



The Corporation of the City of Stratford Policy Manual

Policy Number: P.5.1

Policy Section: Purchasing and Materials Management

Department: Corporate Services

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Purchasing Policy

1.0 LEGISLATIVE AUTHORITY

- 1.1 The *Municipal Act, 2001*, ("Municipal Act"), section 270, as amended states that a municipality and a local board shall adopt policies with respect to its procurement of Goods and Services, including policies with respect to:
 - a) the types of procurement processes that shall be used;
 - b) the goals to be achieved by using each type of procurement process;
 - c) the circumstances under which each type of procurement process shall be used;
 - d) the circumstances under which a tendering process is not required;
 - e) the circumstances under which in-house bids will be encouraged as part of a tendering process;
 - f) how the integrity of each procurement process will be maintained;
 - g) how the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
 - h) how and when the procurement processes will be reviewed to evaluate their effectiveness; and
 - i) any other prescribed matter.
- 1.2 Compliance with legislation procurement activities shall be subject to all applicable Municipal policies and by-laws and specific provisions of the *Municipal Act, 2001*, and all other applicable Federal and Provincial legislation including any international standards implemented by the Federal government.

- 1.3 Pursuant to the *Ontarians with Disabilities Act, 2001* ("ODA") as may be amended from time to time, *Ontarians with Disabilities Act, 2005* ("AODA") as may be amended from time to time, and Ontario Regulation 191/11 under the AODA, the City of Stratford shall consider accessibility criteria and features when procuring or acquiring goods, services, or facilities, except where it is not practicable to do so. In which case, an explanation shall be provided. All competitive bids will incorporate measures to ensure that customer service is available to everyone, including persons with disabilities.
- 1.4 The Corporation of the City of Stratford must be prepared to manage and respond to extraordinary circumstances from time to time that require immediate decision making to prevent or alleviate serious delay, protecting lives, infrastructure and property, protect the environment, promote economic stability and help ensure the continuance of critical assets and government to respond to any emergency whether natural, technological and human-caused with or without warning as required under the provincial legislation *Emergency Management and Civil Protection Act*, R.S.O. 1990, c. E. 9 (as amended).

2.0 PURPOSE OF THE PURCHASING POLICY

- 2.1 The purpose of this Policy is:
 - 2.1.1 to set out guidelines for the City to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service;
 - 2.1.2 to describe the roles, responsibilities and authorities of the City's employees, officers, and elected officials in carrying out the City's Procurement operations;
 - 2.1.3 to maintain an open and honest process that is fair and impartial, non-discriminatory, fosters equal treatment, and is transparent and accountable.
 - 2.1.4 to promote and maintain the integrity of the purchasing process and protect Council, staff and vendors involved in the process, by providing clear direction and accountabilities; and,
 - 2.1.5 To comply with the requirements of Section 270(1) of the Municipal Act and with Provincial, Federal and International laws and legislation with respect to Procurement.

3.0 CITY CONDUCT

- 3.1 The City shall conduct its procurement activities in a manner so as to maintain public trust.
- 3.2 All procurement activities must be conducted in accordance with:

- a. The City of Stratford's Employee Code of Conduct;
 - b. The City's Code of Conduct for Council Members and Local Board Members;
 - c. The *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M. 50, as applicable.
 - d. The *Canadian Free Trade Agreement Consolidated 2017*; and
 - e. Where applicable other trade agreements that applies to municipalities such as Canada-US Agreement on Government Procurement (CUSPA), Trade & Cooperation Agreement between Ontario and Quebec (TACOQ) and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).
- 3.3 No employee or Member of Council of The Corporation of the City of Stratford or local board as specified in this policy, will have any interest directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods or services or in any of the monies to be derived there from, unless by a resolution of Council prior to the award of a sealed bid.
- 3.4 If the City determines that a Director or Manager of a City department has a direct or indirect interest and is responsible for the bid, the process shall be undertaken by a designate approved by the Manager of Financial Services ("MFS"). The Corporation does not accept bids made by a Department submitted in response to a bid solicitation where the provision of the goods or services will be provided entirely by the employees of the Corporation otherwise known as "In House Bids."
- 3.5 The Corporation does not have or use any "Local Vendor or Supplier Preference" in its dealings, in order to comply with the *Ontario Discriminatory Business Practices Act*, R.S.O., 1990, as amended, the *Canadian Free Trade Agreement*, 2017 c.5, as may be amended from time to time; and the *Competition Act*. R.S.C. 1985, c.C-34, as may be amended from time to time.
- 3.6 The Corporation will not tolerate any form of discrimination and forbids the granting of a preference to a local Bidder and will uphold the regulatory requirements as set out in the *Ontario Discriminatory Business Practices Act*, R.S.O. 1990, c. D. 12, as may be amended from time to time.
- 3.7 The Corporation of the City of Stratford adopts the ethical considerations of the Code of Ethics adapted from the Ontario Public Buyer's Association in its purchasing process.
- 3.8 The MFS is authorized to participate in and/or join in co-operative purchasing arrangements with other municipalities, local boards and other public commissions and agencies where the best interests of the Municipality will be served. Where such participation is at variance with the Municipality's Purchasing Policy, Council shall first authorize any participation.

4.0 SUPPLIERS CONDUCT

- 4.1 The Corporation of the City of Stratford expects its Suppliers to act in a manner with integrity and conduct its business in an ethical manner.
- 4.2 The City may refuse to engage in a business transaction or may terminate a business transaction with any Bidder that has including but without limiting the generality of the foregoing engaged in any illegal or unethical bidding practices, has or is in a potential conflict of interest, has created an unfair advantage in the procurement process or fails to adhere and carry out ethical business practices.
- 4.3 No bid or offer will be accepted from any Bidder, inclusive of the Bidder's subcontractors, who has a claim or has instituted a legal proceeding against the City, or against whom the City has a claim or instituted a legal proceeding, without prior approval of Council. For purposes of this provision, where such Bidder is a corporation, Bidder shall include any non-arm's length corporation of the Bidder.
- 4.4 It is the responsibility of all Bidders participating in a procurement process to declare any perceived, potential, anticipated, or actual conflicts of interest.
- 4.5 If a Bidder has been engaged to participate in the development of a solicitation document or the specifications for inclusion in a solicitation document, the Bidder will not be allowed to make a response directly or indirectly to that solicitation document. Refer to Section 14.
- 4.6 The City abides by the *Competition Act R.S.C. 1985, c. C-34*, as may be amended from time to time, and will report any suspected cases of collusion or other bid violations to the Competition Bureau and or other relevant lawful authorities.
- 4.7 The City shall be entitled to reject a bid submission if any representative or a Bidder, including any other parties that may be involved in a joint venture, consortium, subcontractor or Supplier relationship, makes any representation or solicitation to any elected official, employee or agent of the City during the blackout period.

5.0 CONFLICT OF INTEREST

- 5.1 No Goods or Services shall be purchased by the City from any officer or employee of the City or any member of Council or from any business in which any officer or employee of the City or any member of Council is an officer of such business without first declaring and advising of the conflict of interest at the time of submission.

6.0 APPLICATION OF POLICY

- 6.1 All City departments, elected City officials, committees and boards of the City shall acquire Goods and Services in accordance with this Policy and not otherwise excluding the City's Library Board and Police Services Board.
- 6.2 No person shall have the right to acquire Goods and Services or to otherwise bind the City in respect of the acquisition of Goods and Services, except in accordance with this Policy.
- 6.3 The rules in this section 6 shall not apply where the supply of funds, approval of borrowing, or the provision of other financial assistance is mandated by statute.

7.0 ADMINISTRATION

- 7.1 All invoices and accounts from vendors shall be authorized prior to payment. Authorization shall occur in the form of signatures of the Department Head or Designate and shall include staff denoting clerical accuracy, budgetary or specific Resolution approval, tender/quote number and an indication that Goods and Services were received in good order. These required signatures will be deemed to authorize payment.
- 7.2 Prior to City Council adopting the operating and capital budget, no person is authorized to purchase any goods or services other than those goods or services required on a recurring basis for the day to day operations of the City, without the prior approval of Council.
- 7.3 The Treasurer is authorized to pay for Goods and Services purchased in accordance with this Policy and shall not pay for any such Goods and Services unless otherwise provided in this Policy or within the time commitments specified in the purchasing agreement or contract.
- 7.4 No prepayment for all or any part of Goods and Services shall be made unless the contract specifically provides for such prepayment.

8.0 CAO OR DESIGNATE RESPONSIBILITIES

- 8.1 When non-compliance of this policy has been identified, the CAO or Designate shall direct the non-compliant department to get approval for their purchase by Council resolution.

9.0 MANAGER OF FINANCIAL SERVICES RESPONSIBILITIES

- 9.1 The MFS is responsible for:
 - a) the management, organization and administration of a City-wide purchasing function, as well as developing policies and procedures for the Purchasing function;

- b) preparing, issuing and receiving Requests for Proposal, Tenders, Quotations and Inquiries for Goods and Services, and for arranging the disposal of surplus goods;
- c) the correlation and unification, so far as possible, of the requirements of the various departments of the City, and standardizing the kinds of Goods and Services used by the City to the smallest quantity consistent with the needs of the various departments. This program shall be a joint enterprise among the various departments of the City, with the MFS having the responsibility of putting the program into effect; and
- d) notifying CAO and Treasurer of non-compliance of this Policy.

10.0 EMPLOYEE RESPONSIBILITIES

- 10.1 All employees are encouraged to develop and advance positive professional cooperative relationships with Bidders and within their Department, to seek consultation from their superiors in respect of any questions regarding the application or interpretation of this Policy.
- 10.2 Any employee who becomes aware and or suspects a conflict of interest in relation to any solicitation or purchase shall immediately report to their Department Supervisor/Manager or Director.
- 10.3 No employee shall knowingly cause or permit anything by their actions and or communication to anyone that does or is likely to cause any supplier to have an unfair advantage or disadvantage in any purchasing opportunity.
- 10.4 City employees shall be required to adhere to any City, legal, or other statutory legislation including Trade Agreements, and the City policies and failure to do so may result in corrective action including progressive discipline up to and including discharge based on the circumstances.
- 10.5 All employees granted purchasing authority must be first trained on proper use and interpretation of this Policy and the applicable By-laws and legislation as determined by the Director of the department of which they are employed.

11.0 CONSULTING FIRM RESPONSIBILITIES

- 11.1 Should it be deemed advantageous to engage the services of a consultant in the bidding process, the Department must ensure the consultant is aware of and follows the Corporation's policies and procedures.
- 11.2 Consultants are to provide a copy of any documentation being issued in the Corporation's name, to the Manager of Financial Services prior to issuance.

- 11.3 From time to time, consultants are required to provide specialized expertise on various matters involving engineers, architects and management professionals. Consultants would not involve the City's ongoing legal counsel, audit services and planning advice (special projects excluded). Approval to proceed to engage consultants must be received either in budget approval or by resolution of Council.
- 11.3.1 For projects where the Consultant's fees are expected to be less than \$60,000. for an individual project, the Department may directly hire the Consultant without issuing an RFP or Sealed Quotation.
- 11.3.2 For projects where the Consultant's fee are expected to be in excess of \$60,000. for an individual project, the following procedure will apply;
- 11.3.2.1 The Department will issue an RFP, a Sealed quotation or a Sealed Tender.
- 11.3.2.2 If the cost of the Consultant is expected to exceed \$100,000, the Mayor and two (2) members of Council, as well a two (2) members of staff, will sit on the Evaluation Committee. The Mayor may ask that Council select a member to sit in his or her stead.
- 11.3.2.3 If the project is a continuation of previous work for which there is an obvious economic benefit to continue with the same consultant, the Director may seek Council's permission to request for a single proposal for the project, which proposal must then receive Council approval.

12.0. FINANCIAL ACCOUNTABILITY

- 12.1 No purchases shall be made unless approved in the annual budget or authorized by Council. Where this policy prescribes dollar limits, the contract amount shall be the estimated total acquisition cost less any applicable taxes.

13.0 CONTRACT ADMINISTRATION

- 13.1 It shall be the responsibility of the Department issuing the Bid Documents to enforce the contract terms, conditions and specifications.
- 13.2 The Corporate Department will ensure that all Tender/Bid Notices are available to Suppliers free of charge and in compliance with Article 506 Subsection 6. (a) through (l) *Canada's Free Trade Agreement c. 2017*, as may be amended from time to time and any such articles that may be deemed applicable.

- 13.3 The MFS in consultation with the Department Head and or with the City's solicitor, may permit the exclusion of a Supplier based on the following grounds if there is supporting evidence:
- bankruptcy or insolvency;
 - false declarations;
 - significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts;
 - final judgments in respect of serious crimes or other serious offences;
 - professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Supplier; or,
 - failure to pay taxes.
- 13.4 The supplier excluded by the MFS in accordance with the provisions of this policy shall be excluded for a period deemed by the MFS which can be up to a period of two (2) years ("Exclusion Period"). To be reinstated after the Exclusion Period on the Bidders list, the vendor shall supply an updated company profile in addition to three (3) recent references to the MFS for review and consideration.

14.0 REQUESTS FOR VENDOR INPUT

- 14.1 Bidders or potential Bidders should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from Bidders.
- 14.2 When such services as contemplated in this section are required:
- a. the MFS shall be advised;
 - b. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of Goods and Services, as per the Article 509 of the *Canadian Free Trade Agreement*, as may be amended from time to time, Article 19.9 of the *Comprehensive Economic and Trade Agreement*, as may be amended from time to time, and Article 9.11 of the *Trade and Cooperation Agreement Between Ontario and Quebec*, as may be amended from time to time;
 - c. the Bidder providing the services shall be paid a fee; and,
 - d. the detailed specifications shall become the property of the Corporation for use in obtaining competitive bids.

15.0 GENERAL PROVISIONS

- 15.1 No contract or purchase shall be divided to avoid any requirements of this policy.
- 15.2 All dollar amounts referenced are in Canadian dollars and prices stated are before applicable taxes.

- 15.3 Any reference to a day refers to a calendar day.
- 15.4 All Bidders must respect, comply and carry out all requirements as regulated by the *Occupational Health and Safety Act*, R.S.O. 1990, c. 0.1 as may be amended from time to time, and the *Workplace Safety and Insurance Act*, SO 1997, c. 16, as may be amended from time to time.
- 15.5 All departments shall review their bid specifications for Goods and Services, to ensure that they meet the applicable requirements of any trade agreement and policies of the City, and wherever possible specifications are amended to provide for expanded use of products and services that contain post-consumer recyclable waste and/or recyclable content to the maximum level allowable, without significantly affecting the intended use or performance of the product or service. It is also recognized that a cost analysis may be required in order to ensure that the products are made available at competitive prices. The department shall also consider opportunities wherever possible to increase the development and awareness of Environmentally Sound Products, wherever practicable and possible.
- 15.6 Excluding RFP's any recommendation to award a bid by a department will be in favour of a Bidder meeting specifications, terms and conditions of the bid and whose bid offers the lowest ultimate cost to the City for the goods or services being solicited with due consideration of the importance of quality, service and price.
- 15.7 The disclosure of information received relevant to the issue of a bid solicitation or the award of contracts emanating from bid solicitations is subject to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, as may be amended from time to time. The City will make reasonable attempts to safeguard the confidentiality of any identified successful Bidder, but will not be held liable in any way whatsoever if such information is inadvertently disclosed.

16.0 ADVERTISING

- 16.1 Bids shall be posted on the Corporation's website and where effective in the opinion of the Department Head advertised in local newspapers and applicable publications or where necessary to comply with all existing statutory regulations.
- 16.2 The timing and length of advertising shall be defined by the Department Head.

17.0 BID ADDENDUM

- 17.1 In no instance shall anyone save and except the MFS or designate, issue any verbal or written changes on a Bid. All changes shall be in accordance with the bid analysis review and an addendum issued with the approval of the MFS.
- 17.2 A notification of an addendum shall be forwarded to each Bidder that has received the bid documents, including but not limited to informal quotations, by bids&tenders™, or by Department staff in the form of a cover letter to those that made a direct application with the City.

18.0 BID DEPOSITS

- 18.1 Bid deposits of no less than 5% of the estimated value of the work shall be required to accompany bid submissions for the following:
 - a. All bids for City construction projects in excess of \$100,000; and/or
 - b. Special contracts or scope of work as deemed appropriate by the MFS and the Department.
- 18.1 A bid deposit shall be provided in one of the following formats:
 - a. Bid bonds issued by a bonding agency licensed to operate in the Province of Ontario naming the City as the obliged.
 - b. A irrevocable letter of credit naming the City as the beneficiary.
 - c. Certified cheque, bank draft or money order made payable to The Corporation of the City of Stratford.
- 18.2 The City shall not pay interest on any bid deposits.
- 18.3 The City reserves the right to turn the bid deposit of the successful Bidder into a financial guarantee if specified in the bid documents.

19.0 BONDING REQUIREMENTS

- 19.1 Agreement to Bond, Performance, labour and material, and/or maintenance bonds are required for all construction projects exceeding \$100,000 for a minimum of 50% of the bid amount. The cost for bonding is to be included in the submission price.
- 19.2 A Bond can be either a certified cheque, bank draft, money order and or bonding documents issued by an approved Guarantee Company properly licenced in the Province of Ontario, on Canadian Construction Documents Committee (CCDC) bond forms or similar recognized form of agreement acceptable to the City.

- 19.3 For some smaller construction projects under \$250,000, an irrevocable letter of credit for 100% of the bid amount may be accepted in lieu of bonding if specified in the bid documents. Such irrevocable letter of credit must include terms and conditions acceptable to the City of Stratford as specified in the bid documents.

20.0 INSURANCE

- 20.1 The standard insurance minimums, unless otherwise specified in the bid documents are as follows:
- \$2 million – commercial general liability policy
 - \$2 million – owned and non-owned automotive liability policy
 - \$2 million – homeowners (e.g. for rental of facilities)
 - \$2 million – professional errors and omissions liability (as applicable)
 - \$2 million – environmental impairment liability (as applicable)
- The amount of the project cost - Builders Risk (as applicable)
- 20.2 Other Insurance Coverage - The City reserves the right to request such higher limits of insurance or other types of policies appropriate to the Bid as the City may reasonably require from time to time.

21.0 BID ANALYSIS

- 21.1 Bid submissions shall be analyzed by the Corporate Department and a recommendation made. The dollar amount (contract term) will determine the level of City approval that shall be required. Prior to the undertaking of the work the Department is to ensure all the required documentation is in place.
- 21.2 The Corporate Department shall not make changes to submissions received regardless of requests received by telephone, facsimile or letter and shall not be considered or included in or during the Competitive Process in any way. Any corrections by the Bidder must be made by withdrawal of submission and re-submission with a new Bid prior to bid closing through bids&tenders™.
- 21.3 The MFS and Corporate Department are not bound to accept the lowest price and may make an award to another Bidder if, in the City's sole opinion and discretion, having regard for trade treaty obligations, delivery time, service and quality of goods, or outstanding claims that it would be in the best interests of the City to do so.
- 21.4 A Supplier whose Bid is late if the delay is due solely to an administrative error on the part of the City, the Supplier will be given the opportunity to correct unintentional form errors after the deadline for the bid, and the same opportunity will be provided to all participating Suppliers.

22.0 BIDS WITH EQUAL TOTAL PRICES

- 22.1 The City in acting in an open, fair and transparent manner will, based on the consideration set out in this policy, make a determination to award, when two or more Bidders have the exact same total bid price and meet the requirements set out in the bid document to include but not limited to the lowest bid price. The determining factors for the award shall be based on the considerations set out in this section.
- 22.2 The Bids having two equal prices will be reviewed in accordance with the following factors and consideration given to the Bid having the best anticipated favourable outcome to the City;
- Goods: The Bidder having the preferred delivery date; and
- Services: The Bidder being in the best position to offer better after sales services, if necessary.
- 22.3 If after evaluation of the factors set out above the two Bidders remain tied, then the City will notify the Bidders that the successful Bidder will be determined by a coin toss.

Coin Toss Procedure

- a. The Bidders will be required to attend the City on the required date and time set by the City for the coin toss. If one Bidder fails to attend the coin toss, the award will automatically go to the Bidder present.
- b. When both Bidders are present, the Bidder with the first received bid to the City (time and date) will be "Heads". The coin toss shall be performed by the Manager of Financial Services in the presence of a representative of the Department and the tied Bidders.

23.0 BID IRREGULARITIES

- 23.1 Bid irregularities are defined in the attached **Schedule 'A'**.

24.0 REPORTING TO COUNCIL

- 24.1 City Council must approve the purchase of Deliverables where:
- a. The purchase price is greater than \$100,000 not including taxes;
 - b. Any contract requiring approval from the Federal or Provincial Governments or any other Government Agencies;
 - c. Any contract prescribed by a statute to be awarded by Council;
 - d. Where the award under \$100,000 is not being offered to the top ranked Bidder;
 - e. The contract includes complex financing terms;
 - f. Where prior budget approval has not been obtained;

- g. Where the total contract value exceeds the Council approved budget by more than ten percent (10%) or ten thousand (\$10,000) dollars; whichever is lower;
- h. Where a change in the scope of the project occurs that was not part of a contingency plan and requires the procurement of additional deliverables, and where the overall costs exceeds the Council approved budget by more than ten percent (10%) or ten thousand (\$10,000) dollars; whichever is lower;
- i. Where the term, including any and all possible extension years of a proposed service contract is for an aggregate period longer than five (5) years;
- j. In any other instance in which the MFS and the CAO acting together, whether in consultation with legal services, feels it would be in the best interests of the City to do so; or
- k. Where Council has directed staff to provide a report for approval.

25.0 BID NEGOTIATION

- 25.1 If the lowest tender is within 10% of the budget amount the Corporate Department has the right to reject all bids or negotiate with the low Bidder.
- 25.2 In the event potential cost savings have been identified, the Corporation has the right to request a final revised base bid submission of the Bidders.
- 25.3 If the lowest bid is more than 10% higher than the budget amount the bid shall be reissued.
- 25.4 Requests for potential cost savings shall be limited to deletions from the scope of work and/or associated changes or changes of materials and finishes. The Corporate Department shall not request pricing of significant design modifications.

26.0 BID WITHDRAWAL

- 26.1 Withdrawal requests must be made through bids&tenders™.
- 26.2 Requests for withdrawal of a bid shall be allowed if the request is made before the closing time. This withdrawal does not disqualify a Bidder from submitting another bid on the same contract if made within the expiry period.
- 26.3 Should a Bidder wish to withdraw their bid subsequent to the closing time or fails to proceed with the contract, the City shall first obtain legal advice from the City solicitor. At a minimum the Bidder may forfeit their bid deposit and be prohibited from bidding on future opportunities for a period of up to two years.

- 26.4 The City reserves the right to withdraw/cancel any posted bid documents prior to closing. Such withdrawal will be posted as an Addendum.
- 26.5 After closing the City reserves the right to not award the bid and terminate the bid on bids&tenders™.

27.0 PROCUREMENT DEBRIEFINGS/PROTESTS

- 27.1 All Bidders have the right to protest the outcome of the procurement process in accordance with the provisions of this policy.

UNSUCCESSFUL VENDOR DEBRIEFING OPPORTUNITY

- 27.2 Unsuccessful Bidders may request a 'debriefing' within thirty (30) calendar days from notice of award posting date by contacting the City Purchasing Clerk in writing.
- 27.3 The City Purchasing Clerk will attempt to schedule an email or telephone debriefing with the unsuccessful Bidder and the Project Manager within fourteen (14) business days of the request.
- 27.4 The Project Manager is to make notes during the telephone debriefing and the outcome, to include listing any documents relied upon during the call with the unsuccessful Bidder. These notes are to be kept with the bid documents and filed in accordance with the Retention By-law.

FORMAL PROTEST AFTER DEBRIEFING

- 27.5 A formal protest must be made by the supplier with regard to an award of tenders over one hundred thousand dollars (\$100,000.). Staff will allow one week between notification of the staff recommendation or posting of unofficial bid results and the award.
- 27.6 For RFP's over one hundred thousand dollars (\$100,000.), staff will provide notification of recommendation to all proponents two weeks prior to award of Council.
- 27.7 If a Bidder disputes the staff award recommendation, the Bidder may request a debriefing from the Manager or designate. If after this debriefing, the Bidder still disputes the decision, an appeal shall be conducted by a Dispute Committee, which shall hear from both City staff and the supplier at a time and place appointed in writing by the Committee. The Dispute Committee shall be comprised of the MFS or designate, and the Department Head of the issuing department involved. The decision of the Dispute Committee shall be in writing. The City will establish an impartial authority that is independent of the bid process to receive and review a complaint that cannot be resolved between parties.

28.0 SOURCE SELECTION CRITERIA

28.1 The City uses the following criteria for the selection of the method for the acquisition of goods/services:

- a) total dollar value as estimated for the product/project;
- b) availability of vendors capable of supplying product;
- c) pre-determined qualification of vendors/suppliers;
- d) nature of need of product, such as an emergency situation which requires immediate attention.

29.0 SOURCE SELECTION METHODS AND APPROVAL AUTHORITY

29.1 The City of Stratford uses the following methods of purchasing Goods and Services:

- Standard Purchases - Less than \$5,000
- Request for Information
- Request for Quotation – Greater than \$5,000 less than \$30,000
- Request for Pre-qualification
- Quotations - \$30,000 to \$100,000
- Tenders - Greater than \$100,000
- Request for Proposal
- Sole Source Purchases
- Purchase at Public Auction
- Emergency Purchases

Dollar Amount	Authorization Required	Council Process
Less than \$30,000	Any employee authorized by the Department Head	No requirement to notify Council
\$30,000 to \$100,000	Director	Notification of quotation call through Consent Agenda
Greater than \$100,000	Council	Notification of tender call through Consent Agenda, awarded through By-law

30.0 STANDARD PURCHASE

30.1 A Standard Purchase is deemed to be a purchase in the amount of less than \$5,000 and is completed by using a Purchase Order.

31.0 REQUEST FOR INFORMATION – (RFI)

- 31.0 A request for information is used as a general market research tool to determine what goods and service(s) are available which will meet business or operational requirements and acquisition strategies and/or may occasionally request project estimate costs for the purpose of developing a solicitation.

32.0 REQUEST FOR QUOTATION

- 32.1 Purchases greater than \$5,000 but less than \$30,000 - The Department will be required to first obtain at least three (3) written quotations, whenever possible. Quotations must be submitted on the standard request for quotation form provided by the Purchasing Department. Quotation documents and specifications can be issued and received by e-mail or fax transmission at the Department location. These quotations are not required to be posted on our website.
- 32.2 A purchase order shall be created for the recommended supplier and submitted by the Department with the three (3) quotes or a rationale in support of not obtaining three (3) quotes, for review and approval by Purchasing prior to issuing the purchase order to the supplier.

33.0 PREQUALIFICATION NOTICES AND STANDING PURCHASES

- 33.1 The MFS has the right to limit contracts to Prequalified Suppliers provided that they have been determined acceptable by the City for a period not to exceed a total of three (3) years.
- 33.2 When required, the City will publish the request for prequalification in accordance with Article 508 of *Canadian Free Trade Agreement Consolidated 2017*, as may be amended from time to time, only once, at the beginning of the period of validity of the list, and will state the period of validity and the ending date.
- 33.3 The City may limit the number of Predetermined Suppliers that will be permitted to bid and the criteria for selecting the limited number of Suppliers.
- 33.4 The process for awarding the bid to a Prequalified Supplier will be determined through the Bid Analysis process.
- 33.5 The City may call for a standing arrangement which arrangement will be set out in the bid document and will describe how call-ups or orders under the standing arrangement will be made.
- 33.6 Long-term tenders and quotations may be entered into for everyday Goods and Services when the following conditions apply:

- To obtain satisfactory and or preferential pricing;
- To provide uniformity within the Corporation;
- To maintain departmental inventories as required;
- To improve efficiency by reducing the amount of paperwork by eliminating day to day issuing of Purchase Orders and invoicing; or
- To allow each department to have accurate figures for annual budgets for operating supplies.

34.0 QUOTATIONS (\$30,000 to \$100,000)

- 34.1 Competitive sealed quotation bidding will be the source selection used when the following conditions prevail:
- a. The item to be purchased is budgeted to cost between \$30,000 and \$100,000;
 - b. Clear and adequate specifications for the item or service are available or can be developed;
 - c. Adequate competition is available - two or more responsible Bidders are able to satisfy the buyer's requirements and criteria set forth in the Invitation to Bid, and independently contend for the contract; and,
 - d. Sufficient time is available for the preparation of bid invitations, advertising and preparation of bids submissions by Bidders.
- 34.2 Quotations to be awarded are not subject to City Council approval as provided for in this policy; however, prior notification to City Council through the Consent Agenda is required when seeking sealed quotes.

35.0 TENDERS (Greater than \$100,000)

- 35.1 Competitive sealed tender bidding will be the source selection used when the conditions in Quotations prevail, with the exception the cost of the item to be purchased is budgeted to exceed \$100,000.
- 35.2 Prior notification to Council through the Consent Agenda is required when calling tenders. Council approval shall be in the form of a By-Law.

36.0 REQUEST FOR PROPOSAL - (RFP)

- 36.1 A Request for Proposal is used when the goods/services are of a highly specialized or flexible nature. This allows the City to generalize the description of the project and this in turn has the vendors provide their bids on the latest and best products in their line.
- 36.2 Prior notification to City Council on the Consent Agenda is required. The evaluation criteria and process shall be approved by the MFS prior to the issuance of the RFP. Request for Proposals exceeding \$100,000 are to be awarded by By-law.

37.0 SOLE SOURCE PURCHASE (Non-competitive)

- 37.1 A sole source supplier shall be the only acceptable Bidder who is able to furnish a certain product or service. In all cases, sole source purchases will not be permitted merely because there is a preference for a particular brand. The Department Head, in collaboration with the MFS, will be responsible for making all sole source determinations. In doing so and making such determinations, the Department Head must consider:
- a. Is there a lack of responsible competition for a product or service that is vital to the operation of the Corporation?
 - b. Does the supplier possess exclusive capabilities?
 - c. Is the product or service unique and easily established as one of a kind?
 - d. Can program requirements be modified so that competitive products or services may be used?
 - e. Are there patented or proprietary rights that fully demonstrate:
 - i. A feature providing a superior utility not obtainable from similar products?
 - ii. A product is available from only one prime source, and not merchandized through wholesalers, jobbers or retailers where competition could be encouraged.
 - f. What would the user department do if the product or service were discontinued?
- 37.2 In the case of any sole source purchase, the MFS shall retain a statement signed by the Head of the department requiring the good or service, which verifies that the item or service purchased can be obtained from only one supplier and therefore meet the Sole Source criteria. Where the MFS and Department Head disagree that the purchase meets the criteria, the CAO will be required to determine if the purchase shall proceed by a sole source.

38.0 PURCHASE AT PUBLIC AUCTION

- 38.1 In instances where a Department wishes to purchase through public auction, the Department Head shall advise the MFS of the conditions involved in the proposed transaction, prior to the event.

39.0 EMERGENCY PURCHASES

- 39.1 For the purposes of this section, "Emergency" means an event or occurrence that the Chief Administrative Officer or Treasurer or Designate of the Chief Administrative Officer or Designate of the Treasurer deem as an immediate threat to:
- a. Public health;
 - b. The maintenance of essential City services; and/or

- c. The welfare and protection of persons, property, or the environment; and the event or occurrence necessitates the immediate need for Goods or Services to mitigate the emergency and time does not permit for a competitive procurement process.
- 39.2 In the event of an Emergency the Chief Administrative Officer and their respective delegates, Fire Chief or a Deputy Fire Chief, or Chief Building Official or Deputy Chief Building Official are authorized to enter into a purchase agreement without the requirement for a formal competitive process.
- 39.3 A list of pre-qualified suppliers will be used to select the suppliers, whenever possible.
- 39.4 In the event of an emergency, there must be a notification sent (e-mail notice is acceptable) to the Purchasing Clerk or delegate. The steps taken to mitigate the Emergency must always be clearly documented regardless of amount. The emergency procurement shall be reported by the responsible Director to Committee and City Council (including the source of financing) at the next scheduled meeting following the event. The Director responsible for the area leading the emergency procurement must forward the appropriate purchase requisition(s) to the Purchasing Clerk or delegate within five (5) business days after the mitigation activities associated with the emergency event have been terminated.

40.0 DISPOSAL OF SURPLUS GOODS

- 40.1 Department Directors or their designates must notify the MFS of any tangible capital assets to declare goods surplus and shall, from time to time, dispose of any surplus goods not required by the Corporation by way of:
 - a. Offering to any other department;
 - b. sale by auction or consignment;
 - c. sealed bid; or,
 - d. donation to a charitable organization.
- 40.2 No employee, member of Council or the public shall be allowed to purchase any surplus goods directly from the City.
- 40.3 Surplus goods and/or products, at the discretion of the MFS and Department Head involved, may become the property of the Contractor, to be disposed of at their discretion.
- 40.4 In the event that the item does not sell by any of the means provided, the department may use an alternate method of disposal for example disposal as scrap material.

41.0 TECHNOLOGY SOLUTIONS

41.1 All technology solutions that will be connected to a City of Stratford system or network including but not limited to computer equipment and peripherals, software solutions, telephone and cellular equipment, PDA's and portable computing devices, must be ordered through the Corporate Services Department of the City of Stratford. This Department will call quotations/tenders/requests for proposals for items over \$5,000 in accordance with this Policy. Exceptions to this clause include technology or automated solutions that do not require computer process, network or communication configuration.

42.0 EXEMPTION BY COUNCIL

42.1 A Department may request exemption from any or all the purchasing methods outlined in this policy by submission of a report supporting the exemption and outlining the reasons for the exemption to Council. Such exemption may be granted by resolution.

43.0 RETENTION OF DOCUMENTATION

43.1 All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for Goods and Services shall be retained in the Department according to Records Retention By-law and this Policy, as may be amended or revised from time to time.

44.0 PURCHASING PROCESS REVIEW

44.1 The MFS may randomly review departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence. Every five (5) years this policy will be reviewed, or more frequently as required, with a report being made to Council.

45.0 PURCHASING PROCEDURES

45.1 Purchasing procedures as determined by the MFS shall be adhered to for purchasing Goods and Services in compliance with this policy at all times.

Schedule "A"

ELECTRONIC - BID IRREGULARITIES

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1.	late bids	X		Bidding system does not allow.
2.	Method of deliver – Where the bid has been submitted via any other method other than through the Bidding system, where no such provision is allowed for in the bid.	X		Bid Declared Non-Compliant
3.	bid deposit not submitted with the bid when the bid request indicated that such deposit is required	X		Bidding system does not allow.
4.	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. surety company not licensed to do business in Ontario	X X		Bid Declared Non-Compliant
5.	EXECUTION OF BID BONDS: a. corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b. corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X X		Bid Declared Non-Compliant
6.	pricing, specifications page or signature pages missing or unsigned	X		Bidding system does not allow.
7.	insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X		Bidding system does not allow.
8.	bid document does not acknowledge addendums issued	X		Bid Declared Non-Compliant
9.	EXECUTION OF BID DOCUMENT proof of authority to bind is missing	X		Bid Declared Non-Compliant
10.	part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
11.	bids containing minor clerical errors		X	2 working days to correct initial errors
12.	alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request
13.	pages requiring completion of information by vendor are missing or incomplete	X		Bidding system will not allow.
14.	bid documents which suggest that the Bidder has made a major mistake in calculations or bid	X	X	consultation with a Solicitor on a case-by-case basis
15.	Bid qualified or restricted by a statement or alteration added to any part of the documents	X		Bid Declared Non-Compliant
16.	Bidder did not attend a mandatory site meeting.	X		Bid Declared Non-Compliant
17.	RFP bids do not meet any defined mandatory requirements stated in the document.	X		Bid Declared Non-Compliant
18.	Suspended Vendor – Bid received by a Bidder who has been suspended from the bidding process.	X		Bid Declared Non-Compliant
19.	Other Bid Irregularities			Ruling by Bid Review Panel – Bidder may be given up to five (5) business days to remedy the bid irregularity.

NOTE: All above noted should not be considered all-inclusive. The Manager of Financial Services, in consultation with the requisitioning department will review minor irregularities. The Manager of Financial Services may then accept the bid, or request that the Bidder rectify the deviation.

HARD COPY - BID IRREGULARITIES

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1.	late bids	X		automatic rejection
2.	bids completed in pencil	X		automatic rejection
3.	bid deposit not submitted with the bid when the bid request indicated that such deposit is required	X		automatic rejection
4.	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. surety company not licensed to do business in Ontario	X X		automatic rejection automatic rejection
5.	EXECUTION OF BID BONDS: a. corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b. corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X X		automatic rejection automatic rejection
6.	unsealed tender envelopes	X		automatic rejection
7.	pricing, specifications page or signature pages missing or unsigned	X		automatic rejection
8.	insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X		where security is required and amount of security is specified in request, automatic rejection
9.	bid received on documents other than those provided in request	X		not acceptable unless specified otherwise in the request
10.	bid document does not acknowledge addendums issued	X		automatic rejection
11.	EXECUTION OF BID DOCUMENT proof of authority to bind is missing	X		automatic rejection

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
12.	part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request
13.	bids containing minor clerical errors		X	2 working days to correct initial errors
14.	Un-initialled changes to the request documents which are minor		X	2 working days to correct initial errors
15.	alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request
16.	unit prices in the schedule of prices have been changed but not initialled		X	2 working days to correct initial errors
17.	other mathematical errors which are not consistent with the unit prices		X	2 working days to correct initial corrections
18.	pages requiring completion of information by vendor are missing or incomplete	X		automatic rejection
19.	bid documents which suggest that the Bidder has made a major mistake in calculations or bid	X	X	consultation with a Solicitor on a case-by-case basis
20.	Bid qualified or restricted by a statement or alteration added to any part of the documents	X		automatic rejection
21.	Bidder did not attend a mandatory site meeting.	X		automatic rejection
22.	RFP bids do not meet any defined mandatory requirements stated in the document.	X		automatic rejection
23.	Suspended Vendor – Bid received by a Bidder who has been suspended from the bidding process.	X		Automatic rejection
24.	Other Bid Irregularities			Ruling by Bid Review Panel – Bidder may be given up to five

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
				(5) business days to remedy the bid irregularity.

NOTE: All above noted should not be considered all-inclusive. The Manager of Financial Services, in consultation with the requisitioning department will review minor irregularities. The Manager may then accept the bid, or request that the Bidder rectify the deviation.

Schedule "B" – Definitions

In this policy, the following words will have the following meanings:

"Accessibility" – means a general term used to describe the degree of ease that something (e.g., device, service and environment) can be used and enjoyed by persons with a disability. The term implies conscious planning, design and/or effort to ensure it is barrier-free to persons with a disability, and by extension, highly usable and practical for the general population as well.

"Authority or Authorized" – the right to conduct the subject task as directed by Council either through resolution or through the approval of the annual Departmental budget (budget process and adoption.)

"Award" - when a Submission is formally accepted by the City, either by Council or by delegated authority as permitted in this policy.

"Bid" – an offer or submission received in response to a sealed quotation, sealed tender, RFP, RFI or RFPQ, which is subject to acceptance or rejection.

"Bid Deposit" - Security to ensure that the successful Supplier on a Solicitation enters into a Contract with the City.

"Bidder" – a person or enterprise that submits a Bid.

"Blackout Period" – means the period of time from when the bid call document is released until the final award.

"Board" - An entity independent of the City but recognized by Council as an agency which may take advantage of the City's purchasing power or process, in accordance with this Policy. Without limiting the generality of the foregoing, the Stratford City Centre Business Improvement Area, Perth & Stratford Housing Corporation, and Board of Park Management shall be considered a "Board".

"City" - The Corporation of the City of Stratford.

"Closing Time" - The place, date and time set by the Bid Documents for receipt of Responses.

"Competition" – means the solicitation of bids through a publicly posted solicitation document.

“Competitive Process” – means either an open Competition or an Invitational Competition.

“Consultants” - The supply of expertise or strategic advice that is presented for consideration and decision-making, or the guidance or execution of a specific project or undertaking and includes professional services such as engineering and architecture.

“Construction” - Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of 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 work, but does not include Consulting Services related to the Construction unless they are specifically included in the Purchase.

“Contract” - A document to evidence an agreement for the purchase of deliverables and includes both a Purchase Order and a Formal Agreement.

“Corporation or “Municipality” – The Corporation of the City of Stratford.

“Council” – means the Council of the City.

“Department Head” - The designated lead of a City Department responsible for direction and operation of a Department.

“Deliverable(s)” – means any goods and services or construction or combination thereof.

“Designate” – An individual duly appointed to act on behalf of the authorized authority.

“Disposal” – The transfer of ownership of Property by the City by sale, trade in, donation, alternative use or destruction.

“Elected Official” – a member of the Council for the City.

“Goods” – Any moveable property, including the costs of installing, maintaining or manufacturing such moveable property, including raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, gaseous or electronic form, unless they are purchased in connection with Construction.

“In House Bids” – means a bid made by a department and authorized by the supervisor/manager/director responsible for that department, submitted in response to a call for a bid, where the provision of Goods or Services will be entirely by the employees of the City.

“Invitational Competition” – means a competitive process in which an invitation to submit bids is issued by City.

“Insurance” – the amount and type of insurance coverage required by the City, to the satisfaction of the Treasurer. Evidence of adequate insurance coverage will be by certified documents issued by an insurance company licensed to operate in the Province of Ontario, certifying that the bidder is insured in accordance with the Municipality’s insurance requirements.

“Non-competitive Procurement” – acquisition of goods and services without comparing pricing or product/service information from multiple vendors.

“Procedures” – a sequence of steps or actions establishing expectations of how the policies in this by-law are to be implemented.

“Procurement” or “Purchasing” - the acquisition of Deliverables by any means, including rental and leasing, and the functions that pertain to the acquisition of Deliverables, and “Purchasing” shall have a corresponding meaning.

“Purchasing Department” – The division of the Corporate Services Department, Finance Division charged with carrying out the Purchasing function.

“Purchaser Order/PO” – A standard Contract issued by the City to a Supplier to evidence an agreement for the purchase of Deliverables.

“Quotation” – prices on specific Goods and Services obtained formally through a Request for Quotation or informally from selected sources, which are submitted verbally, in writing, by e-mail or transmitted by facsimile.

“RFP” – Request for proposal, a process in which a need is identified, nonetheless the method by which it will be achieved is not necessarily known at the outset and price is not the only evaluation being considered.

“RFQ” – Request for quotations, including formal and informal quotations, but not including RFPs or RFTs.

“RFT” – Request for tender, a process to request Supplier responses to supply Deliverables in compliance with stated requirements, performance specifications, and terms and conditions and evaluation is made solely on price.

“Sealed Bid” – a Bid submitted in a sealed envelope to a specified location, by a specified date, at a specified time.

“Services” – Intangible products not having a physical presence.

“Solicitation Document” – means the document issued by the City to solicit Bids from Bidders, including but not limited to RFTs, RFPs and RFQs.

“Specifications” – Description of the physical or functional characteristics or the nature of a supply, service, equipment or construction item and may include requirements for inspection, testing, or preparing a Deliverable, and may also include drawings or samples or other means of illustrating the requirements.

“Supplier” - means a person, corporation or other entity carrying on the business of providing goods, services or construction.

“Surplus Goods” – any items no longer having any use to the City or in excess of the needs of the City, inclusive but not limited to obsolete supplies, scrap materials and vehicles, but excluding real property.

“Tender” – means an offer to procure, which specifies characteristics required and is set out in the Solicitation Document, which solicits a Bid.

“Website” - The City’s website at <http://www.stratford.ca>

Related Documents:

- C.3.10 Notice Policy
- By-law 117-2016 as amended
- By-law 82-2019