



Policy: Procurement Policy
Policy Number: 100-55-2019
adopted by Bylaw No. 48-2019
Effective Date: September 17, 2019
Revised Date:

Procurement Policy

Purpose:

The Municipal Act, 2001, as revised, provides that a municipality shall adopt and maintain a policy with respect to its procurement of goods and services. Council, the public and the business community shall have confidence in the integrity of the procurement policy and staff involved in the procurement process. The purpose is to ensure:

1. objectivity and integrity in the procurement process;
2. fair treatment of all bidders;
3. openness, accountability and transparency in all business transactions;
4. responsible management of the public funds, Municipal finances and assets;
5. best value is achieved when procuring supplies and services;

To ensure effectiveness and relevance of this policy there shall be a review completed within 5 years of the approval date. The policy remains in force until the review is completed and Council has adopted the revisions.

Scope:

This policy applies to all Departments of the Township.

Objectives:

All members of Council and all employees who are authorized to purchase goods, services or construction on behalf of Lucan Biddulph are to adhere to the following:

Personal integrity and professionalism

The public expects their taxpayers' money to be used with honesty, due diligence and care. Individuals involved with procurement activities are expected to conduct themselves with integrity and professionalism, show respect for each other and the environment, and safeguard confidential information. Municipal Staff should not engage in any activity that creates, or appears to create, a conflict of interest.

Accountability and transparency

All activities involved in the purchase of goods and services using public funds should be fair and transparent, and for the purpose of acquiring the best value for money.

Compliance and continuous improvement

Lucan Biddulph has established and will regularly review the policies and procedures around procurement. Staff will recommend improvements as necessary, acquire additional procurement knowledge and skills, and share best practices.

Further, the Council Code of Conduct shall govern appropriate conduct and decision making within the authority granted under this policy.

No member of staff or Council may receive a personal benefit from any contract for supplies and/or services or benefit from the very nature of their employment with Lucan Biddulph or their being on Council, as the case may be.

Definitions:

For the purposes of this policy:

"Approved Budget" means the annual budget approved by the Township and any amendment thereto.

"Blanket Order" means the agreement wherein a vendor will sell certain items to the Township for an agreed period of time with established terms and conditions.

"CAO" means the Chief Administrative Officer of the Township as appointed by by-law.

"Capital Expenditure" means those expenditures identified by the Council of the Township in annual budget estimates in the Capital portion of the budget.

"Conflict of Interest" is defined as a situation or circumstance, real or perceived, which could give a supplier or consultant an unfair advantage during a procurement process or compromise the ability of a supplier or consultant to perform its obligations under their contract.

"Council" means the Council of the Township of Lucan Biddulph.

"Department Manager" means a Manager or head of one of the departments operating within the Township.

“Emergency Purchase” means a purchase made in a crisis situation where immediate action is required to prevent the possible loss of life or property or significant financial loss or environmental impacts.

“Generic” means that no specific brand or name shall be included as part of the specifications unless such a brand or name is required to identify the intent of a purchase, order or proposal.

“Township” means the Township of Lucan Biddulph.

"Purchasing Designate" means a person designated by a Department Manager to exercise any or all responsibilities of that Department Manager with respect to policy. The Department Manager must notify the Treasurer in writing of the name(s) of the Purchasing Designate(s) within their Department.

"Quotation" means a written offer to sell or a "bid" obtained from selected suppliers to supply stipulated goods or services at a particular price.

“Request for Proposal” also known as RFP is the process used to solicit Bids from Bidders for the purchase of Goods or Services where a clearly defined specification is not available or is difficult to develop due to unknown factors or uncertainty of requirements. The decision to award to a proponent is based on evaluation criteria that will determine the proposal containing the highest value for the municipality. Price is not always the deciding factor and negotiation may be used to reach final agreement with the successful proponent.

“Request for Tender” also known as RFT is a request for Bids where the specifications are defined. Price is not always the deciding factor and negotiation may be used to reach final agreement with the successful proponent.

"Services" means items such as telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical and related services, insurance, leases for grounds, buildings, office or other space required by the Township and the rental, repair or maintenance of equipment, machinery, or other personal and real property.

"Small Order Purchases" means the purchase of goods and services up to an amount not exceeding \$20,000.00.

"Supplies" means goods, wares, merchandise, material and equipment.

"Tender" means a document, which sets out particular specifications for the commodity or service required. This can also refer to an offer in writing to execute some specified work or to provide some specified articles at a specified rate.

“Transparency” means a lack of hidden agendas or conditions, accompanied by the availability of full information required for collaboration, cooperation and collective decision making.

"Treasurer" means the Treasurer of the Township.

"Vendor" shall mean any person or enterprise supplying goods or services to the Township.

Roles & Responsibilities:

The Council of the Township has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. The Treasurer cannot pay for any item that has not been authorized by Council through budget appropriation or specific resolution.

Resolutions approving budget amendments, capital expenditures or special appropriations shall reference the purpose of the expenditure, cost estimates or expenditure limitation, as well as the fund in which the appropriation has been provided. Staff reports recommending budget amendments, capital expenditures or special appropriations shall be approved by the relevant Department Manager prior to presentation to Council.

The Department Manager shall be responsible for approval of accounts within the approved budget for their Department or any amendment to same as approved by Council. The Department Manager may appoint a Purchasing Designate to exercise any or all responsibilities assigned to that Department Manager by this Purchasing Policy. It is the Department Manager's responsibility to notify the Treasurer in writing regarding the name of the Purchasing Designate.

Procedure:

Purchasing Authority and Procedures

A Department Manager is hereby authorized to make Small Order Purchases for goods or services under \$20,000 from such vendors and upon such terms and conditions, as the Department Manager deems appropriate. The Department Manager will attempt to obtain competitive prices.

A Department Manager is hereby authorized to make Quotation Purchases for goods or services between \$20,000.00 and not more than \$50,000.00 from such vendor and upon such terms and conditions as the Department Manager deems advisable, subject to first obtaining at least three (3) written quotations, whenever possible. Bid documents and specifications (as applicable) can be issued and received by e-mail and/or fax transmission at the originating Departments location. The bid details are to be maintained within the originating Department for three years.

The Department Manager shall not order goods or services exceeding \$50,000.00 without requesting and obtaining sealed tenders for the goods and services unless specifically authorized to do so by a resolution of Council for a particular transaction. Bids must have a submission label detailing the project name, bidder's name and address. All attempts must be made to obtain at least three (3) written tenders whenever possible. See tendering procedures.

Notwithstanding the above, adherence to this Purchasing Policy is not required with respect to those items listed below, or to a transaction specifically authorized by resolution of Council to

be exempt from this purchasing policy:

- Purchases for consulting services for a program where services (i.e. bridge inspection/evaluation) have been awarded to a consulting firm on an on-going basis, where clearly identified in the budget.
- Purchases for the supply and placement of road material throughout the Municipality in excess of \$50,000 but not to exceed \$100,000 when clearly identified in the budget.
- Purchases of replacement parts, where the original equipment manufacturer is the sole provider of that equipment.
- Single source supply. If the single source supply is in excess of \$20,000, Council approval is required.

A Department Manager shall ensure that unspecified capital expenditures in an amount exceeding \$20,000.00 in the annual estimates receive prior Council approval.

Council Approval is not required if all of the following conditions have been met:

- The total value of the quotation is less than the amount approved in the current year estimates.
- The contract is being awarded to the lowest bidder meeting the specifications.
- There are no Senior Government requirements for Council approval of a quotation.

Tendering Procedures

The following tendering policy shall apply to the purchase of all types of goods, works and services where the estimated cost is expected to exceed \$50,000.

All Tenders shall be advertised electronically on either the Municipal website or an integrated online portal for the public bid distribution for at least fifteen (15) calendar days preceding the closing date for tenders or for a longer period if required by trade agreement.

All addenda material will be posted at minimum 48 hours prior to bid closing. Tender closing may be extended to allow sufficient time for bidders to consider Addenda materials.

All Tenders shall include the provision “the lowest or any bid will not necessarily be accepted”.

All tenders shall close at 2:00 p.m. on the date specified in the advertisement. Late bids will not be accepted.

All departments/divisions must document the receipt of all submissions over \$5,000.00 including the bidder’s name, date/time of receipt of bid, and initials of the employee accepting the bid.

Tenders shall be opened at a public tender opening immediately following the tender closing by the appropriate Department Manager or Purchasing Designate, at least one (1) other staff member and any other person deemed necessary.

A record of the tendered prices will be noted together with the list of tenderers. Tenders will be referred to the appropriate Department Manager for review.

A request for information may be required where there is doubt regarding a Company's ability to meet the terms of the tender. A bid may be deemed non-compliant if the bidder is unable to provide proof, to the satisfaction of the Department Manager, that they are experienced and capable of meeting the terms of the tender.

Tender calls shall require deposits and bonding where a signed contract is used as follows:

- Certified cheque or original sealed and signed bid bond (photocopies or faxed copies of bid bonds will result in the bid being rejected) of 10% of the tendered price or for an amount not less than \$5,000.
- A Performance and Maintenance bond in the amount of 100% of the tendered price.
- Labour and Material Payment bond in the amount of 50% of the tendered price.

The acquisition of major equipment does not require tender deposits, performance or payment bonds.

Council Approval is not required if all of the following conditions have been met:

- The total value of the tender is less than the amount approved in the current year estimates.
- The total value of the tender is less than \$50,000.
- The contract is being awarded to the lowest bidder meeting the specifications.
- There are no Senior Government requirements for Council approval of a tender.

Request for Proposals

A Department Manager may use a request for proposal in place of a Request for Tender when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.

In the case of requests for proposals, Terms of Reference for the project, including information pertaining to the evaluation of the Request for Proposal, shall be issued to perspective applicants.

Emergency Purchases

A Department Manager is hereby authorized to make Emergency Purchases that exceed \$20,000.

A Department Manager who has made an Emergency Purchase shall present a report to Council at the meeting immediately following the Emergency Purchase.

Purchase by Negotiation

A Department Manager may, under direction of the Chief Administrative Officer, purchase by negotiating with one or more vendors. In such a case, the requirement for inviting Tenders and Quotations may be waived under the following conditions:

- When, due to market conditions and in the judgment of the Department Manager, goods are in short supply.
- Where there is only one source of supply for the goods and services.

- Where Small Order Purchases for goods or services are to be obtained by means of a Blanket Order from sole source vendors or suppliers or from retail or wholesale vendors where a Quotation is impractical.
- Where the Department Manager has been previously unsuccessful in breaking Identical bids and the same goods are then required.
- Where the lowest bid meeting specifications is excessive in total cost and/or exceeds the estimated costs by 10%.
- Where all bids received fail to meet the specifications and/or tender terms and conditions and it is impractical to recall Tenders or Quotations.

In respect of any negotiated purchase exceeding \$20,000, the Chief Administrative Officer shall review same, and if so advised, shall recommend that Council approve the negotiated purchase at the next scheduled meeting of Council.

The methods of negotiation shall be those accepted as standard negotiating practice and shall employ fair and ethical practices. The information pertinent to and the results of all such negotiations shall be reported to the Chief Administrative Officer and shall, at his or her direction, be reported to Council.

Exceptions

The purchasing methods described in this procurement policy shall not apply to the following goods and services:

- Training and education
- Memberships
- Reimbursement of Employee and Councillor Expenses
- Payroll deductions
- Licenses, including Hardware and Software Licenses and maintenance contracts
- Employee benefits
- Debenture payments
- the rental, lease, purchase and sale of property, land or accommodation
- Insurance premium payments, claim settlements and adjuster services
- Damage claims
- Legal fees and other professional services related to litigation or legal matters
- Consulting fees with respect to employee matters
- Utilities

Legal Claims:

No tender, proposal or quotation will be accepted from any company or person which has a claim or instituted a legal proceeding against the Township or against whom the Township has a claim or instituted a legal proceeding with respect to any previous contract, without prior approval by Council.

General Provisions

Neither the CAO nor any Department Manager or other employee shall divide, stagger or alter any contract or purchase to avoid any requirements of this policy.

No employee or elected official of the Township shall purchase or offer to purchase on behalf of the Township any goods or services except in accordance with the policy.

No personal purchases shall be made by the Township for elected officials or employees.

The purchase of goods and services from firms located within the boundaries of the Township shall be encouraged whenever possible, on the basis of all other selection criteria being equal.

Performance evaluations may be undertaken on suppliers and providers of service.

The CAO and Department Managers shall ensure that in all purchases, price and past performance shall be the prime selection criteria provided all specifications are met. Such specifications are to be generic or "as equivalent". All factors influencing the purchasing decision are to be included in the specifications.

Each Department Manager or the Purchasing Designate shall ensure that, in respect of his or her department, all invoices and accounts from vendors shall be authorized, in accordance with this policy, prior to payment. Authorization in the form of signatures of the Department Manager and staff denoting clerical accuracy, budgetary or specific resolution approval and indication that goods and services were received in good order must be in place. These required signatures are deemed to authorize payment.

Between the last regular meeting of Council in any year and the adoption of estimates for the next year, the Treasurer is authorized to pay the accounts of any ordinary business transactions of the Township that are required to maintain services. This shall include the payment of accounts or previously approved capital items and projects.

After the adoption of estimates, the Treasurer is authorized to pay the accounts approved by the appropriate Department Manager and to pay contract accounts upon receipt of evidence of value received and which is approved by the appropriate Department Manager.

The Department Manager shall ensure that any estimated or actual over expenditure of a department's facility, program or capital budget will be reported to Council.

Co-Operative Purchasing

The Township may and is encouraged to participate with other municipalities, municipal agencies or public authorities in co-operative purchase ventures when the best interest of the Township will be served.

In the event that participation in a co-operative purchase venture does not comply with the Township's purchasing policy, Council shall authorize participation in the purchase venture.

On-Going Services and Contracts

This Section is intended to deal with on-going services and contracts the Township has with various suppliers. Examples are as follows:

Audit Services
Banking Services
Food Management Services
Provision of Property and Liability Insurance
Provision of Health Care Benefits
Maintenance and Cleaning Contracts
Counseling and Employment Assistant Services

At the time of renewal the Department Manager may recommend to Council that the service be continued, or that it be tendered or that quotations be obtained.

Accessibility

When procuring goods, services and facilities, the Township of Lucan Biddulph will comply with the requirements of the Ontario Human Rights Code, the Accessibility for Ontarians with Disabilities Act, 2005 and its associated standards enacted through regulation. The Township will integrate appropriate accessibility design, criteria and features into the purchasing process.

Where it is not practicable to incorporate accessibility design, criteria and features, the Township will prepare an explanation as to why accessibility is not included, and provide this explanation to the public, upon request.

In accordance with Ontario Regulation 191/11 (Integrated Accessibility Standards Regulation), the contractor is responsible to ensure that all of its employees and volunteers are adequately trained. The Township may request training logs from contractors. A formal signoff is required from all contractors which is attached as 'Schedule B'.

The Guide to Accessibility Requirements for purchasing goods, services and facilities for Lucan Biddulph is attached as 'Schedule A'.

Occupational Health and Safety

Vendors who will be supplying a service to the Township must provide in their documentation a commitment to carry out the work, on or related to Municipal assets or property, in conformity with the Occupational Health and Safety Act and any other related applicable legislation and regulations.

Insurance and Workplace Safety and Insurance Board (WSIB)

All vendors who supply services to Lucan Biddulph shall, before the start of work, provide proof of insurance and WSIB. General Liability amounts shall have limits no less than \$2,000,000 and will be determined by the Department Director.

Schedule "A"



Guide to Accessibility Requirements

For purchasing goods, services and facilities for the
Township of Lucan Biddulph

Integrated Accessibility Standards Regulation-Ontario Regulation
191/11 made under the Accessibility for Ontarians with Disabilities Act, 2005
(AODA)

"One in seven people in Ontario have a disability.
Over the next 20 years, that
number will rise as the population ages".

Source: Ministry of Community and Social Services, Making Ontario Accessible

What is my responsibility as an employee of the Township of Lucan Biddulph?

Your responsibility as an employee of the Township of Lucan Biddulph is to incorporate accessibility criteria and features when purchasing goods, services or facilities and when designing, procuring or acquiring self-service kiosks. This is in accordance with section 5 and 6 of the Integrated Accessibility Standards Regulation (Ontario Regulation 191/11).

Goods, services or facilities that are not accessible, may deny people the opportunity to become employees, service users or engaged citizens!

Whether purchasing computers, office equipment, self-service kiosks, renovating a building, purchasing a facility, etc....accessibility criteria must be considered.

"70 % of disabilities are non-visible".

Source: Ministry of Community and Social Services, Making Ontario Accessible

What are disabilities and barriers?

Sometimes when people think of disabilities, they usually think about someone who is using a wheelchair; however, there are many other disabilities and barriers to participation that are both visible and nonvisible.

Accessibility for Ontarians with Disabilities Act definitions:

Disability:

1. any degree of physical disability, infirmity, malformation or disfigurement that is caused by bodily injury, birth defect or illness and, without limiting the generality of the foregoing, includes diabetes mellitus, epilepsy, a brain injury, any degree of paralysis, amputation, lack of physical co-ordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, or physical reliance on a guide dog or other animal or on a wheelchair or other remedial appliance or device,
2. a condition of mental impairment or a developmental disability,
3. a learning disability, or a dysfunction in one or more of the processes involved in understanding or using symbols or spoken language,
4. a mental disorder, or
5. an injury or disability for which benefits were claimed or received under the insurance plan established under the *Workplace Safety and Insurance Act, 1997*

Barrier:

Anything that prevents a person with a disability from fully participating in all aspects of society because of his or her disability, including a physical barrier, an architectural barrier, an information or communications barrier, an attitudinal barrier, a technological barrier, a policy or practice, ("obstacle")

Accessibility:

A general term used to describe the degree of ease that something (e.g. device, service 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.

Before you purchase...ask yourself:

- Can a person with a disability use this good, service or facility?
- What are the barriers?

- Can someone with a disability use the facility you are planning to acquire, as easily as a person without a disability?
- Will the good, service or facility adapt to the needs of an individual with a disability?
- Will the good, service or facility be used by members of the public or by employees?
- What are the appropriate accessibility criteria and how can they be incorporated into the procurement process?
- Does the product meet ergonomic standards and can it be customized to meet a variety of needs?
- Are your brochures, handouts and information accessible for people with visual impairments or a learning disability?

Some criteria to consider when purchasing services:

- Has the service provider provided their staff with accessible customer service training, as required under the Accessible Customer Service Standard?
- Can the service provider accommodate the needs of people of all abilities?
- Will the company use accessible signage, audio and/or print materials?
- Does the company have an accessible website?
- Can the service provider accommodate the needs of people of all abilities?

Some criteria to consider when purchasing facilities:

- Can someone using a mobility aid, like a wheelchair or walker get around the facility?
- Are signs placed at an accessible height?
- Is a ramp provided to the main entrance? Or is there only stairs?
- Is there enough accessible parking?
- Are there accessible washrooms?

Give yourself time to make a purchase.
Sometimes finding the right accessible good,
service or facility takes time.

What if I can't find an accessible option?

If you can't find a good, service or facility that meets your needs, look for ways to make it more accessible. If someone asks, you must explain why the option you chose isn't accessible

If you determine that it is technically infeasible, or not "practicable" to incorporate accessibility criteria and features, fill out Form A and send it to the Accessibility Coordinator.

What resources should I consider for the built environment?

When purchasing items related to the built environment, staff should consult the following:

- City of London - Facility Accessibility Design Standard
- City of Markham -Accessibility Design Guideline
- Ontario Building Code - Barrier Free Section

What about print material or online documents?

Documents created, adapted or otherwise presented on behalf of the Township of Lucan Biddulph shall be developed in accordance with the Accessible Digital Office Document manual. When posting documents on the municipal website, staff must ensure compliance with the Web Content Accessibility Guidelines.

Accessible formats may also be requested. Accessible formats include, but are not limited to: Braille, audio, plain language, accessible documents that are compatible with screen reading software.

What if I'm purchasing the services of a consultant?

Consultants who may facilitate a public open house or otherwise seek/receive feedback on behalf of the municipality shall ensure that all communication, equipment and materials take into account a person's disability so that all in attendance may participate equally as outlined in the AODA legislation. This includes but is not limited to:

- Communicate in a format that allows an individual to receive information in an alternate format;
- Holding events in venues that are physically accessible;
- During events be prepared to provide ASL interpreter services;
- Understand emergency evacuation procedures and be ready and willing to provide assistance to event.
- Ensure that the event aligns with the Municipality's Accessibility for Ontarians with Disabilities Act policies and procedures.

When obtaining a third party:

In accordance with the AODA legislation the Supplier (Third Party Provider) must ensure appropriate employees have completed the following:

- Serve-Ability: Transforming Ontario's Customer Service and;
- Access Forward: Training for an Accessible Ontario

Suppliers are to ensure that training records are maintained, including dates when training is provided, the number of personnel who received training and individual training records. The suppliers are to ensure that this information is available, to the municipal contact, any time during the Term of the Contract.

How can I make a self-serve kiosk accessible?

The Integrated Accessibility Regulation requires that accessibility features be incorporated when designing procuring or acquiring self-service kiosks.

A kiosk is defined in this legislation as an interactive electronic terminal, including a point-of-sale device, intended for public use that allows users to access one or more services or products or both. The vendor/supplier must demonstrate how the kiosk will comply with the Integrated Accessibility Regulation.

What should I know about technology?

Staff should demonstrate that the purchase is compliant with the Web Content Accessibility Guidelines 2.0 as per the Integrated Accessibility Regulation.

For more information, staff should consult the
Accessibility Coordinator or the Joint
Accessibility Advisory Committee.

For more information....

- Learn more about the Accessibility for Ontarians with Disabilities Act at www.Ontario.ca/AccessON
- To learn about how to prevent barriers to accessibility in a wide range of goods, services and facilities, visit www.Ontario.ca/pp30
- Incorporate accessibility criteria in all stages of your procurement practices, including writing and assessing tenders at the Centre for Excellence and Universal Design.
- Checklist to ensure your meeting is accessible.

Schedule "B"



ACCESSIBILITY REGULATIONS FOR CONTRACTED SERVICES

In accordance with the Ontario Regulation 429/07, Accessibility Standards for Customer Service and Ontario Regulation 191/11, the Integrated Accessibility Standards Regulation, the Township of Lucan Biddulph is required to train all third parties or persons who provide goods, services or facilities on behalf of the organization.

Contracted employees, third party employees, agents and others who deal with the public on behalf of the Township of Lucan Biddulph must meet the requirements of the above-noted Regulations with regard to training.

Training for the aforementioned regulations can be accessed online at the following website addresses:

- Serve-Ability: Transforming Ontario's Customer Service
<http://www.mcass.gov.on.ca/en/serve-ability/index.aspx>
- Access Forward: Training for an Accessible Ontario – www.accessforward.ca
- Ontario Human Rights Code –
<http://www.ohrc.on.ca/en/learning/working-together-ontario-human-rights-code-and-accessibility-ontarians-disabilities-act>

Contracted services suppliers are to ensure that training records are maintained, including dates when training is provided, the number of personnel who received training and individual training records. The suppliers are to ensure that this information is available to the Township of Lucan Biddulph any time during the term of the Contract.

I acknowledge the aforementioned accessibility regulations and that my company staff and any subcontractors have received the above training.

Company Name: _____ Date: _____

Authorized Official: _____

Signature

Print Name

Title