



Procurement Policy

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Policy Statement

The purpose of this Policy is to establish the principles and requirements that will govern the Procurement of Deliverables, including for the purposes of section 270(1) of the *Municipal Act, 2001* (Ontario).

Public Purchasing Code of Ethics

All Employees authorized to Purchase Deliverables on behalf of the Town shall adhere to the following principles, which are based on the tenets of the Ontario Public Buyers Association Code of Ethics:

Open and honest interactions with everyone involved in the procurement process.

This includes all Suppliers with whom the Town Contracts or Purchases Deliverables from, as well as Employees and the public who liaise with the Town's Purchasing Division.

Fair and impartial award recommendations.

No preferential treatment will be extended to any Supplier in a formal Call for Bids. Not only is it against the law, but it would also limit fair and open competition for all Suppliers and is therefore detrimental to obtaining the best possible value for each tax dollar.

An Irreproachable standard of personal integrity.

No gifts or favours will be accepted by any Employee or member of Council in return for business or the consideration of business. No Employee or member of Council will publicly endorse any Supplier in order to give an advantage of that Supplier over others.

Cooperation with other public agencies to obtain the best value.

The Town will consider cooperative procurement whenever possible. Cooperative procurement allows several public agencies to pool their expertise and resources to procure Deliverables in volume, with the goal of saving dollars and resources.

Principles and Goals

The Principles and Goals of this Policy are:

1. To acquire the Deliverables for the Town in an efficient, professional and cost-effective manner while maintaining budgetary control and protecting the best interests of the Town.
2. To support effective business planning such that Deliverables will only be acquired after consideration of need, alternatives, timing and appropriate life cycle management.
3. To encourage competition amongst Suppliers by using an open, transparent, ethical and fair process and to obtain best value in the procurement of the Deliverables.
4. To offer a variety of acquisition methods and to use the most appropriate method depending on the particular circumstances of the acquisition.
5. To consider all costs and factors, including but not limited to acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and costs, in evaluating submissions.
6. To utilize comprehensive and unbiased specifications in order to maximize competition.
7. To encourage the Purchase of Deliverables with due regard to the preservation of the natural environment, the promotion of human rights and fair labour practices and to align with Town goals and initiatives in advancing economic, environmental and social sustainability.
8. To avoid real and perceived conflicts between the interests of the Town and those of the Town's Employees, members of Council and to ensure compliance with the *Municipal Conflict of Interest Act*, R.S.O. 1990 c. M.5, as amended.
9. To ensure compliance with all applicable trade agreements, laws and regulations.
10. To promote and implement Procurement practices that abide by the principles of the *Accessibility for Ontarians with Disabilities Act, 2005*.

1. Definitions

In this Policy,

"Award" means the authorization to proceed with the Procurement of the Deliverables from a selected Bidder.

"Bid" means a submission received in response to a Call for Bids and includes a quotation, a tender and a proposal.

"Bidder" means any legal entity that submits a Bid in response to a Call for Bids.

"Call for Bids" means a formal or informal request for Bids, on the terms and conditions set forth in the Town's Bid documents and includes, but is not necessarily limited to, a request for standing offers, request for quotations, a request for tenders and a request for proposals.

"CAO" means the Chief Administrative Officer of the Town or their 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”, “Compliant Bidder” or “Compliant Proponent” means a responsive and responsible Bid, Bidder or Proponent that submits a Bid, respectively, that meets all requirements stipulated in the Call for Bids and that possesses the capacity and ability, including financial and technical abilities, to perform as contractually required.

"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 Town that is not available to other Suppliers; or
 - 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.
- 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.

"Contract" means any form of binding agreement between the Town and a Supplier for the procurement of the Deliverables.

“Change Order” or “CO” means a mutually agreed upon addition to, deletion from, or modification of a Contract between the Town and the Supplier that could not have been reasonably foreseen and thereby included in the Call for Bids.

"Council" means the elected members of Council of the Town.

“Deliverables” means any goods, services or construction, or any combination thereof.

"Department" means a Department of the Town.

“Designate” means a person authorized by the CAO, Director or Manager to act on their behalf, for the purposes of this Policy.

"Director" means the Director of a Department or their Designate.

"Emergency Purchase" means the acquisition of a Deliverable that does not follow a Standard Procurement process because of a circumstance outlined in Section 18 of this Policy.

“Employee” means all full-time and part-time, unionized and non-union staff of the Town and all permanent, contract, seasonal, students and temporary staff of the Town.

"Manager" means a Manager of a division within a Department or their Designate.

"Manager of Purchasing " means the Manager of Purchasing & Risk Management of the Town or their Designate.

“Non-Standard Procurement” means the acquisition of Deliverables through a process or method other than Standard Procurement methods.

“Procurement” or “Purchase” means the acquisition of Deliverables by purchasing, renting, or leasing.

“Proponent” means the entity or person who submits a response to a request for proposals.

"Purchase Order" means a purchasing document used to formalize a purchasing transaction with a Supplier, setting out the terms and conditions applicable to the supply of Deliverables by a Supplier, and which may include reference to any other Contract documents and the Contract value.

“Purchasing Staff” means all Employees within the Purchasing Division, including the Manager of Purchasing, who are responsible for facilitating and overseeing the acquisition of Deliverables for the Town.

“Standard Procurement” means the acquisition of Deliverables through direct Purchase, request for quotation, request for tender or request for proposal.

"Supplier" means a person or group of persons that provides or could provide Deliverables to the Town.

“Total Procurement Value” means all costs for Deliverables including, as applicable, acquisition, maintenance, replacement, disposal, training, delivery, installation and extension options, less applicable rebates or discounts, and including the non-rebate portion of the tax, as applicable for the specific procurement request, and represents the value of the annual Contract or entire multi-year Contract.

"Town" means The Corporation of the Town of The Blue Mountains.

"Treasurer" means the Director of Corporate & Financial Services or their Designate.

2. General Conditions

1. No Employee or member of Council shall Purchase or offer to Purchase, on behalf of the Town, any Deliverables except in accordance with this Policy and following the rules set out in the Procurement Procedures.

2. Members of Council 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.
3. All Purchases shall have appropriate pre-approved funding through the Town's Annual Budget or through a resolution of Council prior to the preparation of a Call for Bids.
4. A Manager or Director shall not Award any Bid where it is determined that the provisions of this Policy have not been adhered to. The Manager or Director shall advise the Manager of Purchasing and Treasurer of the non-compliance.
5. No Employee shall divide a Call for Bids to circumvent any obligation or threshold of this Policy.
6. The Award amount for approval authority shall be the sum of all costs to be paid to the Bidder under the Contract, including the non-rebate portion of the tax.
7. The Town shall not practice local preference in awarding Bids, pursuant to the *Discriminatory Business Practices Act*, R.S.O. 1990, c. D12, the *Agreement on Internal Trade Implementation Act*, S.C. 1996, c.17 and the *Competition Act*, R.S.C. 1985, c. C-34.
8. All Procurement shall be undertaken in accordance with the Town's Employee Code of Conduct (POL.COR.25.02, as amended), Code of Conduct for Members of Council, Local Boards and Advisory Committees (POL.COR.21.06, as amended) and the *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M.50, as amended.
9. Lobbying Prohibited
 - a. Suppliers, 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 Procurement process or subsequent Award. This restriction extends to all of the Town's members of Council and Employees.
 - b. No members of Council or Employees shall provide information regarding the Town's need for a specific Deliverable to prospective Suppliers where the provision of the knowledge could provide an unfair advantage, whether real or perceived, to the Supplier.
 - c. The Town may reject any Bid by any Supplier that engages in lobbying without further consideration and may terminate that Supplier's right to continue in the Procurement process.
 - d. No Supplier or person acting on behalf of a Supplier shall contact any member of Council or employee of the Town to attempt to seek information or to influence the Award. All communications shall be made through the Purchasing Division of the Town during all formal Call for Bids.
10. The disclosure of information received in relation to a Call for Bids or the Award shall only be made by appropriate Employee in accordance with *the Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, C. M.56, as amended.

11. The Town reserves the right to neither accept nor Award to any Supplier, inclusive of its subcontractor(s), a Contract with whom the Town is in litigation.
12. Collusion will not be tolerated, and Bids may be rejected without further consideration if Collusion is suspected or present.
13. The Manager of Purchasing will administer this Policy.
14. Exceptions to this Policy are set out in Schedule A.

3. Procurement Procedures

The Manager of Purchasing shall have the authority to develop procedures to implement this Policy in association with the Senior Management Team.

The Procurement procedures will be approved by the Senior Management Team and are to be used as instruction for Employees when Purchasing Deliverables in compliance with this Policy.

4. Requirement for Approved Funds

1. Council has the ultimate authority for all expenditures. Council provides the authority to Directors for the initiation and completion of Procurement processes for Deliverables through the authorization of annual budgets or resolutions.
2. Sufficient funds must be allocated for each Deliverable in the Council approved annual budget prior to the Award and execution of a Contract.

5. Multi-Year Contracts

Where certain Deliverables are Purchased on a multi-year basis, the exercise of authority to Award and execute such a Contract is subject to:

1. The identification and availability of sufficient funds for the current year within the Council approved budget.
2. In the opinion of the Director, the requirements of the Deliverables will continue to exist in subsequent years and the concurrence of the Treasurer that the funding can reasonably be expected to be made available.

6. Deliverables outside of the Approved Budget

1. Deliverables deemed by the Director to be necessary but **are not included in the approved capital budget** must be approved by Council prior to the commencement of the Procurement process.
2. Deliverables deemed by the Director to be necessary but **are not included in the approved operating budget** must be approved by Council prior to the commencement of the Procurement process if the Deliverable value is over \$25,000.

Where the Deliverable value is less than \$25,000 **and is not included in the approved operating budget**, the Director shall seek approval from the CAO and Treasurer, in accordance with Section 7 of this Policy.

7. Authority to Reallocate Approved Budget at the Time of Award

To ensure proper expenditure management and budget accountability, each Director is responsible for ensuring that all Purchases remain within the Department's approved operating budget or approved capital project budget.

Directors shall have the authority to reallocate funds to Award a Contract, without exceeding the Council approved budget within their control, under the following conditions.

Reallocation of funds between Operating Budgets and Capital Budgets is not permitted under any circumstances.

Operating Budget

1. The Director may request the CAO and Treasurer approve the reallocation of funds where sufficient operating budget remains, the funding source is the same and the Total Procurement Value shortfall for the Purchase of the Deliverable is **less than \$25,000**.
2. All changes must be one-time only. If the Deliverables are required beyond the current year, the Director shall include sufficient funds in the future year budgets.
3. The funding source must be the same for all accounts affected by the reallocation.
4. The Director shall complete an additional funding form and submit to the CAO and Treasurer for final approval prior to Award of the Deliverables.

Capital Budget

1. The Director may request the CAO and Treasurer approve the reallocation of funds from an already Awarded project budget where sufficient capital budget remains, the funding source is the same, and the Total Procurement Value shortfall **does not exceed 20% of the project budget, to a maximum of \$100,000**.
2. The funding source must be the same for all accounts affected by the reallocation.
3. The Director shall complete an additional funding form and submit to the CAO and Treasurer for final approval prior to Award of the Deliverables.
4. Where the CAO and Treasurer approve additional funding between \$50,001 and \$100,000, the Director shall provide an information staff report to Council.

8. Insufficient Budget at the time of Award

If the Director is unable to reallocate sufficient funds to Award the Contract for Deliverables, the Director may:

1. Prepare a staff report to Council requesting additional funds be allocated to the approved budget, provided that there are sufficient funds available to allow the Town to Award.
2. Award part of the Call for Bids where the Deliverables are able to be divided with no impact on the outcome.
3. Negotiate if the Call for Bids permits.
4. Cancel the Call for Bids.

5. Materially revise the Call for Bids and issue the revised Call for Bids.

9. Responsibilities and Authorities

Employees are accountable for the decisions and actions which they take pursuant to this Policy and in the administration of Contracts that have been Awarded.

1. Purchasing Staff

Purchasing Staff shall:

1. Monitor adherence to the provisions of this Policy and the Procurement Procedures and report any non-compliance to the Manager of Purchasing and the Treasurer.
2. Provide Procurement advice and related services, including the necessary forms, Contracts and Call for Bids document templates that may be required by Departments for the purposes of fulfilling the Procurement needs of the Town.
3. Facilitate all aspects of the Call for Bids process including creating and issuing the Call for Bids documents, opening, verifying compliance with the terms and conditions of the Call for Bids as well as facilitating the Award and execution of all Contracts. Additionally, where applicable, issue Purchase Orders, facilitate Contract renewals, Contract Change Orders, Supplier Performance, dispute resolution, reallocation of funds requests and Contract termination.
4. Act as the Town's representative with other public agencies (municipal, provincial and federal) on initiatives and participate in cooperative Contracts with these and related agencies where such involvement is in the best interests of the Town.

2. Manager of Purchasing

The Manager of Purchasing shall:

1. Review and authorize Non-Standard Procurements in conjunction with the Director for Deliverables between \$10,001 and \$100,000.
2. Prepare an annual summary report for Council outlining all Non-Standard Procurements.

3. Employees

Employees involved in Procurement shall:

1. Use the appropriate Procurement method based on thresholds in Schedule B, and seek guidance from their Manager, Director, or Purchasing Staff when needed.
2. Be responsible for monitoring and documenting Supplier performance and compliance with Contracts as outlined in this Policy.
3. Ensure that Change Order forms are properly completed with appropriate approvals and issued to Purchasing Staff to process.
4. Ensure appropriate approvals are received for additional funding prior to the execution of the Contract or amendment thereto.

5. Report any suspected non-compliance or irregularities to their Manager, Director, or Purchasing Staff.

4. Managers

Managers shall:

1. Be responsible for Procurement activities within their division and shall be accountable for determining and achieving specific objectives as outlined for each Procurement project.
2. Ensure that there are sufficient funds available and identified for all Deliverable requests.
3. Have authority to Award in accordance with Schedule B, and execute Contracts in conjunction with the Treasurer, and/or delegate the authority to their Employees based on the requirements of this Policy up to the thresholds as per their Employee's signing authority.
4. Be responsible for monitoring and documenting Supplier performance and compliance with Contracts as outlined in this Policy.
5. Ensure that Change Order forms are properly completed with appropriate approvals and issued to Purchasing Staff to process.
6. Ensure appropriate approvals for additional funding are in place prior to the execution of the Contract or amendment thereto.
7. Report any suspected non-compliance or irregularities to their Manager, Director, or Purchasing Staff.

5. Directors

Directors shall:

1. Be responsible for Procurement activities within their Department and shall be accountable for determining and achieving specific objectives as outlined for each Procurement project.
2. Ensure that there are sufficient funds available and identified for all Deliverable requests.
3. Have authority to Award in accordance with Schedule B, and execute Contracts in conjunction with the Treasurer, and/or delegate the authority to their Employees based on the requirements of this Policy up to the thresholds as per their Employee's signing authority.
4. Along with their Employees, be responsible for monitoring and documenting Supplier performance and compliance with Contracts as outlined in this Policy.
5. Along with their Employees, ensure that Change Order forms are properly completed with appropriate approvals and issued to Purchasing Staff to process.
6. Along with their Employees, ensure that additional funding is appropriately approved prior to the execution of the Contract or amendment thereto.

7. Ensure that Non-Standard Procurement forms are completed and issued to the Manager of Purchasing for review prior to Contract commitment, consistent with the requirements outlined in Schedule B.
8. The Director has the authority to proceed with an Emergency Purchase as outlined in Section 20.
9. Prepare information staff reports to Council as outlined in Section 30 of this Policy.
10. Prepare staff reports to Council as outlined in Section 31 of this Policy.

6. Treasurer

1. In the absence of Purchasing staff, the Treasurer may act in their place.
2. The Treasurer shall address all instances of non-compliance with this Policy with the appropriate Director and continued non-compliance will be reported to the CAO.
3. The Treasurer shall review and confirm funding availability, budget compliance, and financial risk prior to Award of any Contract exceeding \$500,001.
4. The Treasurer, together with the CAO, may approve the reallocation of funds from an already Awarded project budget where sufficient capital budget remains and the funding source is the same, and the Total Procurement Value shortfall **does not exceed 20% of the project budget, to a maximum of \$100,000.**
5. The Treasurer, together with the CAO, may approve the reallocation of funds where sufficient operating budget remains and the funding source is the same, and the Total Procurement Value shortfall for the Purchase of the Deliverable is **less than \$25,000.**
6. The Treasurer, together with the CAO, may approve a Change Order where the cumulative value of the Change Order plus the original Contract Total Procurement Value exceeds the Council approved project budget **up to 20%, to a maximum of \$100,000** for capital projects and up to \$25,000 for operating projects.

7. CAO

1. The CAO shall ensure that all Employees adhere to this Policy and Purchasing Procedures and shall address any non-compliance that the Treasurer has brought to their attention.
2. The CAO, together with the Treasurer, may approve the reallocation of funds from an already Awarded project budget where sufficient capital budget remains and the funding source is the same, and the Total Procurement Value shortfall **cannot exceed 20% of the project budget, to a maximum of \$100,000.**
3. The CAO, together with the Treasurer, may approve the reallocation of funds where sufficient operating budget remains and the funding source is the same, and the Total Procurement Value shortfall for the Purchase of the Deliverable is **less than \$25,000.**
4. The CAO, together with the Treasurer, may approve a Change Order where the cumulative value of the Change Order plus the original Contract Total Procurement Value exceeds the Council approved project budget up to **20%, to a maximum of \$100,000** for capital projects and up to \$25,000 for operating projects.

Standard Procurement Methods

All Purchases of Deliverables shall be undertaken utilizing one of the following methods of Procurement, unless another section of this Policy applies, as recommended by the Manager of Purchasing, and shall be advertised, reported, Awarded and the Contract executed in accordance with the provisions of this Policy and in accordance with Schedule B.

10. Direct Purchase

A Direct Purchase may be conducted for Deliverables not covered under an existing Contract or otherwise requiring another Procurement Method as described in this Policy. Deliverables within this section are not to be repetitive or ongoing and are instead intended to be “one-off” or small, multiple Purchases with the annual cumulative value not exceeding the prescribed threshold.

The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

Employees are encouraged to solicit more than one Supplier to ensure the best value for the Town is considered.

11. Request for Quotation (RFQ)

Request for Quotation will be used for Deliverables where specifications can be clearly defined.

1. Award of the Contract shall be to the lowest Compliant Bidder.
2. The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

12. Request for Tender (RFT)

Request for Tender will be used for Deliverables where specifications can be clearly defined.

1. Award of the Contract shall be to the lowest Compliant Bidder.
2. The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

13. Request for Proposal (RFP)

Request for Proposals may be used for Deliverables where specifications cannot be clearly defined.

1. Evaluation will be based on the criterion outlined in the Call for Bid document, of which price is only one criterion.
2. Award of the Contract shall be issued or negotiated (where permitted) with the highest scoring Compliant Proponent.
3. The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

14. Request for Standing Offer (RFSO)

Use of a Request for Standing Offer (RFSO) shall be used for Deliverables when a) there is a need to develop a shortlist of qualified Suppliers that have the capabilities to meet the Town's requirements; b) specifications can be clearly defined; and c) there is a need for a roster list of Suppliers for their services that will be provided on an "as need or required" basis.

1. Evaluation will be based on the criterion outlined in the Call for Bids document.
2. Selection methodology of the Suppliers will be as outlined in the Call for Bids document.
3. The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

15. Request for Prequalification (RFPQ)

Use of a Request for Prequalification (RFPQ) shall be used for Deliverables when the work is considered complex, high risk or there is a need to develop a shortlist of prequalified Suppliers that have the capabilities to meet the Town's requirements for an initial phase of a two (or more) phase solicitation process.

1. An RFPQ submission shall not create any Contractual obligation between the Town and a Supplier.
2. Evaluation will be based on the criterion outlined in the Call for Bid document.
3. Selection methodology of the Suppliers will be as outlined in the Call for Bids document.
4. The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

16. Request for Information (RFI)

Use of a Request for Information for Deliverables shall be used when the procuring Department is seeking information, clarification, comments, feedback and/or reactions from the marketplace that may assist in compiling a future Call for Bids.

1. If applicable, the RFI may request publicly available commodity cost details for the purposes of budget planning.
2. An RFI submission shall not create any Contractual obligation between the Town and a Supplier.
3. The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

17. Request for Expression of Interest (RFEOI)

Use of a Request for Expression of Interest for Deliverables shall be used when there is uncertainty regarding the market availability and interest in providing the Deliverables for which the Town is contemplating the Deliverables to assist with a potential future Call for Bids.

1. An RFEOI submission shall not create any Contractual obligation between the Town and a

respondent.

2. The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

Non-Standard Procurement Methods

18. Sole Source

Sole Sourcing is a method of Procurement whereby an Award is made without a competitive Call for Bids.

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

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

The use of Sole Sourcing exceeding \$100,000 must be approved by Council prior to the Award of the Contract for Deliverables. The Director shall prepare a staff report to Council outlining the rationale for the Procurement.

Negotiation may be used with a Sole Source. The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

19. Single Source

Single Sourcing is a method of Procurement whereby there is more than one Supplier able to supply and an Award is made without a competitive Call for Bids.

Single Source will be permitted if one of the following circumstances applies:

1. A Deliverable is compatible with an existing Town owned Deliverable where a substitute Deliverable is available; however, the warranty, maintenance, or service will be affected if the substitute is used and it is therefore not in the Town's best interest to use the substitute.
2. A Deliverable is in short supply due to market conditions.
3. When no Bids or no Compliant Bids are received in a Call for Bids process.
4. Specific standards are adopted by Council requiring certain Deliverables.
5. A Deliverable is being Purchased for a defined testing or trial use for a pre-determined timeframe.
6. A Deliverable is of a confidential condition or matter and where the disclosure of such in an open competition could compromise confidentiality of the Supplier or Town or be contrary to public interest.
7. When the Town has a lease with a public Purchase option and exercising the Purchase option would benefit the Town.

8. For Purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of those arising from auction, liquidation, receivership, or bankruptcy, but not for routine Purchases from regular Suppliers.

The use of Single Sourcing exceeding \$100,000 must be approved by Council prior to the Award of the Contract for Deliverables. The Director shall prepare a staff report to Council outlining the rationale for the Procurement and shall include written justification documenting the circumstances, market analysis, and rationale for best value.

Negotiation may be used with a Single Source. The threshold, approval and Procurement execution parameters are as outlined in Schedule B.

20. Emergency Procurement

Emergency Procurement allows for non-competitive, rapid acquisition of Deliverables. A Director or their Designate may proceed with an Emergency Procurement when it is required to:

1. Prevent or alleviate serious delay.
2. Maintain essential Town 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 Town's Emergency Response Plan or respond to a State of Emergency.

All Emergency Procurements must be reported to the Manager of Purchasing, Treasurer and CAO as soon as practicable under the circumstances.

The Director shall advise Council of the situation that caused the emergency, the method used to control the emergency and an estimate of cost of the emergency as soon as is practical but no later than, prior to the end of the quarter in which the emergency Procurement took place.

Emergency Procurements shall only be to the extent necessary to mitigate the immediate threat or risk or to temporarily contain the situation or circumstance and restore services. Longer term projects or work for replacement of significant infrastructure must follow the provisions of this Policy.

21. Cooperative Purchases

Cooperative Purchases are encouraged through any public sector agency where it is in the Town's best interest. Deviations from this Policy 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.

22. Group Purchasing Organizations

Group Purchasing Organizations (GPOs), established for Broader Public Sector and Municipalities, Academics, Schoolboards and Healthcare (MASH) entities, may offer Deliverables that the Town has a need for at a reduced Procurement cost by leveraging the power of group buying.

The Manager of Purchasing shall maintain a register of approved GPOs and administer access to GPOs.

The Director shall ensure that the GPO arrangement is Compliant with this Policy.

The Director shall complete a second stage Procurement process to request pricing from more than one entity named in the category of Deliverables offered by the GPO prior to making a recommendation for Award.

23. Negotiations

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

1. When only one submission is received and it exceeds the approved budget, negotiations may be conducted provided that the selected Supplier is Compliant.
2. During a Sole, Single or Emergency Procurement.
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 Bids.
4. When a competitive Bid process has been conducted and the Contract has expired or will shortly expire, and circumstances have caused a delay in issuing a new Call for Bids. In such cases, the Contract extension shall 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.

Other

24. Security

Securities ensure that the Town's interests are protected through the Call for Bids process.

Securities may include:

1. Bid deposits
2. Performance, Labour & Material Payment and Maintenance Bonds
3. Holdbacks
4. Liquidated Damages

The Manager of Purchasing in consultation with the respective Director will ensure that adequate security is provided in each Call for Bids.

25. Specifications

1. Directors and Managers are responsible for the preparation of the specifications for the Call for Bids.
2. Purchasing Staff may review and recommend amendments to the specifications. The Director or Manager and Purchasing Staff shall collaborate in the finalization of the specifications and associated Procurement documents.
3. Specifications should be clear and concise. Specifications must not be structured to restrict or limit competition due to brand or other similar requirements. Specifications shall allow for potential Suppliers to provide alternatives in the event that an equivalent product or method is available. Biasing of specifications in favour of, or against, a particular Deliverable is prohibited. Nothing in this section restricts the ability to design specifications in unique situations, e.g. standardization or compatibility with existing Deliverables.
4. From time to time, Suppliers may be requested to expend time, money and effort on the content or in the development of a specification or otherwise help define a requirement to be contained in the specifications that may be used in a Procurement document. A Supplier who provides such assistance shall be deemed to be a consultant of the Town and the specifications are deemed property of the Town. Such a Supplier shall be prohibited from submitting a response to a Call for Bids for which those specifications apply.

26. Supplier Performance

1. Directors are responsible for monitoring and documenting Supplier performance and ensuring compliance with Contracts. Directors shall address performance issues directly with the Supplier to resolve and document all performance issues and acknowledgements related to same.
2. Purchasing Staff shall be advised of Supplier performance issues in writing from the Director. The Manager of Purchasing will consult with the Director, and legal counsel where appropriate, to resolve any ongoing and/or escalating or unsatisfactory performance issues. If performance issues cannot be resolved, the Director, in consultation with the Manager of Purchasing and legal counsel where appropriate, may terminate the Contract.
3. Any Supplier (or its subcontractors) that is involved in unprofessional conduct (the nature of which the Town will be the sole judge), a health and safety violation, criminally charged, or in dispute or litigation of any kind with the Town, the Town may terminate the Contract with that Supplier. That Supplier may also be excluded from Bidding at the discretion of the Manager of Purchasing in consultation with the relevant Director, and legal counsel where appropriate. The exclusion from Bid participation shall not last longer than two (2) years.

27. Alternative Dispute Resolution – Competitive Bid Protest

1. All Suppliers which have dealings with the Town or are Bidding on potential Contracts shall resolve any and all disputes specific to the competitive Bid process through the Alternative Dispute Resolution (ADR) process described in the Call for Bids and shall agree to such process as part of any response to the competitive Bid process.
2. The Award of any Contract shall not be rescinded or the progress of any project delayed by a request for the use of the ADR unless recommended by the Manager of Purchasing, the Town's legal counsel, Director of the respective Department and the CAO.
3. Any Supplier that has asked to participate in the ADR process will be provided with information by Purchasing Staff to assist them in understanding the Bid process and to assist them with improving their future Bid submissions to the Town.

28. Alternative Dispute Resolution – Contract Disputes

1. Any Contract disputes that arise between the Supplier and the Town during the term of the Contract shall be handled in accordance with the Contract disputes process as outlined within the Call for Bids or Contract.

29. Change Order

1. A Change Order may be executed by the Manager with appropriate signing authority provided that the Total Procurement Value has not exceeded the Council approved project budget.
2. Where a Change Order exceeds the Manager's signing authority level, the Director may approve the execution of the Change Order, provided that the Total Procurement Value has not exceeded the Council approved project budget.
3. Where a Change Order or the cumulative value of the Change Orders plus the original Contract Total Procurement Value exceeds the Council approved project budget **up to 20%, to a maximum of \$100,000** for capital projects and up to \$25,000 for operating projects, the Manager or Director shall obtain the appropriate additional funding authorization from the CAO and Treasurer prior to executing the Change Order. The Director shall provide a information staff report to Council to where the Change Order is between \$50,001 and \$100,000.
4. Where a Change Order or the cumulative value the Change Orders plus the original Contract Total Procurement Value exceeds the Council approved project budget **by more than 20%, to a maximum of \$100,000** for capital projects and up to \$25,000 for operating projects, Council approval of additional funds is required. Directors are required to submit a staff report to Council seeking approval of the additional funds.
5. Funding shall be in place prior to approval of the Change Order and prior to the execution of the work. When it is not possible to complete the Change Order prior to the execution of the work, it shall be completed as soon as possible after commencement.

Council Reporting

30. Information Staff Report to Council:

The Director shall create an information staff report to Council to be included in the Council Agenda in the following circumstances:

1. Within thirty (30) days of Award of Deliverables, where the Total Procurement Value is greater than \$1,000,001 and is within the Council approved project budget.
2. Within thirty (30) days of approval by the CAO and Treasurer for additional funding to Award a project or issue a Change Order that is over the Council approved project budget **up to 20%, to a maximum of \$100,000** for capital projects for amounts \$50,001 to \$100,000.
3. When an Emergency has occurred, the situation that caused the emergency, the method used to control the emergency and an estimate of cost of the emergency as soon as is practical but no later than prior to the end of the quarter in which the Emergency Procurement took place.

31. 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. Notwithstanding the delegated authority for capital budget reallocations, any capital project shortfall that exceeds twenty percent (20%) of the approved project budget or \$100,000, whichever is less, shall require prior Council approval before proceeding with the Award, Change Order, or additional expenditure.
2. Where an operating budget shortfall exceeds **\$25,000**, prior Council approval shall be required before proceeding with the Award or expenditure.
3. Where the use of Sole or Single Sourcing is greater than \$100,000.
4. Where the lowest Compliant Bid submission is not being recommended for Award.
5. Where the highest scoring Compliant Proponent proposal submission is not being recommended for Award.
6. Where Deliverables are not included in the approved capital budget.
7. Where Deliverables not included in the approved operating budget **and** are greater than \$25,000.
8. Any Contract prescribed by statute to be authorized by Council.
9. Where Council has directed Employees to provide a report for approval.

Authority to Execute Contracts

The Treasurer and relevant Director have authority to execute Contracts for the Town when all provisions of this Policy have been met.

When the Call for Bids is Awarded by the Treasurer on behalf of their Department, the Contract shall be executed by the Treasurer and CAO.

Exclusions

n/a

References and Related Policies

Whistleblower Program Policy (POL.COR.25.04, as amended).

Employee Code of Conduct (POL.COR.25.02, as amended).

Code of Conduct for Members of Council, Local Boards and Advisory Committees (POL.COR.21.06, as amended).

Municipal Act, 2001 (Ontario), section 270(1).

Municipal Conflict of Interest Act, R.S.O. 1990, c.M.50, as amended.

Discriminatory Business Practices Act, R.S.O. 1990, c. D12.

Agreement on Internal Trade Implementation Act, S.C. 1996, c.17

Competition Act, R.S.C. 1985, c. C-34.

Consequences of Non-Compliance

Failure to adhere to the requirements outlined in this Policy may lead to progressive disciplinary action up to and including termination of employment.

Review Cycle

This Policy will be reviewed at least once every term of Council.

Schedule A Deliverables Exempt from Procurement Policy

The Procurement methods described in this Policy do not apply to the following Deliverables:

1. Training and Education
 - a. Books
 - b. Periodicals
 - c. Magazines
 - d. Subscriptions
 - e. Memberships
 - f. Conferences
 - g. Courses and Seminars
 - h. Conventions
 - i. Employees training
 - j. Employees development
 - k. Employees workshops
2. Reimbursable Employee Expenses
 - a. Advances
 - b. Meal allowances
 - c. Travel (fuel, accommodation etc.)
 - d. Mileage
 - e. Miscellaneous – non-travel
3. Employer's General Expenses
 - a. Payroll Deduction Remittances
 - b. Medicals
 - c. Licenses (vehicles, elevators, radios, etc.)
 - d. Debenture Payments
 - e. Grants and Donations
 - f. Payment of Damage Claims
 - g. Tax Remittances
 - h. Refunds to property owners (property tax, building permit, entrance permit, etc.)
 - i. Replacement Deliverables made as a result of an insurance claim
 - j. Witness fees
 - k. Realty services regarding lease, acquisition, demolition, sale, disposal, real property survey or appraisal of land or existing buildings
 - l. Services required for the management of third-party claims
 - m. Advertising services required in radio, television, newspaper or magazines
 - n. Bailiff or collection agencies
 - o. Freight charges
 - p. Utilities
 - q. Employee Group Benefits
4. When a developer abandons or neglects a project and the Town must draw on held securities to complete the work, the Town may proceed without a competitive bidding process if time does not reasonably permit one.

If completing the work is expected to cost more than the value of the securities, the Director shall prepare a staff report to Council seeking budget approval and direction to issue a Call for Bids.

Schedule B – Purchasing Thresholds

Procurement Type	Threshold	Procurement Method	Authority	Procurement Execution
Direct Purchase	\$0 to \$10,000	Best Value is considered	Employees as designated by the Director	Purchase Order or Supplier Invoice
Informal Request for Quotation OR Informal Request for Proposal	\$10,001 to \$50,000	Call for Bids issued to minimum of three (3) Suppliers	Managers have authority to Award	Purchase Order and Contract (if required)
Request for Quotation OR Request for Proposal	\$50,001 to \$100,000	1. Process facilitated through Purchasing 2. Call for Bids Issued	Managers have authority to Award in conjunction with Manager of Purchasing.	Contract and Purchase Order
Request for Tender OR Request for Proposal	\$100,001 +	1. Process facilitated through Purchasing 2. Call for Bids Issued	Directors have authority to Award in conjunction with Manager of Purchasing. Approval by the CAO is required for all Awards greater than \$500,001	Bid Award Form, Contract and Purchase Order (The Treasurer shall review and confirm funding availability, budget compliance, and financial risk prior to Award of any Contract exceeding \$500,001)
Request for Standing Offers	Any amount	1. Process facilitated through Purchasing 2. Call for Bids issued	Directors have authority to Award in conjunction with Manager of Purchasing. Approval by the CAO is required for all Awards greater than \$500,001	Bid Award Form (greater than \$100,001), Contract and Purchase Order (The Treasurer shall review and confirm funding availability, budget compliance, and financial risk prior to Award of any Contract exceeding \$500,001)

Procurement Type	Threshold	Procurement Method	Authority	Procurement Execution
Request for Prequalification	Not applicable	<ol style="list-style-type: none"> 1. Process facilitated through Purchasing 2. Call for Bids issued 	Employees as Designated by the Director, create specifications	Not applicable
Request for Information or Expression of Interest	Not applicable	<ol style="list-style-type: none"> 1. Process facilitated through Purchasing 2. RFI or EOI document issued 	Employees as Designated by the Director, create specifications	Not applicable
Single or Sole Source	\$10,001 - \$100,000	Not applicable	Single/Sole Source form with Supplier Quotation approved by Director to Manager of Purchasing	Contract and Purchase Order
Single or Sole Source	\$100,001 +	Not applicable	Staff Report from the Director to Council to seek approval to Single or Sole Source.	Contract and Purchase Order
Emergency Purchase	Any amount	Not applicable	<ol style="list-style-type: none"> 1. Completion of an Emergency Purchase form as soon as practicable and provided to Manager of Purchasing 2. Supplier Quotation if possible 3. Information staff report to Council from Director 	Contract where possible and Purchase Order

Schedule C - Authority

Authority to Award

The Total Procurement Value shall be considered when determining the authority to Award Contracts.

The Treasurer shall review and confirm funding availability, budget compliance, and financial risk prior to Award of any Contract exceeding \$500,001.

Authority to Award	Dollar Value
Council	Unlimited
CAO, Director and Manager of Purchasing	\$500,001 or greater
Director and Manager of Purchasing	\$100,001 up to and including \$500,000
Manager and Manager of Purchasing	\$50,001 up to and including \$100,000
Manager	\$10,001 to \$50,000
Employees as designated by the Director	Up to \$10,000

Authority for Payment

Authority for Payment relates to the authorization for the payment of invoices. During scheduled absences, Directors may delegate signing authority to selected individual(s) with a written notice to the Treasurer. The Manager of Purchasing shall prepare signing authority forms for all Employees designated under this Policy.

POSITION	DETAIL	LIMIT
CAO	All expenditures	As per Council approved budget
Director	All expenditures	As per Council approved budget
Managers as designated by Director	All expenditures	\$100,000
Employees as designated by Director	All expenditures	\$50,000
Employees as designated by Director	General Purposes – day-to-day departmental requirements	\$10,000

Schedule D - Bid Irregularities

A Bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a Call for Bid document and the information provided by the Supplier in their Bid response.

A “minor irregularity” 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 their competitors. Purchasing Staff may permit the Bidder to correct a minor irregularity. Where the Bidder has been given a timeframe in which to correct a minor irregularity and the timeframe is exceeded, the Bid shall be rejected.

A “major irregularity” is a deviation from the Call for Bid that affects price, quality, quantity or delivery, and is material to the Award. If the deviation is permitted, the Bidder could gain an unfair advantage over their competitors. Purchasing Staff shall reject any Bid which contains a major irregularity.

The Manager of Purchasing in consultation with the relevant Director, Treasurer and CAO (and legal counsel when required), shall review irregularities not specifically listed and acting in the best interests of the Town, have authority to waive such irregularities, permit correction to the irregularity or reject the submission.

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

Number	Irregularity	Minor	Major	Response
1.	Late Submissions.		X	Automatic rejection. ETS shall not accept submission.
2.	Failure to attend mandatory site visit.		X	Automatic rejection.
3.	Partial submission (all items not Bid on)		X	Only if Call for Bids allows for partial items to be Bid on, otherwise automatic rejection.
4.	Conditional submissions (Bid qualified)		X	Automatic rejection.
5.	Bid submitted in other than the original Bid form format.		X	Automatic rejection.
6.	All mandatory sections of the Bid document have not been completed		X	Automatic rejection. ETS shall not accept submission
7.	Bid form not signed		X	Automatic rejection. ETS shall not accept the submission.

Number	Irregularity	Minor	Major	Response
8.	Failure to acknowledge addenda		X	Automatic rejection. ETS shall not accept submission.
9.	Submissions not completed in English		X	Automatic rejection.
10.	Bid deposit not submitted		X	Automatic rejection.
11.	Bid deposit not in the required form.		X	Automatic rejection.
12.	Bid deposit not electronically verifiable.		X	Automatic rejection.
13.	Bid deposit amount is incorrect or insufficient	X		Two business days to rectify
14.	Effective period of Bid deposit is less than irrevocable period contained within the Call for Bids	X		Two business days to rectify.
15.	Failure to complete the schedule of items and prices or price form.		X	Automatic rejection. ETS shall not accept the submission.
16	Conditions placed by the Bidder on the total Contract price		X	Automatic rejection. ETS shall not accept the submission.
17	Pricing appears to be unbalanced to the extent that it would have a significant adverse effect to the Town if Awarded.		X	Automatic rejection.
18	Failure to provide the required bonds or financial security within the prescribed timeframe		X	Automatic rejection and Bid deposit forfeited.
19	Failure to execute a Contract within the prescribed timeframe		X	Automatic rejection and Bid deposit forfeited.
20	Failure to provide supporting documents, as specified within the Call for Bids and within the prescribed timeframe		X	Automatic rejection and Bid deposit forfeited.