



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Table of Contents

1.0	Authority	3
2.0	Policy Statement	3
3.0	Purpose	3
4.0	Scope	4
5.0	Responsibility	4
6.0	Supply Chain Code of Ethics	4
7.0	Procurement Principles and Goals	6
8.0	General Conditions and Guidelines	8
9.0	Procurement Procedures	13
10.0	Competitive Methods of Procurement	19
11.0	Non-Competitive Methods of Procurement	25
12.0	Exceptions and Exemptions to Methods of Procurement	31
13.0	Contract Considerations	32
14.0	Official Point of Contact and Lobbying Prohibition	34
15.0	Notification Requirements	34
16.0	Receipt, Opening and Review of Bid Documents Procedures	35
17.0	Evaluation and Selection Procedures	43
18.0	Dispute Resolution	45
19.0	Contract Management	46
20.0	Reporting Procedures	52
Appendix A	Procurement Approval Authority Level Summary	54
Appendix B	Exempt Goods and Services	57
Appendix C	Request for Tender Process	59
Appendix D	Request for Proposal Process	64
Appendix E	Minimum Standards for Engaging Consultants	67
Appendix F	Bid Irregularities	69
Appendix G	Goals of Procurement Process	71
Appendix H	Description Features of Procurement Methods	73



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix I	Circumstances of Use of Procurement Methods	74
Appendix J	Interprovincial Trade Agreement Requirements	76
Appendix K	Definitions and Interpretation Rules	79



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

1.0 Authority:

The Township of Algonquin Highlands must conduct procurement activities according to the law in the Province of Ontario, including contract law, the law of competitive processes, privacy legislation, accessibility legislation and any other relevant legislation such as but not limited to:

- The Municipal Act;
- The Municipal Freedom of Information and Privacy Act;
- The Accessibility for Ontarians with Disabilities Act, 2005 (as amended);
- Township policies;
- Township Code of Conduct;
- Local Government Procurement Best Practice Guidelines;
- The Environment Protection Act;
- Discriminatory Business Protections Act.

2.0 Policy Statement:

The Corporation of the Township of Algonquin Highlands will purchase goods and services for its operations in accordance with this Policy.

3.0 Purpose:

The purpose of this Policy is to:

- ensure publically funded goods and services, including construction, consulting services and information technology, are acquired by the Township of Algonquin Highlands through a process that is open, fair and transparent;
- ensure that Township procurement processes are managed consistently;
- outline responsibilities throughout each stage of the procurement process and provide greater control over procurement activities;
- provide guidance on ethical public sector procurement;
- demonstrate the application of best practices in procurement; and
- increase the probability of obtaining the right outcome when purchasing goods and services.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

4.0 Scope:

This Policy applies to all individuals making purchases on behalf of the Corporation of the Township of Algonquin Highlands and/or a local board or committee of the Township.

5.0 Responsibility:

- 5.1** Department Heads are responsible for procurement activities within their departments and are accountable for achieving the specific objectives of the procurement project.
- 5.2** Department Heads and the CAO have the authority to award contracts in the circumstances specified in this Policy, provided the delegated power is exercised within the limits prescribed in this Policy and the requirements of this Policy are met.
- 5.3** The CAO has the authority to instruct Department Heads not to award contracts but to submit recommendations to Council for approval. The CAO may provide additional restrictions concerning procurement, where such action is considered necessary and in the best interest of the Township of Algonquin Highlands.
- 5.4** In accordance with the Tangible Capital Assets Policies adopted by Council, Department Heads are responsible for ensuring that notice of acquisition, betterment, etc. of any tangible capital asset purchased in accordance with this Policy be reported to the Finance Department.

6.0 Supply Chain Code of Ethics:

6.1 General

- 6.1.1** Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

6.1.2 The Supply Chain Code of Ethics does not supersede any Township Code of Ethics, but supplements same with supply chain specific standards of practice.

6.1.3 Any Code must be made available and visible to all Members of the Township, as well as suppliers and other stakeholders involved with Supply Chain activities.

6.2 Goal of Supply Chain Code of Ethics

To ensure an ethical, professional and accountable municipal supply chain.

6.3 Personal Integrity and Professionalism

6.3.1 Individuals involved must act, and be seen to act, with integrity and professionalism.

6.3.2 Honesty, care and due diligence must be an integral part of all Supply Chain activities within and between the Township, suppliers and other stakeholders.

6.3.3 Respect must be demonstrated for each other and for the environment.

6.3.4 Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

6.4 Accountability and Transparency

Supply chain activities must be open and accountable and in particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public funds. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

6.5 Compliance and Continuous Improvement

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario.

7.0 Procurement Principles and Goals:

The procurement principles and goals of the Corporation of the Township of Algonquin Highlands are as follows:

- to ensure the results of the Township’s procurement processes and decisions are appropriate.
- to ensure obligation of the Township to answer for procurement results and for the way that procurement responsibilities are delegated. Accountability, unlike responsibility, cannot be delegated.
- to ensure that all Vendors have an equal opportunity to provide goods and services to the Township of Algonquin Highlands.
- to ensure that all Policies are applied equally to all bidders.
- to ensure that Councillors, employees and/or representatives of the Township do not:
 - a. purchase or offer to purchase, on behalf of the Township of Algonquin Highlands, any goods and services, except in accordance with this Policy;
 - b. knowingly cause, permit or omit anything to be done or communicated to anyone which is likely to cause any potential Vendor to have an unfair advantage or disadvantage in obtaining a contract for the supply of a Commodity to the Township, or any other municipality, Public Agency or public body involved in the purchase either jointly or in cooperation with the Township of Algonquin Highlands; and
 - c. knowingly cause, permit or omit anything to be done which will jeopardize the legal validity or fairness of any purchase of a Commodity under this Policy, or which might subject the Township to any claim, demand, action or proceeding as a result.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- to ensure that the procurement of goods and services is approached in an unbiased way, not influenced by personal preferences, prejudices or interpretations.
- to encourage open, accountable, appropriate, fair and transparent competitive bidding for the acquisition and disposal of goods and services where practicable to ensure equal opportunity.
- to ensure clarity and disclosure about the process for arriving at procurement decisions. Procurement for the Township of Algonquin Highlands is undertaken with the context of legal considerations about confidentiality and the protection of privacy. Our policies are governed by these considerations.
- to ensure, wherever possible, that all stakeholders have equal access to information on procurement opportunities, processes and results.
- to ensure that the procurement process is achieving its intended results.
- to ensure the quality, cost and amount of goods and services procured exceeds the time, money and effort to procure them.
- to ensure the Township maximizes the value they receive from public funds by delivering goods and services at the optimal total lifecycle cost.
- to ensure the Township has the right product, at the right time and in the right place.
- to ensure the Township standardizes processes to remove inefficiencies and create a level playing field.
- to procure by purchase, rental or lease the required quality and quantity of goods and services, including professional and consulting services, in an efficient, timely and cost effective manner.
- to consider all costs, including acquisition, operating and disposal costs, in evaluating bid submissions from qualified, responsive and responsible Vendors, rather than basing a decision solely on the lowest bid.
- to give full consideration to the Annual Aggregate Value or to consider the total project cost of specific goods and services that will be required by each Department and by the Township as a whole prior to determining the appropriate acquisition method.
- to ensure ethical practices by all participants in the procurement process including Township staff, Council and Vendors.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- to ensure that public sector resources are used in a responsible, efficient and effective manner.
- to exercise professional Purchasing practices, which obtain the most competitive offers from the most Responsive and Responsible Vendors.
- to encourage the procurement of goods and services with due regard to the preservation of the natural environment and the promotion of waste reduction and recycling of waste materials.
- to encourage, wherever possible, specifications which provide for the expanded use of durable, reusable Commodities, and Commodities which contain the maximum post-consumer waste and/or recyclable content, without affecting the intended use of the Commodity.
- to encourage innovation and the use of technology which meet the Township of Algonquin Highlands specifications and industry standards in order to ensure the utilization of the most efficient and effective processes and practices.
- to have regard to the accessibility for persons with disabilities to the goods, services and construction purchased by the Township of Algonquin Highlands. In accordance with Ontario Regulation 191/11 under the Accessibility for Ontario with Disabilities Act, 2005 (AODA) as amended, the Township 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 will be provided upon request.
- to review this Policy and Procurement processes annually to evaluate effectiveness and efficiencies and to ensure dollar values are current and provide recommendations for changes.

8.0 General Conditions and Guidelines:

8.1 Applicability and Exceptions

- a. All commodities required by the Township of Algonquin Highlands shall be purchased in accordance with this Policy, unless:



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- Council directs that any particular Purchase or Disposal of a Commodity shall be carried out in some other manner;
 - an exemption to this Policy applies (Section 12.0); or
 - any applicable law requires that the purchase of a Commodity be carried out in some other manner.
- b.** Where exceptions apply, the Purchase of those Commodities shall be carried out in accordance with the resolution or the applicable law, as the case may be, and the provisions of this policy shall in all other regards continue to apply to the Purchase with all necessary modifications.
- c.** All Township employees, volunteers and Councillors shall follow the guidelines of this Policy.
- d.** Due to a higher level of diligence required, no employee, elected official or volunteer acting on behalf of the Township of Algonquin Highlands shall be considered for an award of contract without prior approval of:
- the Department Head or Designate for purchases up to \$10,000;
 - the Department Head and CAO for purchases over \$10,000 and up to \$25,000;
 - Council for purchases over \$25,000.
- e.** No contract or purchase shall be divided to avoid the requirements of this Policy.
- f.** Wording used in this Policy that denotes singular is assumed to include plural of the same.
- g.** Where a Department Head is authorized to do any act pursuant to this Policy, such act may be done by such Department Head's authorized designate.
- h.** Purchase requisitions for services, where services could result in the establishment of an employee-employer relationship, are not permitted.
- i.** Where this Policy identifies delegated authority limits for contract awards, the value of a contract shall be the sum of:
- all costs to be paid to the supplier under the contract including freight and other charges; but



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- excluding all taxes and tax rebates.

8.2 Local Preference

In accordance with the Discriminatory Business Protections Act, there will be no local preference for Purchases. All things being equal, preference will be given first to Purchases of a Commodity of local manufacture, second to a Commodity offered by a local vendor, and thirdly to a Commodity of a Canadian owned company.

8.3 Co-operative or Collaborative Purchasing

- 8.3.1** Collaborative procurement is a coordinated event that facilitates purchasing on behalf of multiple organizations. It may be facilitated through buying groups or co-operative ventures with other municipalities.
- 8.3.2** The Department Head may participate and shall encourage participation with other governments or Public Agencies in co-operative ventures or contracts where the best interest of the Township can be achieved.

8.4 Privilege Clause

When using the Privilege Clause which reads in part “the lowest or any tender may not necessarily be accepted”, the specific reasons must be stated why the bids may not be accepted.

8.5 Legitimacy

No Councillors, employees and/or representative of committees or local boards shall Purchase or Requisition a Commodity unless:

- the Commodity is legitimately required for the purposes of the Township; and



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- the funds for the Purchase of the Commodity are available within the Budget or the request to Purchase is expressly made subject to funding available of the Council.

8.6 Vendor Promotion

The Township shall not promote or advertise any Vendor, Service or Commodity in any manner that may be construed as the Township endorsing the Vendor, Commodity or Service. However, sponsorship donations or the purchase of advertisement space in municipal publications may be permitted upon Council approval.

8.7 Personal Purchases

The Township will not make Purchases for the personal use of Councillors or employees, or member of staff of Public Agencies, except through programs which may, from time to time, be expressly and specifically approved by the Council of the Township of Algonquin Highlands.

8.8 Revenue Generating Contract

The same conditions and limits outlined above for goods and services will be applied to revenue generating contracts.

8.9 Trade Agreements

- a. Procurement by the Township may be subject to the provisions of various trade agreements, including but not limited to the Agreement on Internal Trade (AIT) and the Ontario-Quebec Trade Cooperation Agreement (Ontario-Quebec Agreement), North American Free Trade Agreement (NAFTA) or Comprehensive Economic and Trade Agreement (CETA).
- b. Where an applicable trade agreement is in conflict with this Policy, the trade agreement shall take precedence.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- c. Where an exemption, exception or non-application clause exists in the Agreement on Internal Trade (AIT) or other trade agreement, the Township may apply that clause when procuring goods and services. The applicability of such a clause must be formally established.

8.10 Conflict of Interest

- a. All paid employees, elected Officials, or representatives of committees or local boards shall disclose annually (and as circumstances change) any business or personal relationship they might have outside of Township business which might create a potential conflict of interest relative to the procurement of goods or services.
- b. All employees or representatives authorized to purchase on behalf of the Township of Algonquin Highlands shall be required to declare any known, potential or perceived Conflict of Interest to the Township.
- c. All consultants retained by the Township of Algonquin Highlands shall disclose to the Township prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Township as directed by the Department Head may, at its discretion, withhold the assignment from the consultant until the matter is resolved. Furthermore, if during the conduct of a Township assignment, a consultant is retained by another client giving rise to a potential conflict of interest, the consultant then shall so inform the Township. If a significant conflict of interest is deemed by the Department Head to exist, then the consultant shall refuse the new assignment or shall take such steps that are deemed necessary to remove the conflict of interest or risk forfeiting the contract without penalty to the Township.
- d. The Township must monitor any Conflict of Interest that may arise as a result of the Members' of the Township, advisors', external consultants', or suppliers' involvement with Supply Chain activities.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- e. Where a Conflict of Interest arises, it must be evaluated and an appropriate mitigating action must be taken.

8.11 Gifts and Hospitality

No paid employees, elected Officials, or representatives of committees or local boards shall directly or indirectly solicit or accept gifts or presents from any member of the public involved with any matter that is connected to the Township of Algonquin Highlands purchasing; from contractors or their representatives; or from individuals with whom they have official dealings.

8.12 Bribes

Offer of bribes, commissions or other irregular approaches from the Township of Algonquin Highlands or individuals must be promptly brought to the CAO's attention.

9.0 Procurement Procedures:

9.1 Segregation of Duties

The Township of Algonquin Highlands provides for segregation of at least three of the five functional procurement roles as outlined, and the responsibilities for these roles must lie with different departments or, at a minimum, with different individuals.

- a. **Requisition** – submitted by support staff to Department Heads for review and approval.
- b. **Budgeting** – submitted by Department Heads for review by Treasurer and CAO and approval by Council.
- c. **Commitment** – approved by Department Head, CAO or Council depending on dollar value.
- d. **Receipts** – goods and services are received by the respective department making the purchase.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

e. Payment – are processed by the Treasury Department.

9.2 Exempt Goods and Services

Notwithstanding any other provisions of this Policy, the acquisition of the items listed in Appendix B – Exempt Goods and Services do not fall under the guidelines of the Procurement Policy and shall be subject to applicable Policies and Procedures established from time to time.

9.3 Procurement Approval Authority Level Schedule

9.3.1 The procurement of goods and services including professional and consulting services are governed by the following:

- a.** the Township of Algonquin Highlands adheres to an established Procurement Approval Authority Level Schedule (PAALS) for procurement of goods and services including professional and consulting services (Appendix A – Procurement Approval Authority Level Schedule);
- b.** the PAALS identifies, for each procurement method, authorities that are allowed to approve procurement for different dollar thresholds;
- c.** the PAALS has been approved by Council;
- d.** prior to commencement, any procurement of goods and services including professional and consulting services must be approved by an appropriate authority in accordance with the PAALS of the Township of Algonquin Highlands; and
- e.** prior to commencement, any non-competitive procurement of goods and services including professional and consulting services greater than \$10,000.00 must be approved by an authority one level higher than the PAALS requirements for competitive procurement.

9.3.2 The Township of Algonquin Highlands must conduct an open competitive procurement process where the estimated value of the



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

goods and services is \$10,000.00 or more. Any exemptions must be in accordance with the applicable trade agreements.

9.3.3 The following are authorized procedures and project cost limits for the procurement of goods and services or construction:

Petty Cash - \$100 or less

Credit Card/Purchasing Card (subject to card limits)

Direct Acquisition (on account or by invoice)

Operational Goods and Services - \$10,000.00 or less

Assets – valued up to \$5,000.00

Request for Quotation

Operational Goods and Services - \$10,000.01 to \$25,000.00

Assets – valued between \$5,000.00 to \$25,000.00

Request for Tender – greater than \$25,000.00

Request for Proposal – greater than \$25,000.00

Aggregated Purchasing Arrangements – if available

9.4 Contracts Requiring Prescribed Council Approval

Despite any other provision of this Policy, the following contracts are subject to Council approval:

- a.** any contract requiring approval from the Ontario Municipal Board or successor;
- b.** any contract prescribed by Statute to be made by Council;
- c.** where the cost amount proposed for acceptance is higher than the Council approved departmental budget and the necessary adjustments cannot be made within departmental budget;
- d.** where the revenue amount proposed for acceptance is lower than the Council approved departmental budget;



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- e. where substantial objection emanating from the bid selection has been filed with the Department Head or with the CAO;
- f. where a major irregularity precludes the award of a tender to the supplier submitting the Lowest Responsive Bid; and
- g. where authority to approve has not been expressly delegated.

9.5 Requirement for Approved Funds

- 9.5.1** Net departmental expenditures are authorized by Council each year as part of the annual Budget process. Upon approval of proposed budgetary estimates, this Policy shall govern the levels of authority for approvals required for the expenditures. Capital purchases approved for specific projects and values shall be considered as approved by Council and further Council approval will be required only in the event of an irregular result or bids received over the allocated budget figure.
- 9.5.2** The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Council approved budget. Budgets may from time to time be altered by Council resolution. It shall be the responsibility of the Department Head to ensure sufficient funds remain prior to commencement of the procurement process. This shall include verifying of budgeted funds to those already committed to ensure available funds.
- 9.5.3** Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award the contract is subject to:
 - the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates; and
 - the requirement for the goods and services will continue to exist in subsequent years and in the opinion of the Treasurer, the required funding can reasonably be expected to be made available.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

9.5.4 The Treasurer will co-ordinate all leasing requirements including term capitalization rate, lease versus buy (or other) analysis etc. The Treasurer will ensure that all lease commitments comply with the Municipal Act 2001 as amended and regulations made there under.

9.6 Contracts without Budgetary Appropriation

Where a requirement exists to initiate a project for which goods, services or construction are required and funds are not contained in the appropriate accounts within the Council approved Budget to meet the expenditure, the Department Head shall, prior to the commencement of the purchasing process, submit a report to Council containing:

- a) information surrounding the requirement of the contract;
- b) the terms of reference to be provided in the contract; and
- c) information on the availability of funds within existing estimates, which were originally approved by Council for other purposes or on the requirement of additional funds.

9.7 Multi-Departmental Projects

- 9.7.1** Where a requirement has corporate-wide application or applies to two or more department, one Department Head shall manage the procurement process and be accountable for the authorization of the procurement while keeping the other departments informed.
- 9.7.2** The department whose budget provides for the acquisition of goods and services shall be responsible for the preparation and approval of all specifications to be used for the acquisition of such goods or services and for consultation with other Township departments as appropriate.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

9.8 Requirement for Specific and General Scopes

Less than \$25,000.00 – a general scope established by the Department Head that describes requirements in general detail is required.

Greater than \$25,000.00 – a detailed specific scope outline shall be provided by the Department Head.

9.9 Specifications

9.9.1 Wherever practical, specifications should be considered that are not detailed and leave room for potential suppliers to provide alternatives in the event of equal or better proven product or method is available.

9.9.2 Suppliers or potential suppliers shall 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 suppliers.

9.9.3 When such services are required of a consultant to define specifications as noted above, the following actions should be taken:

- a)** the Treasurer shall be advised;
- b)** the contracted Vendor will be considered a consultant and unable to make an offer for the supply of the goods and services;
- c)** a fee shall be paid; and
- d)** the detailed specifications shall become the property of the Township of Algonquin Highlands for use in obtaining competitive bids.

9.9.4 Procurement documentation shall avoid use of specific products or brand names wherever possible.

9.9.5 The use of standards in procurement documentation that have been certified, evaluated, qualified, registered, or verified by independent nationally recognized and industry sponsored



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

organizations (such as Standards Council of Canada) shall be preferred.

9.9.6 A Department Head may, with the approval of the CAO, specify a specific product or brand name for essential functionality purposes, to avoid unacceptable risk or for some other valid purpose. In such instances, the Department Head shall manage the procurement process to achieve a competitive solution whenever possible.

9.9.7 Department Heads shall give consideration to the need for value analysis comparisons of options or choices and ensure that these are conducted to provide assurance that the specification will provide the best value.

9.10 Procurement Records Retention

9.10.1 For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information, must be retained in a recoverable form for a period of seven (7) years.

9.10.2 The Township of Algonquin Highlands Retention Policy states how documents are handled and stored in order to maintain the suppliers' confidential and commercially sensitive information.

10.0 Competitive Methods of Procurement:

The following processes are used to give effect to the purpose of this Policy:

10.1 Information Gathering – Request for Information (RFI) or Request for Expressions of Interest (RFEI)

10.1.1 Where the results of informal supplier or product research are insufficient, formal processes such as RFI or RFEI may be used if warranted, taking into consideration the time and effort to conduct them.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

10.1.2 An RFI or RFEI shall be used to determine the interest in the market to provide the scope of work or services being considered by the Township of Algonquin Highlands.

10.1.3 A response to the RFI or RFEI must not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.

10.2 Request for Supplier Pre-Qualification (RFSPQ)

10.2.1 An RFSPQ may be used and precede a request for tender, quotation or proposal in order to identify and pre-select bidders, where it is deemed that the nature and complexity of the work involved warrants the time and effort to pre-select the most experienced and qualified bidders.

10.2.2 This process enables the Township to gather information about the supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions.

10.2.3 Terms and conditions of the RFSPQ document must contain language that disclaims any obligation of the Township to call on any supplier to provide goods and services as a result of pre-qualification.

10.3 Informal Request for Quotation (IRFQ)

Informal Request for Quotations, conducted by means of email, telephone, fax or other similar methods, vendor catalogues or advertisement, to obtain a minimum of three bids, where possible, may be used when the goal is to obtain low dollar value, prompt service procurement of goods and services, in an expeditious and cost effective manner. This process is to be used for the purchase of capital goods and services that meet the current Asset Management Policy threshold.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

10.4 Request for Quotation (RFQ) – purchases from \$5,000.00 to \$25,000.00

- 10.4.1** The procedure to procure goods and service exceeding \$10,000.00 and capital asset purchases exceeding \$5,000.00. The process shall include evidence that the Department Head obtained a minimum of three written quotes. In the event that three quotes are not received, approval from the CAO is required to accept the quote, otherwise, the call shall be re-issued.
- 10.4.2** Requirements estimated at \$25,000.00 or less, should be handled by the RFQ procedure, however, there may be requirements where it will be more appropriate to solicit bids using a Request for Tender, or Request for Proposal.
- 10.4.3** In advance of a solicitation, the Department Head shall be responsible for the development of specifications, terms and conditions for the purchase of goods, services or construction.
- 10.4.4** An RFQ shall be used to obtain goods and services whenever the requirements can be precisely defined and the goal is that the lowest bid meeting the requirements specified would be accepted, subject to any other provisions of this Policy.
- 10.4.5** An RFQ shall be used where a requirement can be fully defined and best value for the Township of Algonquin Highlands can be achieved, by an award selection made on the basis of the Lowest Responsive Bid.
- 10.4.6** Bid solicitation may be done on an invitational basis in conjunction with public advertising.
- 10.4.7** Department Heads may award contracts emanating from an RFQ \$25,000.00 or less provided that:
- sufficient funds are available and identified in appropriate accounts within the Council approved Budget, including authorized revisions;
 - the contract is approved by the CAO; and
 - the award is to the Lowest Responsive Bidder, provided the provisions of the Policy are followed.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

10.4.8 Written documentation respecting the award of the contract is to be kept in a procurement file.

10.4.9 The purchase of goods, services or construction shall be made through the issue of a supplier invoice.

10.5 Request for Tender (RFT) – purchases over \$25,000.00

10.5.1 RFT procedures shall be used where a requirement can be fully defined.

10.5.2 An RFT shall be used for purchases over \$25,000.00 where all of the following criteria apply:

- two or more sources are considered capable of supplying the requirement;
- the requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria;
- the market conditions are such that tenders can be submitted on a common pricing basis; and
- it is intended to accept the Lowest Responsive Bid.

10.5.3 An RFT shall be used to obtain bids for construction, whenever the requirement can be precisely defined and best value for the Township of Algonquin Highlands can be achieved, by an award selection made on the basis of the Lowest Responsive Bid meeting the requirements specified would be accepted, subject to any other provisions in this Policy.

10.5.4 In advance of solicitation, the Department Head or designate, shall develop the relevant specifications, terms and conditions for the procurement of goods, services and construction.

10.5.5 The Department Head shall recommend the award of contract to the Lowest Responsive Bidder, unless otherwise justified.

10.5.6 The CAO may award contracts up to \$100,000.00 emanating from a Request for Tender provided that:

- the award is to the Lowest Responsive Bidder; and



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- sufficient funds are available and identified in appropriate accounts within the Council approved Budget, including revisions.

10.5.7 Written notification respecting the award of the contract is kept in a procurement file.

10.5.8 An agreement shall be used by the Department Head to award the contract.

10.5.9 Awards emanating from an RFT that are not awarded to the Lowest Responsive Bidder or are greater than \$100,000.00 require Council approval.

10.6 Request for Proposal (RFP) – purchases over \$25,000.00

10.6.1 An RFP shall be used to obtain goods and services of a unique or complex nature where:

- all or part of the requirements cannot be precisely defined;
- it is not practical to prepare precise specifications which permit bids or readily comparable products;
- the requirements of the Township of Algonquin Highlands are best described in a general performance specification;
- innovative solutions are sought; or
- alternatives to detailed specifications will be considered.

10.6.2 The process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices prior to selection.

10.6.3 The expectation is that the proposal offered by the highest ranking proponent meeting the requirements of the specified request would be accepted.

10.6.4 The CAO and Department Head shall determine if an Evaluation Committee shall be required for review of submissions.

10.6.5 RFPs will normally be evaluated and scored according to the following criteria and the document issued will identify the weighting given to each criterion:

- understanding of the assignment;



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- capabilities of firm or project team;
- previous experience on assignments of similar nature;
- past performance in the provision of services to the Township of Algonquin Highlands;
- quality of submission;
- cost savings and/or process improvements for the Township;
- project schedule;
- cost; and
- other criteria, as may be deemed appropriate, for the services being sought.

10.6.6 RFPs are not formerly opened in public nor is it necessary to disclose prices or terms at the time of submission. If only one proposal is received, the Department Head has the option of not opening the proposal and closing the call for proposals.

10.6.7 An RFP should be used where one or more of the criteria for issuing a Request for Tender cannot be met, such as:

- owing to the nature of the requirement, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution rather than on price alone; or
- it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement prior to selection.

10.6.8 In advance of a solicitation, the Department Head or designate, shall develop terms of reference and evaluation criteria to be applied in assessing the submissions.

10.6.9 Where the requirement is not straightforward or an excessive workload would be required to evaluate the Proposals, either due to their complexity, length, number or any combination thereof, a multi-step procedure may be used that would include a pre-qualification stage, to ensure the workload is at a manageable level.

10.6.10 If determined, the Evaluation Committee shall review all Proposals against the pre-established criteria and reach consensus



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

on the final rating results. The final rating results with supporting documentation are to be kept in a procurement file.

10.6.11 The CAO may award contracts up to \$100,000.00 emanating from a Request for Proposal provided that:

- sufficient funds are available and identified in appropriate accounts within the Council approved Budget, including revisions;
- the award is made to the supplier meeting all mandatory requirements and providing the best value, as stipulated in the RFP; and
- the provisions of this Policy are adhered to.

10.6.12 Written notification respecting the award of the contract is kept in a procurement file.

10.6.13 Awards emanating from an RFP that are greater than \$100,000.00 require Council approval.

10.7 Vendors of Record

The Township may utilize the Ministry of Government and Consumer Services' Vendor of Record (VOR) website as required.

11.0 Non-Competitive Procurement:

11.1 General Provisions

The goal of non-competitive procurement is to:

- allow for pricing in an efficient and effective manner without seeking competitive pricing (for procurement \$10,000.00 or less);
- provide for exceptions to the procurement requirements of interprovincial trade agreements; and
- provide for any additional exceptions stipulated in the Township of Algonquin Highland's purchasing bylaw, resolutions or policies



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

providing they are not in contravention of interprovincial trade agreements.

- 11.1.1** The Township should employ a competitive procurement process to achieve optimum value for money. It is recognized, however, that special circumstances may require the Township of Algonquin Highlands to use non-competitive procurement.
- 11.1.2** The Township may utilize non-competitive procurement only in situations outlined in the exemption, exception or non-application clauses of the AIT or other trade agreements.
- 11.1.3** Prior to commencement of non-competitive procurement, supporting documentation must be completed and approved by an appropriate authority with the Township.
- 11.1.4** A non-competitive procurement process shall only be used if one or more of the following conditions apply and a process of negotiation is undertaken to obtain the best value in the circumstances for the Township:
 - a.** the goods and services are only available from one source or one supplier because there is:
 - a statutory or market based monopoly;
 - scarcity of supply in the market;
 - existence of exclusive rights (patent, copyright or licence);
 - a need for compatibility with goods and services previously acquired and there are no reasonable alternatives, substitutes or accommodations; or
 - a need to avoid violating warranties and guarantees where service is required.
 - b.** an attempt to purchase the required goods and services has been made in good faith using a competitive method and has failed to identify a successful supplier or resulted in no bids.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- c. the goods and services are required as a result of an emergency, which would not reasonably permit the use of other methods permitted.
 - d. the required goods and services are to be supplied by a particular Vendor or supplier having special knowledge, skills, expertise or experience which cannot be provided by any other supplier.
 - e. the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidential matters.
 - f. where only one source of supply would be acceptable and/or cost effective due to compatibility, or safety and liability concerns.
 - g. where the possibility of a Follow-On Contract was identified in the original bid solicitation.
 - h. where the requirement is for a utility for which there exists a monopoly.
 - i. where purchases are being made from a Vendor of Record that is available to the Township.
- 11.1.5** When a Department Head intends to select a supplier to provide goods, services or construction, the CAO is to be advised in writing of the compelling rationale that warrants a non-competitive selection for approval.
- 11.1.6** The Department Head shall follow the provisions regarding the use of a Formal Agreement.
- 11.1.7** Any non-competitive contract that does not satisfy these provisions is subject to the CAO's approval.
- 11.1.8** Routine Departmental requirements for paper products and/or office supplies may be purchased without formal competition provided it can be demonstrated that fair market value is attained.
- 11.1.9** The Department Head or CAO may directly select a supplier to provide professional services without obtaining quotes



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

where the total cost of the services being provided does not exceed \$10,000.00.

11.2 Petty Cash Provisions – purchases of \$100.00 or less

- 11.2.1** The Treasurer shall have the authority to establish Departmental Petty Cash fund to meet the requirements of the department for the acquisition of goods, services or construction having a value of \$100.00 or less.
- 11.2.2** Expenditures \$100.00 or less including purchases of goods, services and construction may be made from Petty Cash in any one instance. Petty Cash should only be used when it is not feasible to use a credit or purchasing card.
- 11.2.3** Purchases shall be made from the competitive market place wherever possible.
- 11.2.4** All petty cash disbursements shall be evidenced by vouchers and shall be processed through the Finance Department.

11.3 Direct Acquisition – Purchases \$10,000.00 or Less

- 11.3.1** Purchases \$10,000.00 or less may be made by direct acquisition utilizing an account system, invoice, or an authorized credit or purchase card (subject to prescribed limits).
- 11.3.2** The procedure used to purchase goods, services or construction shall demonstrate that fair market value was achieved.
- 11.3.3** For purchases \$10,000.00 or less in value, the Department Head may delegate their authority to a designate, provided the designate follows the requirements of this Policy.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

11.4 Sole Source Procurement

Sole sourcing is the procurement of a good or service that is unique to a particular Vendor and cannot be obtained from another source.

Purchase by negotiation may be adopted, if in the judgement of the Treasurer and in consultation with the requisitioning Department Head any of the following conditions apply:

- goods and services are in short supply due to market conditions;
- the sources of supply are restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to any of the following:
 - i) components or replacement parts for which there is no substitute;
 - ii) there is only one Vendor who can provide the Commodity by the specified date required; or
 - iii) specified standards are not adopted by Council.
- Work is required at a location where a contractor has already been secured through a tender process, with established unit prices by another party and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed for the Township;
 - i) after the RFP process has closed, it may be necessary for discussion to clarify and/or make significant revision(s) to the initially defined requirements of the call for quotations/proposals;
 - ii) when only one bid/proposal is received through the procurement process and it is impractical to recall the requirements of the call for quotations/proposals; and
 - iii) there is documented evidence that the extension or reinstatement of an existing contract would prove most cost effective or beneficial.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

11.5 Single Source Procurement

Single sourcing is the procurement of a good or service from a particular Vendor rather than through solicitation of bids from other Vendors who can also provide the same item.

When there is more than one source in the open market, but for reasons of standardization, function or service, one Vendor is recommended for consideration of the particular Commodity, such as:

- compatibility with an existing product, facility or service is required; and
- the Vendor for function or service has skills related to and existing knowledge of the nature of the service.

NOTE: The Department Head requesting a Sole or Single Source option must discuss the option with the CAO and provide reasoning for the request. Upon approval by the CAO, a formal report must be submitted to Council for review and final approval.

11.6 Emergency Procurement

Notwithstanding the provisions of this Policy, the following shall only apply in case of an emergency, when an event occurs that is determined by a Department Head or the CAO to be any of the following:

- a threat to public health;
- the welfare of persons or of public property;
- the security of the Township’s interests and the occurrence requires the immediate delivery of goods and services and time does not permit for competitive bids.

The above criteria to be applied on the basis of:

Procurement Under \$10,000.00 – wherever feasible, the Department Head shall secure by the most open market procedure at the lowest obtainable price, any goods and services required.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Procurement over \$10,000.00 – the Department Head shall obtain the prior approval of the CAO. An information report shall be submitted to Council explaining the actions taken and the reason(s) therefore.

11.7 Standardization

It shall be the Policy of the Township of Algonquin Highlands, wherever possible, to standardize goods and services purchased to allow for:

- reducing the number of goods and services required;
- increasing volume on common items or service;
- maximizing volume buying options;
- providing economies of scale;
- reducing handling, training and storage costs;
- minimizing maintenance costs;
- cooperative purchasing activities; or
- more competitive bid results.

12.0 Exceptions and Exemptions to Methods of Procurement:

12.1 Volatile Market Conditions

12.1.1 Notwithstanding the provisions of this Policy, where market conditions are such that long term price protection cannot be obtained for goods and services, Department Heads will obtain competitive prices for short term commitments until such time a reasonable price protection and firm market pricing is restored.

12.1.2 The Department Head, subject to Council approval, may extend a current contract until market conditions stabilize.

12.2 Cooperative Purchasing and/or Joint Ventures

12.2.1 The Township of Algonquin Highlands may participate with other government agencies or public authorities in the cooperative acquisition ventures where it is determined to be in the best interest of the Township to do so.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

12.2.2 The Township of Algonquin Highlands may Piggy-back on other government agency or public authority contracts where it is in the best interest of the Township to do so. The Township may also allow other government agencies or public authorities to Piggy-back on contracts established by the Township of Algonquin Highlands.

12.2.3 As approved by Council, if the Township decides to participate in a co-operative purchase or piggyback contract, then the policies and procedures of the government agency or public authority calling the Bid on behalf of the participants are to be the accepted policies and procedures, should they conflict with this Policy.

12.3 Unsolicited Quotations or Proposals

Unsolicited quotations or proposals will not be accepted.

13.0 Contract Considerations:

13.1 Follow-On Contracts

13.1.1 Where a reasonable likelihood exists that on completion of a contract, it will be necessary to award a non-competitive contract for Follow-On goods or services, the Department Head shall ensure that the possibility of a Follow-On contract will be identified in the original bid solicitation.

13.1.2 Department Heads may authorize Follow-On goods or services provided total amended value of the contract is within the approval limits of the Department Head.

13.1.3 The CAO may authorize Follow-On goods or services provided that the total amended value of the contract is within the CAO's approval authority.

13.1.4 Contracts that exceed the CAO's approval limits must be approved by Council.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

13.2 Contract Amendments and Revisions (scope change)

- 13.2.1** No amendments that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- 13.2.2** Amendments to contracts are subject to the identification and availability of sufficient funds in the appropriate accounts within Council approved developmental budget, including authorized revisions.
- 13.2.3** Department Heads may authorize amendments to contracts provided total amended value of the contract is within the approval limits of the Department Head.
- 13.2.4** The CAO may authorize amendments to contracts provided that the total amended value of the contract is within the CAO's approval authority.
- 13.2.5** Council approval is required for amendments to contracts where the total amended value exceeds the CAO's approval threshold.

13.3 Contract Renewals

- 13.3.1** Where the original contract contains an option to renew or a renewal clause stipulating the provisions of what is acceptable for a renewal, the Department Head may authorize the renewal without Council approval by by-law provided that:
 - a.** the supplier's performance in supplying the goods, services or construction, is considered to have met the requirements of the contract;
 - b.** the Department Head agrees that the renewal options is in the best interest of the Township of Algonquin Highlands; and
 - c.** funds are available in appropriate accounts within the Council approved budget, including authorized revisions, to meet the proposed expenditure.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

13.3.2 Where a contract contains an option for renewal, the authorization from the Department Head shall include a written explanation to the CAO as to why the renewal is in the best interest of the Township of Algonquin Highlands, which shall include comment on the market situation and trends.

13.3.3 The renewal information shall be reported to Council.

14.0 Official Point of Contact and Lobbying Prohibition:

14.1 An official point of contact shall be named in all Requests to respond to all communications in respect to the Request from the time of issuance, during the competitive process, and up to and including the announcement of award.

14.2 Should it be necessary or desirable to have a contact person to respond to technical issues that person shall also be named.

14.3 All communications with respect to a Request must be made to an official point of contact named in the Request.

14.4 Vendors, or any representatives employed or retained by them, and any unpaid representatives acting on behalf of either, are strictly prohibited from communicating, either verbally or in writing, with any other Township employee, official or member of the Council of the Township of Algonquin Highlands with respect to any Request from the time of its issuance until time of award.

14.5 Any Vendor found to be in breach of the Policy will be subject to disqualification from the Request or a future Request(s) under the discretion of Council.

15.0 Notification Requirements:

15.1 Posting Competitive Procurement Documents

15.1.1 RFQ's do not require formal advertising.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

15.1.2 RFT's must be advertised on the Township of Algonquin Highland's website and in a local, regional, and/or construction newspaper and/or electronically on tender host websites (i.e. Biddingo). The Department Head may elect to use this process for projects valued at \$25,000.00 or under.

15.1.3 RFP's must be advertised on the Township of Algonquin Highland's website and in a local, regional, and/or construction newspaper and/or electronically on tender host websites (i.e. Biddingo). The Department Head may elect to use this process for projects valued at \$25,000.00 or under.

15.2 Timelines for Posting Competitive Procurements

The Township of Algonquin Highlands must provide suppliers with a minimum response time based on the following:

- a. for the procurement of goods and services valued at \$25,000.00 or more – a response time of fifteen (15) calendar days; or
- b. for procurements of high complexity, risks, and/or dollar values – a response time of thirty (30) calendar days.

16.0 Receipt, Opening and Review of Bid Documents:

16.1 Bid Submission

The Township of Algonquin Highlands must set the closing date of a competitive procurement process on a normal business day (Monday to Friday, excluding provincial and national holidays) and the submission date and closing time must be clearly stated in all procurement documents.

16.2 Refusal of Bid

The Township of Algonquin Highlands will refuse to accept any Bid submission that is:

- not sealed;



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- received after the closing deadline;
- submitted after a Bid has been cancelled; or
- from a bidder with previous, active or pending litigation associated with prior contracts against the Township.

16.3 Withdrawal of Bid

16.3.1 Requests for withdrawal of a Bid shall be allowed if the request is made before the closing time for the contract to which it applies.

16.3.2 Requests must be directed to the Department Head by letter or in person, by a senior Official of the company, with a signed withdrawal confirming the details. Telephone request will not be permitted.

16.3.3 The withdrawal of a Bid does not disqualify a bidder from submitting another Bid on the same contract.

16.4 Time and Date Stamped

Bid envelopes shall be time and date stamped and initialed by the person receiving the Bid, and placed in a secure location until the Bid opening.

16.5 Number of Bids and Bidder Name not Divulged

The number of Bids received and the names of Bidders are confidential and shall not be divulged prior to Bid opening.

16.6 Bid Envelopes

Bids shall be received in an envelope clearly marked as to the contents, including:

- Bid number and title;
- name of Bidding firm;
- Bid closing day, date and time;
- Bidder's name, business address and contact information;



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- addressee information being the Township of Algonquin Highlands;
- Department to which the Bid is directed including the address of the location to which bids are to be submitted.

16.7 Bids Received after Closing Time and Date

16.7.1 Bids received after the closing time shall be noted and returned unopened to the Bidder, as soon as possible.

16.7.2 If a late Bid is received without a return address on the envelope it shall be opened, the address obtained, and then returned. The covering letter will advise why the envelope could not be returned unopened.

16.8 Alternative Bids

Unsolicited alternative Bids shall not be considered.

16.9 Two Bids for the Same Contract in Same Envelope

16.9.1 If two Bids for the same Contract are received in the same envelope, the Bids must be contained in separate envelopes within the exterior envelope and must be marked as Bid A and/or Bid B.

16.9.2 If two Bids for the same Contract are received in the same envelope (i.e. Vendor's copy included), the signed copy, or if both are properly executed and prices differ, the lower price copy, shall be considered the intended Bid, which shall be processed in the normal matter.

16.10 Two Bids for the Same Contract in Separate Envelopes

If two Bids for the same contract are received in different envelopes, the envelope with the latest date and time received shall be considered the intended Bid.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

16.11 Receipt of Bids

Bids shall be received by the Administration and/or Finance Department.

16.12 Bid Opening

Bids shall be opened in accordance with procedures outlined in the Request for bids. The names of those in attendance, the time and date of the opening, the names of the firms submitting a Bid, the completeness of each Bid received, and the total Bid price of each Bid shall be recorded at the opening.

16.13 Public Openings

- 16.13.1** RFT's, regardless of value, are to be opened by the official point of contact and other staff at the time and location specified in the call document.
- 16.13.2** RFP's and RFQ's are not opened in public regardless of the estimated dollar value as dollar value is only one criteria on which an award is made for proposals.

16.14 Bid or Proposed Irregularities

- 16.14.1** Each sealed Bid received in response to a bid request will be reviewed to determine whether a bid irregularity exists.
- 16.14.2** A Bid Irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response.
- 16.14.3** For the purposes of this Policy, bid irregularities are further classified as “major irregularities” or “minor irregularities”.
 - a.** A “major irregularity” is a deviation from the bid request that effects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

over competitors. The Department Head must automatically reject any bid, which contains a major irregularity. The Bidder will be notified of the rejection due to the major irregularity.

- b.** A “minor irregularity” is a deviation from the Bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the Bidder would not gain an unfair advantage over competitors. The Department Head may permit the Bidder to correct a minor irregularity.

16.14.4 The Department Head and CAO will be responsible for all action taken in dealing with bid irregularities, and act in accordance with the nature of the irregularity.

16.14.5 In the event that a bid is withdrawn due to the identification of a major irregularity (either by the Vendor or the Township), the Township of Algonquin Highlands may disqualify such Vendor from participating in Township quotations/tenders/requests for proposals for a period of up to one year.

16.14.6 The process for administering irregularities contained in bids pertaining to all contracts, are set out in Appendix F – Bid Irregularities.

16.15 No Acceptable Bid or Equal Bids Received

16.15.1 Where bids are received in response to a Bid Solicitation but exceed budget, are not responsive to the requirement or do not represent fair market value, a revised solicitation shall be issued in an effort to obtain an acceptable bid.

16.15.2 The Department Head may waive the need for a revised bid solicitation and enter negotiations with the Lowest Responsive Bidder emanating from a bid solicitation under the following circumstances:



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- a.** the total cost of the Lowest Responsive Bid is in excess of the funds appropriated by Council for the project; and
- b.** the Department Head and the CAO agree that he changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.

16.15.3 In the case of building construction contracts, where the total cost of the Lowest Responsive Bid in excess of the appropriation made by Council, negotiations shall be made in accordance with the guidelines established by the most current Canadian Construction Documents Committee.

- 16.15.4** If two equal bids are received, the following process shall be employed as a means of breaking the tie:
- a.** the names of the tied bidders shall be placed in a container; and
 - b.** the bid to be recommended to Council for award, shall be drawn by the CAO or designate, in the presence of the Department Head or designate and the Treasurer or designate.

16.16 Tied Bids

16.16.1 In order to minimize the risk of tied bids, procurement calls should include such terms and conditions that promote best overall value and allow responses to be evaluated accordingly. This includes but is not limited to such considerations as price (including discounts and prompt payment terms), quality, delivery (including response time), service and past performance.

16.16.2 All things being equal, and two or more low Bids have been received in the same amount, the names of the tied Bidders shall be placed in a container and the bid to be recommended to Council for award, shall be drawn by the



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

CAO or designate, in the presence of the Department Head or designate and the Treasurer or designate.

- 16.16.3** The results of the draw are to be recorded and witnessed by all parties present and the award shall be reported in accordance with the requirements of the Township of Algonquin Highland’s purchasing and financial control policies.

16.17 Mathematical Errors – Rectified by Staff

- 16.17.1** All call documents shall include a statement indicating that where there is a discrepancy between the total price and the unit price, the unit price shall prevail.
- 16.17.2** During the bid evaluation process, where any discrepancy exists between the total price and the unit price, the unit price shall prevail, and the total bid price shall be adjusted accordingly.
- 16.17.3** The Department Head will correct errors in mathematical extensions and/or taxes, and the unit price will govern. If, based on the corrected total the required bid deposit is insufficient, the Bidder shall be notified and will be given two business days to rectify the issue or the bid will be automatically rejected.

16.18 All Bids Received are Over Budget

- 16.18.1** At such time that a Bid closes, the competition is over.
- 16.18.2** If a project is over-budget, the scope of the project will be reviewed and a report prepared for Council’s consideration.
- 16.18.3** If a complete re-Bid is not financially viable or the project is required immediately, as determined by the Department Head and CAO, the following two procedures are acceptable:
- a.** negotiate with the lowest bidder as directed by Council; or



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- 16.18.4**
- b.** re-Bid as directed by Council.
- Acquisition by negotiation may be adopted if any of the following conditions apply:
- a.** goods and services are in short supply due to market conditions;
 - b.** the source of the supply is restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to any of the following:
 - components or replacement parts for which there is not a suitable substitute;
 - compatibility with an existing product; or
 - specific standards have been adopted by Council;
 - c.** two or more identical bids have been received;
 - d.** all responsive bids meeting the specifications and the terms and conditions exceed the approved budget for the goods and services and it is impractical to re-bid;
 - e.** all bids received are found to not meet the specifications or terms and conditions and it is impractical to re-bid;
 - f.** there is documented evidence that the extension or reinstatement of an existing contract would be most cost-effective or beneficial to the Township of Algonquin Highlands;
 - g.** work is required at a location where a contractor has already been secured through a bid process, with established unit prices and it is considered to be beneficial and cost effective to extend the unit prices for the work to be completed; or
 - h.** when the requirements have been bid twice and no responsive bids have been received.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

16.19 Return of Bid Deposit Cheques

- 16.19.1** Immediately following Bid opening, all Bid deposit cheques (other than that of the lowest Bidder) shall be returned to the applicable Bidders by courier, registered mail, or pick-up by the Bidder. In the case of a pick-up, the person picking up the Bid deposit shall execute a receipt.
- 16.19.2** Upon receipt of the executed Contract (and all other required documents, such as bonds etc.) in a format acceptable to the Township, the deposit cheque of the Supplier shall be returned by courier, registered mail or pick-up and signed for by the Bidders.

16.20 Deposit Cheque Not to be Cashed

The Bidder deposit cheques that are retained, shall not be cashed unless the deposit is forfeited as set out herein.

16.21 Cancellation of Bid Solicitation

The Department Head may cancel a Bid solicitation at any time. If cancelled, the Department Head shall ensure that the confidentiality of any bid submitted is maintained in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

17.0 Evaluation and Selection Procedures:

17.1 Evaluation Process Disclosure



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- 17.1.1** Competitive procurement documents must fully disclose the evaluation methodology and the process to be used in accessing the submissions, including the method of resolving tie scores.
- 17.1.2** Competitive procurement documents must state that submissions that do not meet the mandatory criteria will be disqualified.

17.2 Evaluation Criteria

- 17.2.1** Evaluation criteria must be developed, reviewed and approved by an appropriate authority prior to commencement of the competitive procurement process.
- 17.2.2** All calls are to include clear specifications and evaluation criteria, terms and conditions that can be applied in a fair and consistent manner to all respondents.
- 17.2.3** Competitive procurement documents must clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including weight of each criterion if applicable.
- 17.2.4** Mandatory criteria (i.e. technical standards) should be kept to a minimum to ensure no bid is unnecessarily disqualified.
- 17.2.5** Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.
- 17.2.6** All criteria must be non-discriminatory.
- 17.2.7** The evaluation criteria are to be altered only by means of addendum to the competitive procurement process.
- 17.2.8** The Township of Algonquin Highlands may request suppliers to provide alternative strategies or solutions as a part of their submission. The Township must establish criteria to evaluate alternative strategies or solutions prior to commencement of the competitive procurement process. Alternative strategies or solutions must not be considered unless they are explicitly requested in the competitive procurement documents.
- 17.2.9** Staff and/or an Evaluation Committee (if established) will be responsible for evaluating all submissions.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

17.3 Winning Bid

The submission that receives the highest evaluation score and meets all the mandatory requirements set out in the competitive procurement document must be declared the winning bid.

17.4 Non-Discrimination

The Township of Algonquin Highlands must not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.

18.0 Dispute Resolution:

18.1 Bid Dispute Resolution

18.1.1 Competitive procurement documents must outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, reasonable and timely fashion.

18.1.2 Bid dispute resolution procedures must comply with bid protest or dispute resolution procedures set out in the application trade agreements.

18.2 Vendor Complaints

18.2.1 The Township of Algonquin Highlands is committed to the highest standards of integrity with respect to dealing with Vendor complaints. Complaints shall be handled with fairness and equity for all participants in a call.

18.2.2 All Vendor complaints with respect to a call, whether addressed to elected Officials or the administrative staff, are to be referred to the official point of contact for resolution.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

18.2.3 Objections to a recommendation for award must be in writing. The official point of contact shall review the objection and determine whether the objection is material.

18.2.4 Where the objection is determined not to be material, the making of the award shall proceed in accordance with this Procurement Policy.

18.2.5 Where the objection is determined to be material and cannot be resolved, the award shall be made by Council in accordance with this Procurement Policy. In such case, the official point of contact and the Township Official on whose behalf the call was made shall report to Council with respect to the recommendations for the award. The official point of contact shall inform the Vendor of their right to make a deputation before Council dealing with the award and shall advise the Vendor to contact the Clerk’s office for further information on the deputation process. Upon hearing the deputation and considering the staff report, Council will make a decision with respect to the award.

18.3 Vendor Performance

The Township of Algonquin Highlands shall maintain records of supplier performance on all contracts. The information shall be used to ensure contract compliance, to supplement a pre-qualification process or to justify an award other than the low bidder where it can be demonstrated that such records are part of the evaluation process and criteria.

19.0 Contract Management:

19.1 Executing the Contract

19.1.1 The agreement between the Township of Algonquin Highlands and the successful Vendor must be formally defined in a signed written contract before the provision of supplying goods or services commences.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

19.1.2 Where an immediate need exists for goods or services, and the Township and the Vendor are unable to finalize the contract as described above, an interim purchase requisition may be used. The justification of such decision must be documented and approved by the appropriate authority.

19.2 Establishing the Contract

19.2.1 The contract must be finalized using the form of agreement that was released with the procurement documents.

19.2.2 In circumstances where an alternative procurement strategy has been used (i.e. a form of agreement was not released with the procurement document), the agreement between the Township of Algonquin Highlands and the successful Vendor must be defined formally in a signed written contract before the provision of supplying goods or services commences.

19.3 Termination Clauses

19.3.1 All contracts must include appropriate cancellation or termination clauses. The Township of Algonquin Highlands should seek legal advice on the development of such clauses.

19.3.2 When conducting complex procurements, the Township should consider, as appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

19.4 Term of Agreement Modifications

19.4.1 The term of the agreement and any options to extend the agreement must be set out in the competitive procurement documents. An approval by an appropriate authority must be obtained before executing any modifications to the term of the agreement.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

19.4.2 Extending the term of agreement beyond that set out in the competitive procurement document amounts to non-competitive procurement where the extension affects the value and/or stated deliverables of procurement.

19.5 Contract Management

19.5.1 Procurements and the resulting contracts must be managed responsibly and effectively.

19.5.2 Payments must be made in accordance with the provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Any overpayments must be recovered in a timely manner.

19.5.3 Assignments must be properly documented. Supplier performance must be managed and documented, and any performance issues must be addressed.

19.5.4 To manage disputes with suppliers throughout the life of a contract, the Township of Algonquin Highlands should include a dispute resolution process in their contracts.

19.5.5 For services, the Township of Algonquin Highlands must:

- a.** establish clear terms of reference for the assignment. The terms should include objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements as well; and
- b.** ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

19.6 Action when Successful Bidder does not Finalize Contract

If a contract has been awarded and the successful Bidder fails to sign the Contract or fails to provide any required documentation (i.e. bonds) within the specified time, the Department Head may grant additional time to fulfill



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

the necessary requirements or may recommend that either:

- a.** the Contract be awarded to the next lowest Bidder; or
- b.** the Contract is cancelled.

In either case, the deposit of the originally awarded Bidder is forfeited to the Township of Algonquin Highlands.

19.7 Guarantees of Contract Execution and Performance

19.7.1 The Department Head may require that a bid be accompanied by a Bid Deposit or other similar security to guarantee entry into a contract.

19.7.2 In addition, the successful supplier may be required to provide a Performance Bond to guarantee the faithful performance of the contract and a Payment Bond to guarantee the payment for labour and materials to be supplied in connection with the contract.

19.7.3 The Department Head shall select the appropriate means to guarantee execution and performance of the contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments, and holdbacks.

19.7.4 At the discretion of the Department Head, prior to the commencement of work or supply of goods, evidence of liability insurance coverage may be obtained ensuring indemnification of the Township of Algonquin Highlands from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the contract. When evidence of Liability Insurance coverage is obtained, it shall satisfy the requirements of the Treasurer.

19.7.5 Prior to payment to a supplier, an Independent Operators Status or Certificate of Clearance from the Workplace Safety and Insurance Board shall be required by the Department Head, ensuring all premiums or levies have been paid to the Board to date.

19.7.6 The Department Head shall ensure that the guarantee means selected will:



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- a. not be excessive but sufficient to cover financial risks to the Township of Algonquin Highlands; and
- b. provide flexibility in applying leverage on a supplier so that the penalty is proportional to the deficiencies, and comply with Provincial Statutes and Regulations.

19.7.7 Financial security for contract performance shall only be required where the Township will be exposed to costs if the contractor does not complete the requirements of the contract.

19.7.8 The Treasurer may release the holdback funds on construction contracts upon:

- a. the contractor submitting the Statutory Declaration that all accounts have been paid and that all documents have been received for all damage claims;
- b. receipt of clearance from Workplace Safety and Insurance Board for any arrears of Workplace Safety and Insurance Board assessment;
- c. all the requirements of the Construction Liens Act have been satisfied;
- d. where applicable, staff may conduct a title search without the assistance of the Township solicitor to ensure that liens have not been registered; and
- e. certification from the Department Head, under whom the work has been performed, that the conditions of the contract have been satisfied.

19.8 Contractual Agreement

19.8.1 The award of contract may be made by way of a Formal Agreement or supplier invoice.

19.8.2 A Formal Agreement is to be used when the resulting contract is complex and will contain terms and conditions other than the Township of Algonquin Highland’s standard terms and conditions.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

19.8.3 It shall be the responsibility of the Department Head and/or the Township solicitor, to determine if it is in the best interest of the Township to establish a Formal Agreement with a supplier.

19.8.4 Where a Formal Agreement is required, it may be reviewed and approved for execution by the Township solicitor.

19.8.5 Where a Formal Agreement is required, as a result of the award of contract by delegated authority, the Department Head shall execute the agreement in the name of the Township of Algonquin Highlands per the PAAL schedule.

19.9 Execution and Custody of Documents

19.9.1 Department Heads are authorized to execute Formal Agreements in the name of the Township for which the award was made by delegated authority.

19.9.2 Department Heads shall be responsible for the safeguarding of original purchasing and contract documentation, for the contracting of goods, services or construction, for which the award is made by delegated authority.

19.10 Cooperative Purchasing

19.11.1 The Township of Algonquin Highlands may participate with other government agencies or public authorities in Cooperative Purchasing, where it is in the best interest of the Township to do so.

19.11.2 The procurement policies of the Township or government agencies or public authorities calling the cooperative tender are to be in the accepted policies for that particular tender.

19.11 Supplier Performance

19.12.1 The Department Head shall document evidence and advise the CAO and Treasurer, in writing, where the performance of



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for health and safety violations.

- 19.12.2** The CAO may, in consultation with the Department Head and the Township solicitor, prohibit an unsatisfactory supplier from bidding on future contracts.

19.12 Receipt of Goods

- 19.13.1** The Department Head or designate, shall arrange for the prompt inspection of goods on receipt to confirm conformance with the terms of the contract and inform the CAO of discrepancies immediately.

- 19.13.2** The Department Head shall coordinate an appropriate course of action with the CAO for any non-performance or discrepancies.

19.13 Access to Information

The disclosure of information received relevant to the issue of bid solicitations or the award of contracts emanating from bid solicitations, shall be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

20.0 Reporting Procedures:

- 20.1** A report to Council is not required when:
- a.** the value of the goods and services is \$100,000.00 or less;
 - b.** the procedures defined by this Policy have been followed;
 - c.** the acquisition is within the approved departmental net budget amount; and
 - d.** the Lowest Responsive Bid is being recommended.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- 20.2** A report to Council requesting approval is required where:
- a.** Sole source or single source procurement is recommended;
 - b.** the Procurement Policy is being waived;
 - c.** the acquisition exceeds the approved budget estimates;
 - d.** the Lowest Responsive Bid submission is not being recommended;
 - e.** there was no provision in the budget for the item;
 - f.** the CAO requests that a report be presented for Council consideration and approval;
 - g.** based on the above criteria, a contract is to be executed by the Mayor or the Clerk in accordance to the reporting guidelines in this Policy;
 - h.** an extension of an existing contract exceeds twenty percent (20%) of the original contract value; or
 - i.** the value of the goods and services purchased in an Emergency exceeds \$10,000.00 and an information report is being submitted to Council explaining the actions and the reason(s) therefore.
- 20.3** Notwithstanding the requirements of this section:
- a.** in case of pending litigation or other situations where it is deemed necessary;
 - b.** the CAO may request a report to Council under any circumstances; or
 - c.** Department Heads shall submit a report to Council identifying all bids issued and awarded.
- 20.4** All contracts will be held by the Clerk, in a central location, with copies being sent to the issuing department. The Department shall coordinate with the Clerk to ensure executed contracts are forwarded to the supplier.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix A: Procurement Approval Authority Level Schedule

The following are authorized procedures for the procurement of goods, services and construction:

1. Good and Services (excluding Consulting Services)

\$100.00 or Less

- Approved by Department Head or designate.
- Non-Competitive type of procurement.
- No notification required.
- Direct purchase or by petty cash funds.
- No report required.

\$5,000.00 or Less (for Capital Asset Purchases)

- Approved by Department Head or designate.
- Non-Competitive type of procurement.
- No notification required.
- Direct purchase.
- No report required.

\$5,000.00 to \$10,000.00 (for Capital Asset Purchases)

- Approved by Department Head or designate.
- Competitive Request for Quotation required.
- Advertised on website and/or by Direct Invitation.
- Direct purchase.
- No report required.

\$10,000.00 or Less

- Approved by Department Head or designate.
- Non-Competitive type of procurement.
- No notification required.
- Direct purchase or by credit or purchase card.
- No report required.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

\$10,000.01 to \$25,000.00

- Approved by Department Head or designate.
- Competitive Request for Quotation required.
- Advertised in accordance with Policy.
- Direct purchase.
- No report required.

\$25,000.01 to \$100,000.00

- Approved by CAO.
- Competitive Request for Tender or Proposal required.
- Advertised on website and by Direct Invitation.
- Executed Contract or Agreement required.
- No report required.

\$100,000.01 or More

- Approved by Council.
- Competitive Request for Tender or Proposal.
- Advertised on website.
- Executed by Contract or Agreement.
- Report to Council required.

Sale of Surplus Goods

- Approved by Department Head and/or CAO.
- Non-competitive type of procurement.
- No notification required but advertised on an online classified site.
- Report to Council required for surplus over \$5,000.00.

2. Sole and Single Source Purchases

Over \$25,000.00

- Approved by Department Head and CAO.
- Non-Competitive type of procurement.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- No notification required.
- Direct purchase.
- Report to Council required for purchases over \$25,000.00.

3. Irregular Results and Contract Renewal

Over \$25,000.00

- Approved by Department Head and CAO.
- Non-Competitive type of procurement.
- Direct purchase and/or executed contract or agreement.
- Report to Council required for purchases over \$25,000.00.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix B: Exempt Goods and Services

1. Petty Cash Purchases
2. Training and Education Courses including:
 - conferences and conventions;
 - courses and seminars;
 - memberships;
 - periodicals, magazines, subscriptions and books;
 - staff training and development and workshops.
3. Employee and Council Expenses including:
 - advances;
 - meal allowances;
 - travel expenses;
 - hotel accommodations;
 - entertainment;
 - miscellaneous – non-travel.
4. Employer's General Expenses including:
 - payroll deduction remittances;
 - employee benefit payments and premiums;
 - licences (vehicles, elevators, radios etc.)
 - debenture payments;
 - grants to agencies;
 - insurance claim payments;
 - real estate costs;
 - courier and freight;
 - licenses;
 - payments of damages;
 - tax remittances;
 - charges to/from other government or crown Corporations;



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- employment income;
- petty cash replenishments;
- sinking fund payments;
- building lease payments;
- general IT manufacturer’s warranty arrangements;
- charges to and from area municipalities in association with legal agreements.

5. Professional and Special Services including:

- committee fees;
- temporary help;
- banking and underwriting services where covered by agreements;
- honoraria;
- arbitrators;
- legal settlements;
- Workers’ Compensation payments;
- legal services;
- audit services;
- benefit agent.

6. Utilities including:

- postage;
- water and sewer charges;
- hydro;
- heat;
- telephone and internet.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix C: Request for Tender Process

1. Limit for Tenders

Tenders will be called for all work, equipment, and materials with a value exceeding \$25,000.00 by way of public advertising or invitational bid, as outlined in this Purchasing Policy.

2. Information Required

The following information must be included in the proposal:

- description of work;
- requested closing date – which is a minimum of fifteen (15) calendar days after the date of issue as per inter-provincial trade agreements. However, an RFT may be closed in a shorter or longer period of time depending on the urgency or complexity of the project.

3. Advertising

- 3.1** The Department Head will advertise and distribute tenders.
- 3.2** All RFT's must be advertised on the Township of Algonquin Highland's website and in a local, regional, and/or construction newspaper and/or electronically on tender host websites.
- 3.3** In some instances, the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes the screening of potential suppliers in which such factors as financial capability, reputation, qualified staff and equipment management, and product quality are considered. After evaluation of responses, only those Vendors who are pre-qualified are allowed to submit tenders.
- 3.4** Where possible, at least fifteen (15) days' notice shall be given between the date of advertisement/notice and the closing time of the tender, in accordance with the Ontario/Quebec Trade Agreement if applicable. However, a tender may be closed in a shorter or longer period of time depending on the urgency or complexity of item(s) being tendered.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- 3.5** Advertisements must include the following information (if applicable): site meeting time, date, location, contact names for purchasing inquiries, document fee (if applicable), and location for pick-up and drop-off of bid documents.

4. Submissions

All tender submissions must be addressed to the Department Head or designate as outlined in the tender document, care of the Township of Algonquin Highlands, and sealed in an envelope.

5. Privilege Clause

All tender documents shall contain the following statement – “the lowest or any Tender will not necessarily be accepted and the Township of Algonquin Highlands reserves the right to award any portion of this tender”, or words to this effect.

6. Bond Agreement

Where a performance and/or maintenance bond and/or labour and material payment bond is required, the tender document must contain an “Agreement to Bond”, to be executed by the Bidder and returned with the Bid.

7. Bid Surety Requirements

- 7.1** Bid deposits and Bid bonds are guarantees that a Bidder will enter into a contract with the Township.
- 7.2** Where deemed necessary by the Department Head, or where labour for services and material are involved, a Bid deposit or Bid Bond is required in an amount equal to ten percent (10%) of the tender price.
- 7.3** Bid deposits must be cash, certified cheque, bank draft, money order, irrevocable Letter of Credit or Bid Bond.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- 7.4** Any bid received without the required Bid deposit or Bid Bond shall be disqualified.

8. Performance and Maintenance Bonds

- 8.1** Performance Bonds guarantee performance of the terms of the contract. This bond protects the Township of Algonquin Highlands from financial loss should the Vendor fail to perform the Contract in accordance with its terms and conditions. Maintenance bonds provide upkeep of a project for a specified period of time after the project is completed. This bond guarantees against defective workmanship or materials.
- 8.2** Where deemed necessary by the Department Head, or where the Township could experience significant financial loss should a Vendor's failure to perform the Contract within the terms and conditions of the Contract, a performance bond is required.
- 8.3** Where deemed necessary by the Department Head, or where the Township could experience significant financial loss or other harm as a result of defective workmanship or materials, a maintenance bond is required.
- 8.4** Performance and/or maintenance bonds must be in the amount of fifty percent (50%) of the Contract price for contracts up to one hundred thousand dollars (\$100,000.00). Where the Contract price exceeds one hundred thousand dollars (\$100,000.00), the performance and/or maintenance bond must be in the amount of one hundred percent (100%) of the Contract price.

9. Labour and Material Payment Bonds

- 9.1** Labour and material payment bonds are guarantees that the Vendor will make payment for obligations under the Contract for subcontractors, labourers, and material suppliers associated with the project.
- 9.2** Where deemed necessary by the Department Head, or where the Township of Algonquin Highlands could experience significant financial loss should a Vendor fail to pay its obligations under the Contract for



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

subcontractors, labourers, and material suppliers associated with the Contract, a labour or material payment bond shall be required.

- 9.3** Labour and Material Payment Bonds shall be in the amount of fifty percent (50%) of the Total Award Price, up to one hundred thousand dollars (\$100,000.00) and one hundred percent (100%) of the Total Award Price over one hundred thousand dollars (\$100,000.00).

10. Insurance

Where deemed necessary by the Department Head, or where the Township of Algonquin Highlands could experience significant financial loss, the Tender shall require that an insurance certificate be provided. The insurance certificate must be a minimum of five million dollars (\$5,000,000.00) for liability, bodily injury and property, unless alternatively stated in the tender documentation. The Policy will require that the Township of Algonquin Highlands be added as an additional named insured (for the project in question) and that the Township be notified in advance in the event the insurance policy is cancelled or changed in any manner.

11. Occupational Health and Safety

All tender document forms and contracts shall be in compliance with the Occupational Health and Safety Act.

12. Workplace Safety and Insurance Board Certificate (WSIB)

All tender document forms and contracts involving a labour component shall require a WSIB Certificate of Clearance from the Vendor.

13. Council Approval

- 13.1** RFT's that are not to be awarded to the Lowest Responsive Bidder or with an anticipated value over one hundred thousand dollars (\$100,000.00) requires the submission of a report from the Department Head for Council's consideration and approval prior to the award. Following



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Council's approval, a contract or agreement must be executed by the Mayor and the Clerk and/or designate.

13.2 Once an award is made by Council, the report recommending the award shall be a matter of public record.

13.3 RFT results, if requested, shall be made public by the Department Head.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix D: Request for Proposal Process

1. Limits

Proposals will be called for all work, equipment, and materials with a value exceeding \$25,000.00 by way of public advertising or invitational bid, as outlined in this Purchasing Policy.

2. Information Required

The following information must be included in the proposal:

- description of work;
- requested closing date – a minimum of fifteen (15) calendar days after the date of issue as per inter-provincial trade agreements. However, an RFP may be closed in a shorter or longer period of time depending on the urgency or complexity of the project; and
- site visit date(s) or information session date(s).

3. Advertising

- 3.1** The Department Head or designate will advertise and distribute RFP packages.
- 3.2** All RFP's must be advertised on the Township website and in a local, regional, and/or construction newspaper and/or electronically on tender host websites.
- 3.3** Advertisements must include the following information (if applicable):
 - site meeting time, date and location;
 - contact's name for purchasing inquiries;
 - document fee (if applicable); and
 - location for pick-up and drop-off of bid documents.

4. Submission Receipt



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- 4.1** Proposal envelopes shall be time and date stamped and initialed by the person receiving the Proposal, and placed in a secure location until the proposal opening.
- 4.2** The Township of Algonquin Highlands will refuse to accept any submission that is:
 - not sealed;
 - received after the closing deadline; or
 - submitted after an RFP has been cancelled.

5. Withdrawal of Proposal

- 5.1** Requests for withdrawal of an RFP shall be allowed if the request is made before the closing time for the contract to which it applies.
- 5.2** Requests must be directed to the Department Head by letter or in person by a senior Official of the company, with a signed withdrawal confirming the details. Telephone requests will not be considered.
- 5.3** The withdrawal of an RFP does not disqualify a bidder from submitting another RFP on the same contract.

6. Evaluation Committee

- 6.1** An evaluation committee may be established for proposal calls.
- 6.2** It shall be comprised of departmental staff member(s) with the relevant experience to evaluate submissions.
- 6.3** The size of the committee shall be reflective of the complexity and dollar value of the assignment and can be comprised of less than two members.
- 6.4** Staff representatives from operational and support units shall be included on the committee where appropriate, especially for complex or high profile projects and those having corporate-wide implications.
- 6.5** Evaluation Committee members must be made aware of the restrictions related to utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process and refrain from engaging in activities that may create or appear to create a conflict of interest.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

7. Evaluation Process

- 7.1** Proposals received shall be evaluated on the basis of quantitative and qualitative criteria.
- 7.2** The successful RFP is the proponent that achieves the highest average overall score based on the combined evaluations of those participating in the evaluation.

8. Evaluation Matrix

- 8.1** Persons involved in the evaluation process must complete an evaluation matrix, rating each of the submissions.
- 8.2** Evaluators must ensure that everything they say or write about submissions is fair, actual and fully defensible.

9. Council Approval

- 9.1** RFP's with an anticipated value over one hundred thousand dollars (\$100,000.00) require a report from the Department Head to Council for consideration and approval prior to the award. Following Council's approval, a contract or agreement must be executed by the Mayor and Clerk and/or designate.
- 9.2** The report recommending an award shall be a matter of public record.
- 9.3** The name of the successful bidder, if requested, shall be made available by the Department Head.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix E: Minimum Standards for Engaging Consultants

The following are minimum procedures that apply to the engaging of consultants through Requests for Proposals.

1. Consulting Services \$10,000.01 or More

Consulting services with an estimated value of greater than ten thousand dollars (\$10,000.00) shall be secured through a competitive Request for Proposal (RFP) process as follows:

- 1.1** The Department Head of the requisitioning department will prepare a written RFP in consultation with the CAO.
- 1.2** All RFP's for consulting services must be advertised on the Township website and in local, regional, and/or construction newspapers, electronically on tender host websites or sent to qualified firms.
- 1.3** Proposals must be submitted in a sealed envelope clearly marked as to contents.
- 1.4** Each sealed envelope containing a proposal shall be dated, time stamped and initialed by the person receiving the proposal.
- 1.5** Where possible, at least fifteen (15) days' notice shall be given between the date of the advertisement/notice and the closing date of the RFP.
- 1.6** Following receipt of the proposals, the Department Head, in consultation with other staff as necessary, will prepare a formal analysis of the proposals received in a report accompanied by a recommendation. The report will be forwarded to the CAO for approval.

2. Information Required on Request for Proposal

All RFP's shall include:

- a description of the service required;
- the date and time by which proposals are to be submitted;
- the manner (location etc.) for submission of proposals;
- the name, address, phone number and email address of a contact person from the initiating department; and



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- a description of how the Township of Algonquin Highlands will evaluate the proposals, to include as a minimum:
 - the experience of the firm doing similar projects;
 - the experience of the firm in the Township;
 - the qualifications of the personnel assigned the work;
 - the approach to the work and methodology;
 - the commitment of the firm’s resources to the work; and
 - the total fees, upset limits, Per Diems or hourly fees and disbursements.

3. Request for Proposal for Services of a Confidential Nature

Council may issue private Request for Proposals through the CAO and receive any resulting reports in Closed Session for services of a confidential nature.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix F: Bid Irregularities

The following is a listing of bid irregularities and the corresponding action to be taken by the Township of Algonquin Highlands:

1. **Late Bids** – automatic rejection.
2. **Unsealed tender envelopes** – automatic rejection.
3. **Execution of Agreement to Bind – bond company corporate seal or equivalent proof of authority to bind company or signature missing** – automatic rejection.
4. **Execution to Agreement to Bind – surety company not operating in the province of Ontario** – automatic rejection.
5. **Execution of Bid Bonds – corporate seal or equivalent proof of authority to bind company or signature of the bidder or both missing** – automatic rejection.
6. **Execution of Bid Bonds – corporate seal or equivalent proof of authority to bind company or signature of the binding company is missing** – automatic rejection.
7. **Other Bid Security – uncertified cheque** – automatic rejection.
8. **Other Bid Security – cheques drawn on other than approved Bank** – automatic rejection.
9. **Response not labelled properly** – acceptable if received in time.
10. **Qualified Response – response qualified or restricted by an attached statement** – acceptable unless otherwise specified in request.
11. **Response received on documents other than those provided in request** – automatic rejection, unless the matter is deemed to be trivial or insignificant by the official point of contact.
12. **Corporate seal missing or inappropriate on bid documents** – other proof of authority to bind offering entity is acceptable.
13. **Insufficient financial security (i.e. no deposit or bid bond or insufficient deposit)** – where security is required and amount is not specified in request, automatic rejection unless insufficiency is trivial or insignificant. Where security is required and amount is specified in request – automatic rejection.



Policies and Procedures Manual

Purchasing Policy

Schedule "A" to By-Law No. 2021 - 91

- 14. Part Bids (all items not bid), response not complete** – automatic rejection, unless deemed to be trivial or insignificant or specifically permitted within the bid document.
- 15. Bids containing minor clerical errors** – two (2) business days to correct initial errors. Township reserves the right to waive initiating and accept bid.
- 16. Un-initialed changes to the request documents which are minor (i.e. the bidder's address is amended by overwriting but not initialed)** – two (2) business days to correct initial errors. Township reserves the right to waive initiating and accept bid.
- 17. Unit prices in the schedule of prices have been changed by not initialed** - two (2) business days to correct initial errors. Township reserves the right to waive initiating and accept bid.
- 18. Other mathematical errors which are not consistent with the unit price** – two (2) business days to initial corrections as made by the Township.
- 19. Alternate items bid in whole or in part** – available for further consideration unless specified otherwise in request.
- 20. Papers are missing** - two (2) business days to correct initial errors. Township reserves the right to waive the extra pages and accept bid or reject outright.
- 21. Bid documents which suggest that the bidder has made a major mistake in calculations or bid** – consultation with solicitor on a case by case basis and report to Council.
- 22. Other Irregularities** – the CAO and the Department Head shall have the authority to waive the irregularities, which are considered to be trivial or insignificant in nature.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix G: Goals of Procurement Processes

It is the goal of the Township of Algonquin Highlands to implement all procurement processes:

- Effectively
- Objectively
- Fairly
- Openly
- Transparently
- Efficiently
- With Accountability

The goals for the various types of procurement under the competitive process which seeks multiple bids and proposals are as follows:

Request for Proposal (RFP)

- To provide a process to obtain unique proposals designed to meet broad outcomes to as complex problem or need for which there is no clear or single solution.
- To select the proposal that earns the highest score and meets the requirements specified in the competition, based on qualitative, technical and pricing considerations.

Request for Tender (RFT)

- To obtain competitive bids based on precisely defined requirements for which a clear or single solution exists.
- To accept the lowest bid meeting the requirements as specified in the competition.

Request for Quotation (RFQ)

- To obtain competitive bids based on precisely defined requirements for which a clear or single solution exists.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- Similar process to RFT, except that bid solicitation is done primarily on an invitational basis from a pre-determined bidders list but may be supplemented with public advertising of the procurement opportunity.
- To accept the lowest bid meeting the requirements as specified in the competition.

Informal Request for Quotation (IRFQ)

- To obtain competitive pricing for a one-time procurement project in an expeditious and cost effective manner through phone, fax, email, other similar communications method, Vendor advertisements or Vendor catalogues.

The goals for the various types of procurement under the non-competitive process which seeks multiple bids and proposals are as follows:

- To allow for procurement in an efficient and timely manner without seeking competitive pricing.
- To provide for exception to the procurement requirements of interprovincial trade agreements.
- To provide for any additional exceptions stipulated in the Township of Algonquin Highland’s or local board/committee’s by-law, resolution or policies, providing that they are not in contravention of the interprovincial trade agreements.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix H: Descriptive Features of Procurement Methods

The following outlines the key features of each type of procurement process:

Request for Proposal

- Always requires sealed bids or sealed proposals.
- Often requires the issuance of a Request for Information or a Request for Expressions of Interest/Pre-Qualification prior to or in conjunction with a call for bids or proposals.
- Call for Bids will always be advertised on the Township website.
- A formal process used to pre-qualify bidders/proponents.
- Seeks bids or proposals from known bidders/proponents.
- Involves a two-envelope or similar multi-stage approach.

Request for Tender

- Always requires sealed bids or sealed proposals.
- Often requires the issuance of a Request for Information or a Request for Expressions of Interest/Pre-Qualification prior to or in conjunction with a call for bids or proposals.
- Call for Bids will always be advertised on the Township website.
- A formal process used to pre-qualify bidders/proponents.
- Seeks bids or proposals from known bidders/proponents.

Request for Quotation

- Sometimes requires sealed bids or sealed proposals.
- May require the issuance of a Request for Information or a Request for Expressions of Interest/Pre-Qualification prior to or in conjunction with a call for bids or proposals.
- Call for Bids may be advertised on the Township website.
- Seeks bids or proposals from known bidders/proponents.

Informal Request for Quotation and Non-Competitive Procurement

- Seeks bids or proposals from known bidders/proponents



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix I: Circumstances of Use of Procurement Methods

The following outlines the key situations for use of each type of procurement process:

Request for Proposal

- For low to high dollar value procurement.
- During evaluation, price is the primary factor and is not negotiated.
- Bids or proposals are opened and announced at a public meeting (excluding proprietary information).
- A legal agreement or contract is executed between the Township and the Vendor/Supplier.

Request for Tender

- For medium to high dollar value procurement.
- A clear or single solution is sought and precisely defines the technical requirements for evaluating bids or proposals.
- During evaluation, price is the primary factor and is not negotiated.
- Bids or proposals are opened and announced at a public meeting (excluding proprietary information).
- A legal agreement or contract is executed between the Township and the Vendor/Supplier.

Request for Quotation

- For low to medium dollar value procurement.
- A clear or single solution is sought and precisely defines the technical requirements for evaluating bids or proposals.
- During evaluation, price is the primary factor and is not negotiated.
- Bids or proposals are opened and announced at a public meeting (excluding proprietary information).
- A legal agreement or contract is executed between the Township and the Vendor/Supplier.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Informal Request for Quotation and Non-Competitive Procurement

- Any dollar value, subject to proper authorization and to requirements of the interprovincial trade agreements.
- A clear or single solution is sought and precisely defines the technical requirements for evaluating bids or proposals.
- Procurement is completed by direct purchase via cash, credit or purchase card, a legal agreement or contract.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix J: Interprovincial Trade Agreement Requirements

1. Dollar Thresholds

1.1 The Agreement on the Opening of Public Procurement for Ontario and Quebec and the Agreement on Internal Trade are interprovincial trade agreements, which under their terms, apply when MASH Entities (municipalities, municipal organizations, school boards and publicly-funded academic, health and social service entities) engage in:

- goods and services procurement with an estimated value of \$100,000.00 or more;
- construction procurement with an estimated value of \$100,000.00 or more (under the Agreement on the Opening of Public Procurement for Ontario and Quebec); or
- construction procurement with an estimated value of \$250,000.00 or more (under MASH Annex to the Agreement on Internal Trade).

1.2 “MASH Entities” is a defined term in the agreements and include municipalities and municipal organizations. Under the agreements, for procurements at or above threshold levels, MASH Entities are not to discriminate in their procurement practices against suppliers based on suppliers’ geographic location. For procurement below these thresholds, the agreements require MASH Entities to respect the spirit and intent of the agreements.

2. Advertising Requirements

2.1 The agreements require MASH Entities to advertise procurement opportunities valued at or above the set threshold levels.

2.2 Under the agreements, procurement opportunities must be advertised for a minimum of fifteen (15) calendar days, irrespective of the advertising method used.

2.3 The agreements require that the tender notices state that the procurement is subject to MASH Annex.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

3. Exceptions

3.1 A procurement may be excluded from all or part of the agreements in the following cases:

- emergency, protection and security concerns;
- special financing arrangements;
- interprovincial and geographic limitations;
- warranties, guarantees, exclusive rights and lease arrangements;
- sole suppliers and licenced professionals; and
- public agencies, special interest groups and aboriginal peoples.

3.2 The agreements provide for a number of exceptions to their application under special circumstances. For example:

- if guarantees on previous work require the use of a particular contractor, to ensure compatibility with existing products or to protect exclusive rights;
- if compliance with the open tendering provisions would interfere with the ability to maintain security or protect human, animal or plant life or health; or
- if goods and services are being purchased on behalf of a part not covered by the agreement.

4. Dispute Resolution between Suppliers and MASH Entities

4.1 The agreement require MASH Entities to have a clearly established and documented complain resolution process in place, and require a supplier to follow this protocol should a complaint arise with a MASH Entity.

4.2 Under the agreements, if a complaint cannot be resolved between a supplier and a MASH Entity, the supplier may ask its home province for assistance. If the home province determines that a complaint has merit or if there are recurring complaints against a particular MASH Entity, the supplier's home province may try to resolve the issue with the MASH



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Entity's home province. If no resolution is reached, a formal dispute resolution panel may be established to review the case. It is important to note that the dispute resolution procedures under the agreements are designed to deal only with interprovincial complaints (i.e. situations in which a supplier and a MASH Entity are located in different provinces.)



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Appendix K: Definitions and Interpretation Rules

Wherever a word is used in this Policy with its first letter capitalized, the term is being used as it is defined in this Section. Where any word appears in ordinary case, its regularly applied meaning in the English language is intended. Defined terms may be used throughout this policy in different grammatical contexts. For example, the noun “Disposal” is defined. If it appears in the verb form, “Dispose”, with its initial letter capitalized, the definition applies, with the appropriate amendment understood.

Accountability – the obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.

Agreement – a legal document that binds the Corporation of the Township of Algonquin Highlands and all other parties, subject to the provisions of the contract.

Agreement to Bond – a letter of form issued by a licensed bonding agency advising that, if the bidder is successful, the bonding agency will issue required bonds.

Acquisition – the process used for obtaining goods and services.

Annual Aggregate Value – the total amount anticipated to be spent annually by all departments on a particular type of good or service.

Approval – authorization to proceed with the acquisition/purchase of goods and services.

Approval Authority – the authority delegated by the Township to a person designated to occupy a position to approve on its behalf one or more procurement functions within the specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.

Award – the acceptance of a Bid or Proposal in accordance with this Policy.

Best Value – the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan.

Bid – a document (in the form of a Quotation, Tender or Proposal) received by the Township of Algonquin Highlands in response to a request.

Bidder – a Person who submits a Bid.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Bid Protest – a dispute raised against the methods employed or decisions made by a contracting authority in the administration of a proposal, tender, or quotation process.

Bid Request – a written request for bids or solicitation, which may be in the form of a Quotation, Request for Tender, or Request for Proposal.

Bonds – are Sureties to protect the Township of Algonquin Highlands against any financial loss as a result of non-compliance by a vendor. This shall, but may not be limited to, include Performance and Maintenance Bonds and Labour and Material Bonds.

Budget – an estimation of revenue and expenditures for a specified period of time which is approved annually by the Council of the Township of Algonquin Highlands.

Call – a solicitation from the Township of Algonquin Highlands to potential Vendors to submit a Bid or a Formal or Informal Quotation.

Change Order – a written order issued from the Township that changes the scope or specifications of any project.

Chief Administrative Officer – the Township of Algonquin Highlands employee with that title or designate appointed to act in that capacity. Herein referred to as the CAO.

Clerk – the Municipal Clerk for the Corporation of the Township of Algonquin Highlands.

Commodity – goods and/or services.

Competitive – an adjective describing a procurement process. The process is competitive whereby two or more persons act independently to try to secure the Township’s business by offering the most favourable terms and conditions.

Competitive Procurement – a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial and competitive bids.

Conflict of Interest – a situation in which private interests or personal considerations may affect an employee’s judgement in acting in the best interest of the Township of Algonquin Highlands. It includes using an employee’s position, confidential information



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

or corporate time, material, or facilities for private gain or advancement or the expectation of private gain or advancement.

Construction – the 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 civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

Consultant – the provider of a commodity who, by virtue of professional expertise or service is contracted by the Township of Algonquin Highlands to undertake a specific task or assignment. Examples include – a planner completing a specific society; an architect or engineer drawing plans for a particular building or project; a lawyer representing the Township on a particular legal matter; etc.

Consulting Services – the provision of expertise or strategic advice that is presented for consideration and decision-making.

Contract – a formal legal agreement, in writing, between two or more persons. In the context of this Policy, contracts are entered into for the acquisition of commodities for money or other consideration.

Corporate Signing Authority – the Mayor and CAO or other individuals designated by Council or this Policy.

Cost Effective Bid – a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selection process.

Council – the elected officials known as the Council of the Township of Algonquin Highlands.

Councillor - is any member of the Council.

Department – an administrative unit to the Township.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Department Head - is a Township employee with administrative responsibilities for a Department.

Designate – any Township employee authorized in writing by the Department Head or CAO to act in their stead.

Developer – a person developing a particular project with the Township.

Direct Acquisition/Purchase – the direct purchase of goods or services by the user or user department in accordance with the approval levels outlined in this Policy purchased without a formal or competitive process.

Direct Appointment – to hire a consultant based on qualifications and experience through a selection process.

Disposal – the sale, exchange, transfer, destruction or gift of goods owned by the Township which are no longer required for municipal purposes. In the case of real property, “disposal” includes a lease with a term of twenty-one years or more.

Emergency – in the context of this Policy; is a situation where the strict application of this Policy will result in danger or damage to persons or property, or serious delays or non-delivery of services. It may involve, for example, an imminent threat to public health, maintenance of essential services, or a risk of serious financial liability on the part of the Township of Algonquin Highlands arising from environmental conditions.

Evaluation Committee – a group of individuals designated/responsible to make award recommendation. The evaluation committee would typically include representatives from the Township and subject matter expert(s). Each member participates to provide business, legal, technical and financial input.

Evaluation Criteria – a benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.

Evaluation Matrix – a tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Execute – to legally bind the Corporation of the Township of Algonquin Highlands to the terms and conditions defined within the Agreement.

Follow-On Contract – is a contract awarded to the same contractor or subcontractor for the same item or services as a preceding contract.

Formal Quotation – where several potential vendors are approached to provide price quotations (fixed as to the total price or on a unit basis or both) for specific and defined commodities, to be submitted by way of sealed quotations on or before a specified date and time;

Goods and/or Services – includes supplies, equipment, property insurance, maintenance, professional and consulting services and service contracts not otherwise provided for.

Informal Quotation – price quotations where the staff approach several potential vendors (fixed as to the total price or on a unit basis or both) for specific and defined commodities, to be submitted in writing obtained by telephone, fax, email, in writing, or by any other method of communication.

Insurance Certificate – a certified document issued by an insurance company licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with the Township requirements.

Invitational Competitive Procurement – any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by the Township of Algonquin Highlands.

Irrevocable Letter of Credit – an irrevocable document on a financial institution’s standard form requesting that the party to whom it is addressed pay the bearer or a person named therein money as a result of a failure to perform or to fulfill all the covenants, undertakings, terms, conditions and agreements contained in the Contract.

Irregular Result – describes any one of the following occurrences after a Competitive Procurement Process;

- all responsible and responsive Bids, Quotations or Proposals exceed the Budget allocation;



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

- fewer than three (3) Bids, Quotations or Proposals are received;
- an Award of the Contract to, or the purchase from, the lowest responsible and responsive Bidder is considered inappropriate for any reason;
- the Commodity sought is available from only a single or sole source; or
- either or both of this Policy or any Procedure was not followed.

Lowest Responsive Bid – the lowest price submitted which meets the requirements and specifications as set out in the bid request, minor deviations excepted.

Mayor – the elected Head of the Township of Algonquin Highlands, and in his/her absence there shall be a designate.

Negotiation – the action or process of conferring with one or more vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this Policy.

Non-discrimination – fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment.

Offer – a promise or a proposal made by one party to another, intending the same to create a legal relationship upon the acceptance of the offer by the other party.

Opening Committee – refers to a least three individuals, which can include any combination of the following, along with the member of the department issuing the tender or RFP to be present:

- Elected Official
- CAO
- Department Head
- Clerk
- Treasurer

Open Market Procedure – obtaining price quotations from suppliers verbally or in writing.

Person – a person recognized as a legal entity by law. This is an individual or a corporate entity. Partnerships or unincorporated associations are recognized only as groups or Persons.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Piggy-Back – when a public agency uses an existing public contract to acquire the same commodities or services at the same or lower price from another public entity contract.

Policy – a matter that Council has adopted by by-law or that the local board has adopted by resolution.

Pre-Qualification – a process by which the Township ensures Vendors can meet all technical and financial responsibilities of contracts with the Township. External vendors of commodities are pre-approved and earn the right to submit Bids to the Township of Algonquin Highlands for specific commodities. Examples include; expertise and experience, previous performance, financial stability, personnel and a proven ability to complete projects within the Township’s Budget and on time.

Procedures – a sequence of steps or actions detailing expectations on how a Policy is to be implemented.

Procurement – acquisition of goods and services by any means, including purchase, rental, lease or conditional sale.

Procurement Process – the method of purchasing a commodity. There are several types of Procurement Processes referenced in this Policy which include:

- Direct Purchase
- Formal Quotation
- Informal Quotation
- Request for Proposals
- Tender

Purchase – the act of acquiring a commodity or service.

Purchasing Card – a charge card approved by the Township of Algonquin Highlands that can be used by authorized employees of the Township to purchase in accordance with this Policy. Primarily used for low-cost, non-inventory, non-capital items, such as office supplies. These are often set up to restrict use to specific purchases with pre-defined suppliers or stores, and offer central billings.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

Purchase Requisition – a Contract in a standardized form whereby the Township commits to a Vendor that it will purchase a commodity or service at an agreed upon price with applicable terms and conditions.

Quotation – an offer, both formal and informal, from a supplier to buy or sell goods and services to the Township.

Request – a formal Request for Expressions of Interest, Information, Pre-Qualification, and/or Proposal for Tender.

Request for Expressions of Interest – a general market research tool to determine vendor interest in a proposed procurement. It is used prior to issuing a call for bids or proposals and is not intended to result in the award of a contract.

Request for Information – a process by which information (such as specifications or availability) is sought from potential vendors about a commodity.

Request for Pre-Qualification – a procurement process used to pre-qualify vendors for subsequent participation in an invitational Request for Proposal. Responses from proponents are evaluated against selection criteria set out in the solicitation, and a short-list of pre-qualified proponents is created.

Request for Proposals – a written offer received from a supplier in response to an invitation to provide goods or services based on an approved format of the Township containing terms and conditions; the acceptance of which may be subject to further negotiation.

Request for Tender – a competitive procurement process for obtaining competitive bids based on precisely defined requirements for which a clear or single solutions exists.

Responsive and Responsible Vendor – one who complies with the provisions of the bid solicitation, including specifications, contractual terms and conditions, and who can responsibly be expected to provide satisfactory performance on the proposed contract based on reputation, references, performance on previous contracts, and adequate financial and other resources.

Segregation of Duties – a method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of power



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91

held by any one individual. It puts a barrier in place to prevent errors or fraud that maybe perpetrated by one individual.

Services – means intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they:

- cannot be stored or transported;
- are instantly perishable; and
- come to existence at the time they are bought and consumed.

Single Source – there is more than one source in the open market but for the reasons of function or service, one Vendor is recommended for consideration of the particular commodity. This denotes a purchase which is not competitive.

Sole Source – there is only one known source of supply of a particular commodity. This commodity could be copyrighted or trademarked, or simply not available for general purchase.

Standardize – to compare products or services with an established standard that conforms to the requirements of quality products or services that are regularly widely used, and available.

Supplier – the person to whom a purchase requisition is issued.

Supply Chain Activities – all activities whether directly or indirectly related to organizational plan, source, procure, move and pay processes.

Surety – a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit or any other form as deemed necessary and stated in any quotation, tender or proposal documents issued by the Township of Algonquin Highlands.

Tender – a written offer, in a specified form, received from a supplier in response to a public invitation to provide goods and services based on an approved format of the Township containing Terms and Conditions.

Township – means the Corporation of the Township of Algonquin Highlands.

Vendor – is a person from whom the Township purchases Commodities.



Policies and Procedures Manual

Purchasing Policy

Schedule “A” to By-Law No. 2021 - 91