1 Specifications should be clear and concise. They must not be structured to restrict or limit competition due to brand or other similar requirements. They shall allow for potential Vendors to provide alternatives in the event that an equivalent product or method is available. Biasing of specifications in favour of, or against, a particular Good or Service is prohibited. Nothing in this section restricts the ability to design specifications in unique situations, e.g. standardization or compatibility with existing Goods or Services.
- 9.1.2 Vendors may be requested to expend time, money and effort on the content or in the development of a specification(s) or otherwise help define a requirement to be contained in the specifications that may be used in a Procurement document. A Vendor who provides such assistance shall be deemed as a consultant of the Township and the specifications are deemed property of the Township. Such a Vendor shall be prohibited from submitting a response to a Call for Bid for which those specifications apply.

9.2 Corporate Purchasing Card

- 9.2.1 Acquisitions made with the corporate purchasing card must comply with this by-law and the Township's purchasing card program and applicable policies.
- 9.2.2 No personal purchases may be made with the corporate purchasing card that are not authorized by Township policy. Township Staff shall not use corporate purchases to gain personal points or other similar benefits in any Vendor reward program.

9.3 Bid Review

- 9.3.1 When a Bid Irregularity is present, action shall be taken in accordance with the attached Bid Irregularity Schedule.

9.4 Evaluation of Bids

- 9.4.1 Evaluations are used with some Acquisition Methods to allot points according to the criteria and submission requirements in the Call for Bid. The highest scoring submission will be the successful Proponent, subject to the terms and conditions of the Call for Bid and this by-law.

9.5 Tie Bids

- 9.5.1 In the case of a tie of the scores between two Compliant Bidders/Proponents, and where multiple Awards are not possible, the Township shall determine the successful Bidder/Proponent by a coin toss as outlined in the Purchasing Procedures.
- 9.5.2 In the case of a tie bid of the scores between three or more Compliant Bidders/Proponents, and where multiple Awards are not possible, the Township shall determine the successful Bidder/Proponent by a draw of the Bidder's/Proponent's names from a receptacle as outlined in the Purchasing Procedures.

9.6 Vendor Performance

- 9.6.1 Directors are responsible for monitoring and documenting Vendor performance and ensuring compliance with Contracts. The Director shall address performance issues directly with the Vendor to resolve and document all performance issues and acknowledgements related to same.

Any Vendor (or its subcontractors) that is involved in unprofessional conduct (the nature of which the Township will be the sole judge), a health and safety violation, criminally charged, or in dispute or litigation of any kind with the Township, the Township may terminate the Contract with that Vendor.
Alternative Dispute Resolution - Competitive Bid Protest Protocol

9.7 Dispute Resolution

- 9.7.1 Meeting between the Bidder and the Department responsible for the procurement (or Director of Corporate Services).
- 9.7.2 If the previous step does not lead to a resolution, the decision can be appealed to the Chief Administrative Officer.
- 9.7.3 If the previous step does not lead to a resolution, the decision can be appealed to Council.

9.8 Contract Change Order

- 9.8.1 A Contract Change Order may be executed by the Director with appropriate signing authority provided that the total project cost has not exceeded the level authorized by Council.

- 9.8.2 Where a Contract Change Order or the cumulative value of the Contract Change Orders plus the original Contract price exceeds the level authorized by Council, Director shall obtain the appropriate Additional Funding authorization from the Township Council prior to executing the Contract Change Order.
- 9.8.3 Where a Contract Change Order is to be paid by a third party and the security to ensure payment is in place to the satisfaction of the Director of Corporate Services, the Designate may execute the Contract Change Order. Where a portion of the Contract Change Order is to be paid by the Township, the provisions of section of the by-law shall be followed.
- 9.8.4 Funding should be in place prior to approving the CCO and prior to the execution of the works. When it is not possible to complete the CCO prior to the execution of the works, it shall be completed as soon as possible after commencement.

9.9 Council Reporting

9.9.1 Report to Council

The Director shall create a report to Council to be included in the Council agenda for information purposes in the following circumstances:

1. The value of the Acquisition is greater than \$50,000;
2. A Single Source, Sole Source or Emergency Purchase. For Emergency Purchases, the report will be presented at a meeting subsequent to the event;

9.9.2 Council Approval

The Director shall create a staff report to be included in the Council agenda for consideration for approval in the following circumstances:

1. Where an Acquisition or Contract Change Order exceeds the level authorized by Council;
2. Where the lowest Compliant Bid submission is not being recommended for Award;
3. Where the highest scoring Compliant Proponent proposal submission is not being recommended for Award;
4. Where provision(s) of this by-law are being waived;
5. Where the Acquisition of a tangible capital asset was not included in the approved capital budget;
6. Where Goods, Services or Construction were not included in the approved operating budget and is over \$50,000;

7. Any Contract requiring approval from the Ontario Municipal Board;
8. Any Contract prescribed by statute to be authorized by Council;
9. Where Council has directed staff to provide a report for approval.

SCHEDULE A

GOODS & SERVICES EXEMPT FROM PROVISIONS OF THE PURCHASING BY-LAW

1. Training and Education

- a) Books
- b) Conferences
- c) Courses
- d) Conventions
- e) Memberships
- f) Seminars
- g) Periodicals
- h) Magazines
- i) Staff training
- j) Staff development
- k) Staff workshops
- l) Subscriptions

2. Refundable Employee Expenses

- a) Advances
- b) Meal allowances
- c) Travel & Hotel accommodation
- d) Entertainment
- e) Mileage
- f) Miscellaneous - Non-Travel

3. Employer's General Expenses

- a) Payroll deduction remittances
- b) Licences (vehicles, elevators, radios, etc.)
- c) Debenture payments
- d) Grants to agencies/donations
- e) Payments of damages
- f) Tax remittances
- g) Charges to/from other Government or Crown Corporations
- h) Employee wages
- i) Freight charges
- j) Emergency Repairs/Service including Legislated Inspections
- k) Unleaded Gasoline or Diesel while travelling

4. Professional and Special Services

- a) Committee fees
- b) Witness fees
- c) Court reporters' fees
- d) Honoraria
- e) Arbitrators
- f) Legal settlements
- g) Temporary Help
- h) Recreation Instructor Fees
- i) Courier Charges
- j) Legal fees

SCHEDULE A

GOODS & SERVICES EXEMPT FROM PROVISIONS OF THE PURCHASING BY-LAW (Continued)

Utilities/Other

- a) Postage
- b) Water and sewer charges
- c) Hydro
- d) Cable television charges
- e) Telephone, connectivity (excluding cellular services)
- f) Natural gas/propane
- g) Refunds and rebates to ratepayers
- h) Utility relocates by a public utility Vendor
- i) Collection Agencies (ex: Tax Sale Services)
- j) Land and Building Acquisition and Disposal – Exempt unless otherwise directed

6. Advertising

- a) Classified advertising such as help wanted, for sales, etc.
- b) Display advertising such as event notices
- c) Public Tender advertising

**SCHEDULE B
SUMMARY OF THRESHOLDS FOR PURCHASING**

| PURCHASE TYPE | PURCHASE THRESHOLD | PROCUREMENT METHOD | ADVERTISING | APPROVAL | PURCHASE EXECUTION |
|---|----------------------|---|---|---|---|
| Low Cost Purchase (LCP) | \$0 – 10,000 | Three (3) written quotations where practical | Not Practical | Director | Petty Cash or; Corporate Credit Card or; Vendor Invoice |
| Information Request for Quotation (RFQ) | \$10,001 - \$25,000 | Call for Bid issued to minimum (3) Vendors | By invitation through various tendering options | The Director shall create specifications for the Call for Bid and; Enter into contract with the awarded Bidder | Singed RFQ Vendor Invoice |
| Formal Request for Quotation (RFQ) | \$25,0001 - \$50,000 | Call for Bid Issued | Local and/or Commercial Newspaper and/or Other forms of advertising where desired | The Director shall create specifications for the Call for Bid and; Enter into contract with the Awarded Bidder or sign off on the award themselves as long as purchase is within the budget estimates otherwise a report to Council is required for Approval | Signed RFQ Vendor Invoice |
| Request for Tender (RFT) | \$50,000+ | Call for Bid Issued to Minimum of Three (3) Vendors | Local and/or Commercial and/or ; Other Forms of advertising where desired | The Director shall create specifications for the Call for Bid and; Enter into contract with the awarded Proponent | Signed RFP |

**SCHEDULE B
SUMMARY OF THRESHOLDS FOR PURCHASING**

| PURCHASE TYPE | PURCHASE THRESHOLD | PROCUREMENT METHOD | ADVERTISING | APPROVAL | PURCHASE EXECUTION |
|--|---------------------|-----------------------------|---|---|---|
| Formal Request for Proposal (RFP) | \$25,001 - \$50,000 | Call for Bid Issued | Local and/or Commercial Newspaper and/or Other forms of advertising where desired | The Director shall create specifications for the Call of Bid and; Award to the Proponent as long as within estimated Budget | RFP Signed Council approval if required |
| Informal Request for Proposal – Low Cost Purchase for Consulting and Professional Services | \$0 - \$25,000 | Three (3) Written Proposals | Not Required | The Director shall have authority to award | Vendor Invoice |
| Informal Request for Proposal – Fore Consulting and Professional Services Only (RFP) | \$25,001 - \$50,000 | Call for Bid Issued | Local and/or Commercial Newspaper and/or Other Forms of advertising where desired | The Director shall enter into contract with the awarded Proponent | Contract Agreement |
| Formal Request for Proposal – For Consulting and Professional Services Only (RFP) | \$50,001 + | Call for Bid Issued | Optional: Local and/or Commercial Newspaper and/or Other forms of advertising where desired | The Director shall create specifications for the Call for Bid and; Report to Award to be forwarded to Council | Award by Council |
| Request for Standing Offer (RFSO) | Any Amount | Call for Bid Issued | Local and/or Commercial Newspaper and/or; Other forms of advertising where desired | The Director shall create specifications for the RFI or EOI | Not applicable |
| Request for Pre-Qualification (RFPG) | Not Applicable | Call for Bid Issued | Local and/or Commercial Newspaper and/or Other forms of advertising where desired | The Director shall create specifications for the Call for Bid | Not Applicable |

**SCHEDULE B
SUMMARY OF THRESHOLDS FOR PURCHASING**

| PURCHASE TYPE | PURCHASE THRESHOLD | PROCUREMENT METHOD | ADVERTISING | APPROVAL | PURCHASE EXECUTION |
|---|--|------------------------------|--|---|--|
| Request for Information (RFI) or Expression of Interest (EOI) | Not Applicable | RFI or EOI Document issued | Local and/or Commercial Newspaper and/or; Other forms of advertising where desired | The Director shall create specifications for the RFI or EOI | Not Applicable |
| Single Source or Sole Source | \$10,000+ (Goods/Services) and \$25,001 + Consulting and Professional Services | Process facilitated Director | Not Applicable | Single/Sole Source by Director; Vendor Quotation is required; Report to Council is required | Approval of Council |
| Emergency Purchase | \$10,000+ (Goods/Services) and \$25,001 + Consulting and Professional Services | Not Applicable | Not Applicable | Director and Director of Corporate Services approval required and; Vendor quotation, if possible and practical give the circumstance; Report to Council is required outlining purchase and the reason for the purchase. | Vendor Invoice |
| Purchases where the Provisions of the By-law are being Waived | Any Amount | Not Applicable | Not Applicable | Director shall review the purchases with the Director of Corporate Services prior to pursuing Council approval is required | Where appropriate, Contract Agreement and/or Copy of Staff Report and Council Approval |

**SCHEDULE C
BID IRREGULARITIES**

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.

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/Proponent could gain an unfair advantage over competitors. Purchasing Services shall reject any bid, which 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/Proponent would not gain an unfair advantage over competitors. The Director in consultation with the Director of Corporate Services may permit Bidder Proponent to correct minor irregularity.

ACTION TAKEN:

1. Staff shall 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/Proponent may rectify)
2. The list of irregularities in this schedule should not be considered all-inclusive. Staff will review minor irregularities not listed and acting in consensus shall have authority to waive other irregularities or grant two (2) business days to initial such irregularities, which they jointly consider to be minor.
3. Where a submitter has been given notice of a specified time period to correct an irregularity, the submitter shall be deemed to be in default of the process and, where applicable, the bid deposit shall be forfeited if the correction is not made. The submission will be given no further consideration for award.
4. This Bid Irregularity List shall apply where the irregularity is with respect to a stated requirement of a Formal Call for Bid (RFQ, RFP, and RFT) or Information Gathering Bid (RFEOI, RFI, RFPQ) and where the submission must be received on/before a specified date and time.

**SCHEDULE C
 BID IRREGULARITIES - SUMMARY**

| ITEM | IRREGULARITY | MAJOR | MINOR | ACTION |
|----------------------|--|-------|-------|---|
| GENERAL | | | | |
| 1 | Late Submissions | | ✓ | Automatic Rejection |
| 2 | Failure to Attend Mandatory Site Visit | | ✓ | Automatic Rejection |
| 3 | Partial Submissions (all items not bid on) | | ✓ | Acceptance only if Bid document allows for partial items to be bid on, otherwise automatic rejection |
| 4 | Conditional Submissions (Ex. Submissions qualified, based on a Bidder's/Proponent condition or restricted by an appointed statement | | ✓ | Rejection unless, in the opinion of staff, the qualification or restriction is minor a would not adversely affect an award decision end/or the total price. |
| 5 | Submissions Containing Minor Obvious Clerical Errors that do not result in any ambiguity with respect to the overall submission and/or award decision. | ✓ | | Two (2) business days to correct and initial errors. |
| 6 | Submitter has not been previously qualified under a related pre-qualification process, where applicable | | ✓ | Automatic Rejection |
| 7 | Other Municipalities | ✓ | | Staff shall have the authority to waive irregularities, which are considered minor |
| 8 | Any Irregularity | ✓ | | Despite the provisions herein contained, Council may waive any irregularity where it considers it to be in the best interest of the Township. |
| BID DOCUMENTS | | | | |
| 9 | Bid submitted in other than the original Bid Form Format | | ✓ | Automatic Rejection |
| 10 | All Mandatory sections of the document not completed | | ✓ | Automatic Rejection |
| 11 | Bid Forms not signed, signature missing or authority to bind missing | | ✓ | Automatic Rejection |
| 12 | Failure to acknowledge addendum(s) | | ✓ | Automatic Rejection |

**SCHEDULE C
 BID IRREGULARITIES - SUMMARY**

| ITEM | IRREGULARITY | MAJOR | MINOR | ACTION |
|--------------------|---|-------|-------|---|
| 13 | Incomplete, illegible or obscure submissions which contain additions not called for, erasures, alterations, or strike-out errors or irregularities of any kind that are immaterial. | ✓ | | The Bidder/Proponent will be allowed two (2) days to correct the irregularity if deemed immaterial by staff |
| 14 | Submissions not completed in English | | ✓ | Automatic Rejection |
| 15 | Submissions received on Call for Bid documents other than those provided on tender form/documents from the Township | | ✓ | Automatic Rejection |
| 16 | Alternate items provided in whole or in part | ✓ | | Available for further consideration unless specified otherwise in the request |
| 17 | Pages requiring completion of information by Bidders/Proponents are missing | | ✓ | Automatic Rejection |
| BID DEPOSIT | | | | |
| 18 | Bid Deposit (Certified Cheque) not submitted with submission | | ✓ | Automatic Rejection |
| 19 | Bid Deposit (Certified Cheque) not in the acceptable form | | ✓ | Automatic Rejection |
| 20 | Township is unable to verify authenticity of Bid Deposit | | ✓ | Automatic Rejection |
| 21 | Amount on Bid Deposit (Certified Cheque) is incorrect and/or insufficient | ✓ | | Two Business Days to Rectify |
| 22 | Effective period of Certified Cheque is less than the irrevocable period stipulated in the call for bid document | ✓ | | Two Business Days to Rectify |
| PRICING | | | | |
| 23 | Failure to include the Schedule (s) of Items & Prices, Price Form, Unit Pricing, Lump Sum Pricing or Price Details, as may be applicable, for inclusion with the submission. | | ✓ | Automatic Rejection |
| 24 | Conditions placed by the Bidder/Proponent on the | | ✓ | Automatic Rejection |
| 25 | Pricing appears to be unbalanced to the extent that it would have a significant adverse effect to the Township if awarded. | | ✓ | Automatic Rejection |

**SCHEDULE C
 BID IRREGULARITIES - SUMMARY**

| ITEM | IRREGULARITY | MAJOR | MINOR | ACTION |
|--------------------------------|---|-------|-------|---|
| POST AWARD NOTIFICATION | | | | |
| 26 | Failure to execute required financial security within the prescribed time period | | ✓ | Automatic rejection and Bid Deposit Forfeited |
| 27 | Failure to provide supporting documents, as specified within the bid document and within the prescribed time period | | ✓ | Automatic rejection and Bid Deposit Forfeited |