

The Corporation of the Township of Stone Mills By-law Number 2019-1001

A By-Law to Define Procurement Policies and Procedures for The Corporation Of Township of Stone Mills and to Repeal By-Laws 2014-751 and the Disposal of Surplus Equipment Policy

WHEREAS the *Municipal Act* 2001, S.O., Section 270 requires all municipalities and local boards to adopt and maintain a policy concerning the procurement of goods and services.

AND WHEREAS the Corporation of Township of Stone Mills is committed to ensuring its procurement decisions are fair, open and transparent;

AND WHEREAS purchases made by Township of Stone Mills should reflect best value for the taxpayer, protect the Corporation's financial interests and encourage competitive bidding;

AND WHEREAS the Corporation of Township of Stone Mills must be prepared to manage extraordinary circumstances from time to time, and that such circumstances may require immediate procurement decisions that are necessary to prevent or alleviate serious delay, a threat to public health, safety or welfare, the disruption of essential services or damage to public property or to respond to any emergency of the Corporation or as required under the provincial *Emergency Management and Civil Protection Act* (as amended);

AND WHEREAS effective planning, monitoring and control of public sector procurement are essential for maintaining public trust and confidence;

AND WHEREAS it is deemed expedient that the Council of The Corporation of Township of Stone Mills repeal By-law 2014-751, and the Disposal of Surplus Equipment Policy.

NOW THEREFORE the Council of The Corporation of Township of Stone Mills read this by-law a first, second, third time and enact this by-law and attached schedule "A" effective this 9th day of December 2019.


Eric Smith, Reeve


Bryan Brooks, C.A.O/Clerk

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Section 2 - Purposes of This By-Law

The purposes of this By-law are:

To express the Township's goals and objectives in relation to its procurement of goods, services and construction;

To strengthen the Township's goals and objectives for accountable local government.

To describe the roles, responsibilities and authorities of the Township's employees, Chief Administrative Officer (CAO) and elected officials in carrying out the Township's procurement operations;

To extend authority to the CAO for the approval of detailed procurement procedures and protocols that are consistent with the intent of this By-law and, to supplement and amend those procedures and protocols as and when deemed necessary, to meet the present and future needs of the Township; and,

To comply with the requirements of Section 270(1) of the *Municipal Act*, S.O., 2001, as amended from time to time.

Section 3 - Procurement Goals and Objectives

The goals and objectives of the Township's procurement operations are:

To obtain the best value for the Township when procuring goods and service(s) and construction;

To encourage competitive procurement and ensure the principles of fairness, objectivity, transparency and accountability are reflected in the Township's procurement processes;

To offer a variety of purchasing methods, and to use the most appropriate method depending on the particular circumstances of the acquisition;

To support effective business planning such that goods, services and construction will only be acquired after consideration of need, alternatives, timing, the mitigation of and adaptation to the vulnerabilities that may be caused by climate change, and appropriate life-cycle management issues;

To adhere to the highest standards of ethical conduct and to avoid conflicts between the interests of the Township and those of the Township's employees, Chief Administrative Officer and elected officials;

To ensure alignment and compliance with the Municipal Act, all applicable trade agreements, laws and regulations;

To practice reciprocal non-discrimination and geographic neutrality with respect to Ontario's trading partners and avoid preferential treatment of local suppliers as per The Discriminatory Business Practices Act, R.S.O. 1990, c D12.

To avoid creating situations or relationships which may result in a continuous reliance on a particular supplier; and,

To encourage the procurement of goods, services and construction with

due regard to the preservation of the natural environment, and the promotion of human rights and fair labour practices.

Section 4 - Application of This By-Law

- 4.1 This By-law applies to all departments of the Township and Committees of Council;
- 4.2 This By-law may be adopted in principle and, at their own discretion, by affiliate boards and commissions of the Township;
- 4.3 This By-law applies to the procurement of all goods, service(s) or construction except for those items set out in Schedule "A". This By-law also applies to the disposal of the Township's personal property;
- 4.4 In addition to the items set out in Schedule "A", this By-law does not apply to the acquisition or disposal of real property. The disposal of real property is governed by the Policy and/or By-law in effect at the time of such disposition; and,
- 4.5 In addition to this By-law, the Township has procedures, protocols, templates and forms for use during the procurement cycle to assist Departments in achieving compliance with this By-law. All tools for engaging in procurement activity will be maintained and updated by the Finance Department as required and stored on the Township's shared network drive and where applicable the external website.

Section 5 - Definitions

In this By-law,

"Associate" means any partner of an employee or Council member; any trust or estate in which the employee has a substantial beneficial interest or as to which the employee serves as trustee or in a similar capacity for the Township; any relative of the employee; any body corporate of which the officer or employee beneficially owns, directly or indirectly, or exercises control or direction over, equity shares of the corporation carrying more than ten (10) percent of the voting rights attached to all equity shares of the corporation for the time being outstanding;

"Award" means authorization to proceed with the Purchase, sale or Disposal of Goods and/or Services from or to a chosen Supplier;

"Best value" means the best combination of price (total cost of ownership) technical merit and quality as determined in accordance with pre-defined evaluation criteria and may not be the lowest cost;

"Bid" means a submission in response to a solicitation document which is subject to acceptance or rejection by the Corporation;

"Bid Award Form" means the recommendation of an award of contract authorized by delegated procurement authorities which provides permission to advance to the next step in the process, the execution of a contract and/or the signing of an agreement.

"Bid Review Committee" means the committee established pursuant to Section 20 of this By-law;

"Bidder" means a supplier that submits a bid;

"Bid Solicitation" means a formal request for Bids including an Informal Request for Quotation or Proposal, Request for Quotation, Request for

Pre-Qualifications, Request for Tender, Request for Proposal, Negotiated Request for Proposal, or Request for Expression of Interest;

"Bidding System" means the Corporation of Township of Stone Mills' online web-based solution for issuing Bid Solicitations and/or receiving online Bids and posting results of Bid Solicitations;

"CETA" means the Comprehensive Economic and Trade Agreement, (Chapter Nineteen: Government Procurement) effective September 21, 2017 and as may be updated from time to time;

"CFTA" means the Canadian Free Trade Agreement set out for Government Procurement, (Chapter Five) effective July 1, 2017 and as may be updated from time to time;

"Chief Administrative Office" or "CAO" means the Chief Administrative Officer of the Township or designate, as defined by the Municipal Act;

"Clerk" as defined by the Municipal Act

"Competitive Process" means either an Open Competition or an Invitational Competition;

"Compliant Bid" means a Bid that meets the terms and conditions of the Bid Solicitation and this By-law;

"Construction" means the process of using labour to build, alter, repair, improve or demolish any structure, building or public improvement, and generally does not apply to routine maintenance, or operations of existing real property;

"Consulting Services" means the provision of expertise or strategic advice that is presented for consideration and decision-making, and includes services provided by architects, engineers, designers, surveyors, geo-technical consultants, planners and technology consultants;

"Contract" means a commitment by the Township for the procurement of goods, services or construction from a supplier, which may be evidenced by an agreement executed by the supplier and the Township or a purchase order issued to the supplier by a duly authorized employee of the Township, including revenue generating contracts;

"Contract Extension" means an amendment to a Contract which has the effect of increasing the value of the Contract in funds, increasing the scope of the work and/or extending the term of a Contract, where the terms of the Contract do not include the option for such amendment;

"Cooperative Purchasing" means a variety of arrangements whereby two or more public procurement entities combine their requirements in a single procurement process to obtain advantages of volume purchases from the same supplier(s) or contractor(s);

"Corporate Procurement Specialist" means the purchasing staff member of the Township within the Finance Department;

"Council" means the Council of the Township;

"Department" means a department of the Township;

"Department Manager" means Treasurer, Public Work Manager, Fire Chief, Manager of Planning/Deputy Clerk, Chief Building

Official/Properties Manager, or respective designates, who are responsible for a specific department;

“Designate” means a person authorized by the CAO or Department Manager to act on his/her behalf, for the purpose of this By-law;

“Discrete Work Assignments” means various, separate or individually distinct work assignments;

“Disposal” means an act through which the Township gives up title to personal property;

“Goods” means moveable property including services that are incidental to the provision of the moveable property, such as manufacturing, delivery, installation or maintenance, and any necessary raw materials, products, supplies, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a construction contract;

“Invitational Competition” means a competitive process in which an invitation to submit bids is issued to at least three suppliers;

“Low Cost Purchase” (LCP) means a purchase for goods, service(s) or construction, as per the thresholds stated in Schedule “B” of this By-law that are not covered by an existing supply arrangement, standing offer or qualified supplier roster or available through the Township’s existing materials inventory;

“Master Framework Agreement” means a master agreement entered into between the Township and pre-qualified suppliers that have been included on a Qualified Supplier Roster.

“Negotiation” means a purchasing method whereby the Corporation may negotiate directly with one or more Suppliers with the intent to award a Contract or extend an existing Contract;

“Non-Standard Procurement” means the acquisition of goods, services or construction through a process or method other than the process and method normally required for the type and value of the goods, services or construction, as identified and described under Schedule “C” of the Township’s Procurement By-law. Non-standard procurement processes include:

- A “Non-Competitive Procurement”, where the goods, services or construction are acquired directly from a particular supplier without conducting a competitive process when an Invitational Competition or an Open Competition would normally be required; or
- A “Limited Competition”, where bids are solicited from a limited number of suppliers when an Open Competition would normally be required.

“Open Competition” means the solicitation of bids through a publicly posted solicitation document;

“Personal Property” means tangible or intangible property owned by the Corporation, other than real property but includes movable property subject to ownership, with exchange value;

“Procurement” or “Purchasing” means the acquisition of goods, service(s) or construction by purchasing, renting or leasing;

“Procurement Value” means the total value of the goods, services or construction being procured, and must include all costs to the Township,

including, as applicable, acquisition, maintenance, replacement, disposal, training, delivery, installation and extension options, less applicable rebates or discounts and includes the unrecoverable portion of the HST;

“Purchase Order” means the Township’s written document issued by a duly authorized employee of the Township to a supplier formalizing all the terms and conditions of the purchase and supply of the goods, services or construction identified on the face of the Purchase Order. A purchase order is the simplest form of an agreement used to enter into a purchase;

“Credit Card” means a credit card provided by the Township to duly authorized employees of the Township for use as a payment method to purchase directly from suppliers where permitted under this By-law and in accordance with a written card holder agreement and applicable procedures.

“Revenue Contracts” means profit sharing contracts whereby the Township receives a portion of revenue sales or profits earned by a third party under contract with the Township;

“Qualified Supplier Roster” means a list of suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (RFSQ), and have been pre-qualified to perform discrete work assignments involving the delivery of a particular type of goods or services;

“Qualified Supplier Roster Competition” means an expedited, invitational competition between suppliers that have been included on a Qualified Supplier Roster for the selection of a supplier to perform a discrete work assignment during the term of the roster;

“Real Property” means land and its permanently affixed buildings or structures. Any property that is not personal property;

“Relative” means a parent, spouse, child, sister, brother, sister-in-law, brother-in-law, father-in-law, mother-in-law as well as step-relationships and half-relationships; this definition shall also include any other person(s) that are living with the employee on a full-time basis whom the employee has demonstrated a settled intention to treat as an immediate relative.

“Service” means the furnishing of labour, time or effort by a supplier, which may involve the delivery or supply of products incidental to the provision of the services, and includes consulting and non-consulting services;

“Signing Officer” means a person appointed through a by-law or resolution of Council to sign cheques and/or execute documents on behalf of the Township.

“Solicitation Document” means the document issued by the Township to solicit bids from bidders;

“Supplier” means a person carrying on the business of providing goods, services or construction;

“Standing Offer” means an Offer from a qualified, pre-approved supplier to the Township to supply goods and services, as requested, through the use of an ordering process during a particular period of time, at a predetermined price or discount, generally within a pre-defined dollar

limit;

“Treasurer” as defined by the Municipal Act.

Section 6 - Township’s Conduct and Conflicts of Interest

- 6.1 The Township’s procurement activities must be conducted with integrity so as to maintain the public’s trust. All procurement activities undertaken by the Township must be conducted in accordance with:
- 6.1.1 the Township’s Employee Code of Conduct, as applicable;
 - 6.1.2 the Statement of Ethics for Public Purchasers in Schedule “D” of this By-law; and
 - 6.1.3 Schedule “F” – Conflict of Interest
 - 6.1.4 the *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M.50, as applicable.
- 6.2 All participants in a procurement process, including any external consultants or other service providers acting on the Township’s behalf, must declare any perceived, possible or actual conflicts of interest.
- 6.3 No purchase will be processed for personal items of direct benefit to employees of the Township or any member of Council except where permitted by policy, or under the auspices of a Township-sponsored employee program or with the prior approval of the CAO or designate.
- 6.4 No goods, services or construction will be purchased from an officer or employee of the Township, or any associate or family member of an officer or employee, unless the extent of the interest of such individual has been fully disclosed to the CAO or designate and the purchase has been subsequently approved by the Township Treasurer.

Section 7 - Supplier’s Conduct and Conflicts of Interest

- 7.1 The Township expects its suppliers to act with integrity and conduct business in an ethical manner.
- 7.2 The Township may refuse to do business with any supplier that:
- 7.2.1 has engaged in illegal or unethical bidding practices;
 - 7.2.2 has an actual or potential conflict of interest;
 - 7.2.3 has an unfair advantage in the procurement process; or
 - 7.2.4 fails to adhere to ethical business practices.
 - 7.2.5 has previously or is currently in litigation or threatened litigation against the Township.
- 7.3 All suppliers participating in a procurement process must declare any perceived, possible or actual conflicts of interest.
- 7.4 Where a supplier is retained to participate in the development of a solicitation document or the specifications for inclusion in a solicitation document, that supplier may not be allowed to respond, directly or indirectly, to that solicitation document.
- 7.5 Illegal or unethical bidding practices include:
- 7.5.1 bid-rigging, price-fixing, bribery or collusion or other behaviours or practices prohibited by federal or provincial statutes;
 - 7.5.2 attempting to gain favour or advantage by offering gifts or incentives to Township employees, members of Council or any other representative

of the Township;

- 7.5.3 lobbying members of Council or Township officials and employees or engaging in any prohibited communications during a procurement process;
 - 7.5.4 submitting inaccurate or misleading information in response to a procurement opportunity; and
 - 7.5.5 engaging in any other activity that compromises the Township's ability to run a fair procurement process.
- 7.6 The Township will report any suspected cases of collusion or other bid-rigging offences under the *Competition Act* to the Competition Bureau or to other relevant authorities.
- 7.7 In providing goods, services or construction to the Township, suppliers are expected to adhere to ethical business practices, including:
- 7.7.1 performing all Township contracts in a professional and competent manner and in accordance with the terms and conditions of the contract;
 - 7.7.2 complying with all applicable laws, including safety and labour codes (both domestic and international as may be applicable);
 - 7.7.3 ensuring that fair wages are paid to suppliers' employees; and
 - 7.7.4 providing workplaces that are free from harassment or discrimination of any kind.

Section 8 - Separation of Roles and The Role of Council

- 8.1 In accordance with best practices in municipal procurement, Council recognizes the need for a clear separation of political and administrative functions in relation to the Township's procurement operations. It is the role of Council to establish policy and to approve expenditures through the Township's budget approval process. Through this By-law, Council delegates to the Township's employees the authority to incur expenditures in accordance with approved budgets through the procurement of goods, services and construction in accordance with the rules and processes set out in this By-law.
- 8.2 To facilitate Council's oversight role in respect of significant projects, Council may require Departments to obtain Council's authority to initiate specific procurements by identifying procurement projects of interest, such as procurements that are of a high value or involve significant risk, security concerns or significant community interest.
- 8.3 To avoid the potential appearance of bias or political influence in procurement contract award decisions, members of Council will have no involvement in competitive procurement processes from the time those procurement process have been initiated through the advertisement or issuance of the solicitation document until a contract has been entered into with the successful bidder, except where Council is required to approve the contract award in accordance with Section 16 of this By-law.

Section 9 - Roles, Responsibilities and Authorities

Specific responsibilities pertaining to all stages of a procurement process, from the initial identification of requirements through to the management of contracts with suppliers, are detailed in this By-law and the Township's procurement procedures and protocols. In addition to those specific responsibilities, the general roles and responsibilities delegated to the Township's employees are set out below.

9.1 Chief Administrative Officer

It is the role of the CAO or designate to implement and promote this By-law and oversee the conduct and activities of the Township's employees in carrying out the Township's procurement operations. In fulfilling this role, the CAO is responsible for:

- 9.1.1 Approving procurement procedures and protocols;
- 9.1.2 Ensuring compliance with this By-law and reporting serious or repetitive incidents of non-compliance to Council, as warranted; and
- 9.1.3 Submitting recommendations and reports to Council, as required under this By-law.

9.2 Township Treasurer (Treasurer)

It is the responsibility of the Township Treasurer for overseeing Purchasing staff and provide support and guidance and, as required:

- 9.2.1 Addressing and, where possible, resolving issues or concerns that arise in respect of a procurement process or the application and interpretation of this By-law and the Township's procurement procedures and protocols and seeking guidance and advice from the CAO/ Clerk, as required;
- 9.2.2 Referring unresolved issues or concerns raised by the Township's employees to the CAO, as necessary;
- 9.2.3 Auditing compliance with this By-law and reporting non-compliance, in writing, to the appropriate Department Manager, and/or the CAO where warranted.
- 9.2.4 Ensuring proper internal controls including segregation of duties.

9.3 Treasurer and Purchasing Staff

It is the role of purchasing staff to assist in the Township's procurement operations. In fulfilling this role, the Treasurer or designate is responsible for:

- 9.3.1 Researching developments in Canadian public procurement requirements and best practices and recommending updates to this By-law and the Township's procurement procedures and protocols to reflect such developments and support the Township's procurement goals and objectives;
- 9.3.2 Providing procurement advice and related services, including developing and maintaining the necessary forms, contracts, and solicitation document templates, for the purposes of fulfilling the procurement needs of the Township;
- 9.3.3 Developing procurement strategies and continually analyzing Township's business requirements and spending patterns to identify opportunities for more strategic sourcing, including:
 - 9.3.3.1 the standardization of goods and service(s) in conjunction with departments, where appropriate and feasible; and
 - 9.3.3.2 the consolidation of all similar goods and service(s) where appropriate and possible;
- 9.3.4 Ensuring the consistent application of procurement procedures and protocols and providing procurement services in an efficient and diligent manner;
- 9.3.5 Referring unresolved complaints from bidders or suppliers to the Bid Review Committee, as necessary, or where required in accordance with applicable procedures and protocols;
- 9.3.6 Providing appropriate orientation, training and tools to Township employees involved in procurement activities; and
- 9.3.7 Serving as the Township's representative as a member of co-operative purchasing groups and organizations, where such membership is

determined to be in the best interests of the Township.

9.4 Department Managers

It is the role of Department Managers to ensure that their requirements for goods, services and construction are met in accordance with the goals and objectives of this By-law. In fulfilling this role, Managers, or designate, are responsible for:

- 9.4.1 Exercising their authority for all procurement activity within the prescribed limits of this By-law;
- 9.4.2 Delegating authority approval limits to staff in compliance with this By-law and all applicable procedures and protocols;
- 9.4.3 Ensuring that all procurement activities and decisions are authorized by this By-law and are carried out in accordance with the Township's procurement procedures and protocols;
- 9.4.4 Monitoring all contract expenditures to ensure compliance with financial limits;
- 9.4.5 Identifying and addressing non-compliance with this By-law and applicable procedures and protocols within their Departments;
- 9.4.6 Upon discovery of instances of non-compliance, notifying the Township Treasurer and consulting with the CAO to obtain advice with respect to mitigating potential risks to the Township arising from the non-compliance;
- 9.4.7 The Department Manager or designate shall inform the Township Treasurer of supplies and/or services with a total value exceeding \$30,000 (or for consulting and professional services exceeding \$50,000), detailing departmental requirements and including budgetary limit and authorization;
- 9.4.8 Shall ensure a copy of all legally executed contracts relating to the procurement of goods, services and construction are retained in accordance with the Records Retention By-law and an original copy is provided to the Clerk's Department.

9.5 Responsibilities of Department Employees and Township Staff

Employees of all Departments are responsible for complying with this By-law. Department employees involved in procurement activities must clearly understand their obligations and responsibilities under this By-law and all applicable procedures and protocols, and, should consult with purchasing staff in respect of any questions regarding the application or interpretation of this By-law or the procurement procedures and protocols.

- 9.5.1 Where direct award by user departments is allowed under Section 13, payment may be made by Purchase Card (PC).
- 9.5.2 When payment by PC is not viable, a purchase order must be issued at the time of placing the order or engaging the service. Purchase Order Terms and Conditions must accompany the supplier/vendor portion of the Purchase Order.
- 9.5.3 When the purchase of supplies or services is greater than \$10,000 but less than \$30,000, documentation of three bids as required under Schedule "B", shall be attached to the purchase order.
- 9.5.4 Where the purchase of consulting and professional services is greater than \$30,000 but less than \$50,000, documentation of three proposals as required under Schedule "B", shall be attached to the purchase order.
- 9.5.5 It is important that Township staff plan effectively to allow sufficient time to follow the requirements of the procurement policy. The Township will align posting procedures of all competitive bid documents as to the time periods set out in the Canada European Economic Trade Agreement

(CETA) and the Canadian Free Trade Agreement (CFTA) dependant on trade agreement monetary thresholds.

- 9.5.6 Departments shall inspect all deliveries of supplies and services to determine whether they meet the specifications set out in the purchase order or contract prior to receiving in the financial system.
- 9.5.7 Bid documents shall be retained in accordance with the Retention of Records By-law.
- 9.5.8 Employees of all Departments are responsible for complying with this By-law. Department employees involved in procurement activities must clearly understand their obligations and responsibilities under this By-law and all applicable procedures and protocols and should consult with the Corporate Procurement Specialist in respect of any questions regarding the application or interpretation of this By-law or the procurement procedures and protocols.

Section 10 - Cooperative Purchasing

- 10.1 Staff in consultation with the purchasing staff are authorized to participate in cooperative purchasing arrangements with other municipalities, regions, local boards and public agencies within the province when in the Township's best interests or utilize a 'piggy back clause" within public sector contracts and consortiums. Purchasing staff shall ensure that any procurement conducted through cooperative purchasing is carried out in a manner consistent with the CFTA and CETA.
- 10.2 Purchasing staff may acquire supplies or services from a federal, provincial or municipal body, ministry, agency, board, corporation or authority or in the case of Provincial and Federal Standing Agreements, or other competitive procurement processes. Purchasing staff may take advantage of these opportunities if they are deemed to be in the best interest of the Township.
- 10.3 Any direct award shall be considered Non-Competitive Procurement and shall follow the requirements of Schedule "C".

Section 11 - Trade Agreements

Purchases by the Corporation may be subject to the provisions of trade agreements including but not limited to CETA and CFTA.

Where an applicable trade agreement supersedes and is in conflict with this By-law, the trade agreement shall take precedence.

Business Services – Purchasing shall advise the appropriate Department Manager when a purchase may not conform to an applicable trade agreement as early as possible in the Bid Solicitation process.

Section 12 - Advertising of Bid Solicitations

All Purchases over \$30,000 will be advertised on the Bidding System for the time periods specified below:

Purchases under \$100,000 and purchases that are covered by CFTA shall, at a minimum, be advertised on the Bidding System for a minimum of ten (10) calendar days preceding the stated closing date.

Complex procurements that require increased time for responses such as Requests for Proposal (RFP), Requests for Supplier Prequalification's (RFPQ/RFSQ), Requests for Standing Offers and/or

procurement submissions not allowing electronic submissions such as Tenders may be required to extend posting times on a case by case basis in consultation with Business Services - Purchasing staff.

Purchases covered by CETA shall be advertised on the Bidding System for a minimum of forty (40) calendar days, less applicable time period reduction rules, preceding the closing date.

The above required minimums for purchases covered by CETA may be reduced to ten (10) calendar days provided that:

- a RFPQ/RFSQ, which has previously been advertised for a minimum of 25 days for the purchase; or
- a Notice of Planned Procurement has been posted for the Purchase using the Bidding System at least forty (40) calendar days (and not more than twelve (12) months) in advance of the Bid posting.

The Corporation shall advertise Bids on any designated electronic Canada-wide single point of access as directed by the Government of Canada and on the Bidding System.

Any person involved in Purchases may advertise Purchases for lesser amounts and/or on alternative platforms in addition to those prescribed in this section if they determine that it is in the Corporation's best interest to do so.

Section 13 - Purchasing Procedures

- 13.1 All costs to the Township, including as applicable, acquisition, maintenance, replacement, disposal, and training, delivery, installation and extension options, less applicable rebates or discounts and including the unrecoverable portion of the HST as applicable for the specific procurement request, shall be included in determining the procurement process to be followed.
- 13.2 The dollar values identified in this section represent the estimated maximum total value of the procurement over its entire duration, whether awarded to one or more suppliers, considering premiums, fees, commissions and interest and providing for the total value of all possible options.
- 13.3 No employee of the Township shall divide or split a purchase or a contract with the sole intent of avoiding the requirements of this policy or to circumvent the prescribed approval authority dollar limits;
- 13.4 Procurement of supplies and services should be made from suppliers who hold contracts that were coordinated through the Finance Department on behalf of the Township, such as Qualified Supplier Rosters, Standing Offers and/or Vendors of Record.
- 13.5 Authority to purchase during emergency events is detailed under Schedule "C".

Section 14 - Standard Procurement

- 14.1 A standard procurement is the acquisition of goods, services or construction through the applicable process and method identified and described in Schedule "B" of this By-law. Depending on the type and value of the goods, services or construction required, standard

procurement processes include:

- 14.1.1 placing an order under an existing Standing Offer;
 - 14.1.2 conducting a Qualified Supplier Roster Competition to solicit bids from suppliers on an existing Qualified Supplier Roster;
 - 14.1.3 making Low Value Purchases using petty cash, a corporate Credit Card or the issuance of a purchase order;
 - 14.1.4 conducting an Invitational Competition by soliciting bids from a minimum of three suppliers; or
 - 14.1.5 conducting an Open Competition by publicly advertising and posting the solicitation document.
- 14.2 All standard procurement processes must be approved, conducted and reported in accordance with this By-law and all applicable procedures and protocols.

Section 15 - Methods of Purchasing

Any person Purchasing Goods and/or Services on behalf of the Corporation shall do so using one of the following methods of Purchasing set out in this section. The methods may be utilized individually or in combination with one another, as may be appropriate in the circumstances.

All Methods of Purchasing, except for the exemptions in Schedule "A" Exempt Procurements and Low Cost Purchases as described in this section, shall be conducted through or reviewed by the CAO/Clerk and/or the Township Treasurer

Procurement over the thresholds for CFTA and CETA shall be conducted in accordance with applicable Trade Agreement Requirements.

Request for Expression of Interest (RFEI)

Purchasing staff may conduct a Request for Expression of Interest for the purpose of determining the availability of Suppliers and for the purpose of compiling a list of Suppliers and may be used as a specific pre-condition of any Method of Purchasing utilized by the Corporation. The receipt of an expression of interest by the Corporation does not create any obligation between the potential Supplier and the Corporation.

Low Cost Purchases (under \$10,000)

Department Managers or delegates are authorized to procure Goods and/or Services up to a total value of \$10,000, excluding taxes. Only purchases that can be demonstrated to have been made at Fair Market Value shall be made. Department Managers or delegates may procure Goods and/or Services through the following means:

- Credit Card used in strict accordance with the Credit Card Policy.
- Purchase Order to the Supplier; or
- in limited situations direct invoice from the Supplier approved by the Department Representative with authority to approve the Purchase.

Informal Quotations / Proposals by Departments

IRFQ or IRFP– Non-Binding (No Contract A) - Over \$10,000 but under \$30,000 for Construction or Goods and Services. Over \$10,000 but under \$50,000 for Consulting and Professional Services

- IRFQ - For obtaining quotes for purchases or services under the thresholds above or conducting a Roster Competition by inviting suppliers on an existing Qualified Supplier Roster to submit quotes in accordance with the Qualified Supplier Roster Protocol where the contract requirements and performance terms and conditions will be incorporated into the solicitation document to permit the finalization of the contract with the successful bidder without, or with only minor, negotiations.
- IRFP - Default form for invitational competitions where the evaluation will include criteria in addition to price and the selection of a successful bidder will be based on highest score.

Request for Quotations

RFQ – Non-Binding (No Contract A) - Over \$30,000 for goods and services – Over \$30,000 but under \$250,000 for Construction

- For the purchase of simple goods or services when Irrevocable bids are not required and where the business requirements and technical specifications can be clearly defined and incorporated in the solicitation document.
- The contract requirements and performance terms and conditions are relatively straightforward and can be incorporated in the solicitation document to permit the finalization of the contract with the successful bidder without, or with only minor, negotiations.
- Selection of either the lowest bid meeting mandatory requirements or the highest scoring bid based on a relatively simple evaluation of price and non-price factors.

Request for Tenders

RFT - (Contract A – Binding) Over \$100,00 for goods or services – Over \$250,000 Construction

- For goods or construction where there are valid business reasons for requiring legally binding irrevocable bids, with or without bid security.
- Straightforward eligibility requirements that can be determined on a pass/fail basis and will select the bidder that complies with the requirements and submits the lowest price.
- All of the business requirements and technical specifications can be clearly defined and incorporated in the solicitation document.
- All of the contract requirements and performance terms and conditions can be clearly defined and incorporated in the solicitation document to permit the finalization of the contract with the successful bidder without negotiations.

Request for Proposal**NO-NEGOTIATION RFP (Contract A - Binding) - Any \$ value**

- For goods, services or construction where there are valid business reasons for requiring legally binding irrevocable bids, with or without bid security.
- Evaluation of both price and non-price factors and will select the highest scoring bidder.
- All of the business requirements and technical specifications can be clearly defined and incorporated in the solicitation document.
- All of the contract requirements and performance terms and conditions can be clearly defined and incorporated in the solicitation document to permit the finalization of the contract with the successful bidder without negotiations.

NEGOTIATED RFP (Consecutive Negotiation – Non-Binding) – Any \$ value

- For goods or services or complex development and construction projects.
- Irrevocable bids are not permitted.
- Detailed and creative proposals are desired.
- Both price and non-price factors will be evaluated and scored and the highest-scoring bidder(s) will be invited to negotiate the final contract.
- Top ranked proponent is invited to negotiate the final contract. If these negotiations fail, can proceed to negotiate with the next-ranked proponent.

NEGOTIATED RFP (Concurrent Negotiation – BAFO – Non-Binding) – Any \$ value

- Used when the RFP is complex to obtain best value for the Township.
- Will help assist the decision-making process and provide a larger point differential between bidders and allows for innovative solutions where creative options for delivery may be considered
- Provides an opportunity to expose potential risk in technical quality or depth of core competence.
- More flexible open competition where proposals will be ranked on price and non-price factors.
- Multiple short-listed proponents will be invited to negotiate and then submit a best and final offer for further evaluation and final ranking, contract negotiation and award.

Request for Supplier Qualification (RFSQ or RFPQ – Supply Arrangements – Qualified Supplier Roster)

The purpose of a Request for Supplier Qualification (prequalification) is to ensure that each supplier bidding to perform work for the Township can demonstrate its ability to provide the necessary expertise and resources to satisfactorily complete the work required.

Pre-Qualification may be considered in the following circumstances:

- a) the work will require substantial project management by the Corporation and could result in substantial cost to the Corporation if the Supplier is not appropriately experienced;

- b) the Goods and/or Services to be purchased must meet national safety standards;
- c) the work involves complex, multi-disciplinary activities, specialized expertise, equipment, materials or financial requirements;
- d) miscellaneous repairs or services as required by the Corporation such as plumbers, electricians, and drywall contractors;
- e) there could be substantial impact on the Corporation's operations if the work is not satisfactorily performed the first time; or
- f) any other circumstances deemed appropriate by the CAO.

Only the prequalified suppliers shall be invited to respond to a subsequent Request for Quotations, Request for Tenders or Request for Proposals for the services outlined within the RFSQ document.

When utilizing the RFSQ process for a Qualified Supplier Roster refer to the Qualified Supplier Roster Protocol

Request for Standing Offers

A Request for Standing Offer is a competitive process although the resulting standing offer is not a contract. A standing offer is an offer from a potential supplier to provide goods and/or services at pre-arranged prices, under set terms and conditions, when and if required. It is not a contract until the municipality issues a "call-up" against the standing offer. The municipality is under no actual obligation to purchase until that time.

Section 16 - Non-Standard Procurement

- 16.1 A non-standard procurement is the acquisition of goods, services or construction through a process or method other than the process and method normally required for the type and value of the required goods, services or construction, as identified and described under Schedule "C" of this By-law. Non-standard procurement processes include:
- 16.1.1 a Non-Competitive Process, where the goods, services or construction are acquired directly from a particular supplier without conducting a competitive process when an Invitational Competition or an Open Competition would normally be required; or
 - 16.1.2 a Limited Competition, where bids are solicited from a limited number of suppliers when an Open Competition would normally be required.
- 16.2 The use of a non-standard procurement process is only permitted under the specific circumstances set out in Schedule "C" of this By-law.
- 16.3 All non-standard procurement processes must be approved and conducted in accordance with this By-law and all applicable procedures and protocols.

Section 17 - Delegated Procurement Authorities

17.1 Delegated Procurement Authorities

A contract must be established by the execution of a legal agreement and/or the issuance of a purchase order before the delivery of goods, services or construction commences.

Delegated authorities to award a contract or issue a purchase order evidencing a contract are set out in the table in Schedule "B" of this By-law.

A Purchase Order is to be used when the resulting contract is straightforward and will contain the Township's standard Purchase Order Terms and Conditions.

A legal agreement is to be used when the resulting contract is complex and will contain terms and conditions other than the Township's Standard Terms and Conditions.

An agreement is to be executed by persons, who are authorized by Council resolution to execute contract documents.

17.2 Conditions of Delegated Procurement Authority

- 17.2.1 The delegated procurement authorities are subject to the following conditions:
- 17.2.2 No contract award may be approved unless the approved annual budget funding in an amount sufficient to cover the procurement value is available and the procurement process was conducted in accordance with this By-law and all applicable procedures and protocols;
- 17.2.3 No contract may be entered into, either through the issuance of a purchase order or the execution of a legal agreement, unless the approved annual budget funding in an amount sufficient to cover the procurement value is available and the procurement process was conducted in accordance with this By-law and all applicable procedures and protocols;
- 17.2.4 No legal agreement may be executed unless the agreement and any ancillary documents have been prepared in a form satisfactory to the CAO in consultation with the Township Solicitor;
- 17.2.5 A financing lease may only be approved and entered into in accordance with the Township's Lease Financing Policy.
- 17.2.6 The delegation of authority to approve a contract does not apply to a contract requiring Council approval under Section 16 of this By-law.
- 17.2.7

Section 18 - Table of Authority for Purchasing and Payments

18.1 Authority limits for purchasing and payments (cost as defined in Schedule 'B') are as follows:

POSITION	DETAIL	LIMIT*
Reeve and Council	All expenditures	Unlimited
Chief Administrative Officer	All expenditures	\$250,000
Township Treasurer	All expenditures	\$100,000
Department Managers	General Purposes – day-to-day departmental requirements. Payments for approved Contracts/Service Agreements	\$50,000
Staff not listed above	Refer to Delegation of Authority for Purchasing and Payments Policy	

*Approval limits are subject to available funds in the Approved Budget

18.2 Authority for payments in this schedule relate to payment of amounts contained in approved budgets or by resolution only. Department

Managers are able to delegate signing authority to selected individual(s).

18.3 Delegated authority for approval of utility bills, payroll related regulatory remittances and other government remittances is provided to the CAO and/or Township Treasurer and their designates as appropriate and are excluded from this schedule.

18.4 The numbers in this table are maximums.

Section 19 - Council Approval

19.1 The following award of contracts require Council approval, unless approved in accordance with Section 16.2.

19.1.1 Any contract requiring approval from the Ontario Municipal Board

19.1.2 Any acquisition of goods or services that is not already included in the approved budget, such as items requiring pre-budget approval or post-budget amendments, must be reported to Council to have the expenditure authorized via resolution

19.1.3 There is an irregularity or unresolved challenge in connection with the Procurement and, in the opinion of the CAO, in consultation with the applicable Department Manager and Township Treasurer, the award of the contract is likely to expose the Township to significant legal, financial or reputational risk.

19.1.4 The procurement value exceeds the approval limits of delegated procurement authorities as set out in Section 15.

19.2 Where necessary, the CAO is authorized to approve the contracts normally subject to Council approval, as set out in Section 16.1, during the time that regular Council meetings are suspended, provided that a report is submitted to Council, as soon as reasonably possible, setting out the details of any contract approved pursuant to this authority.

Section 20 - Bid Irregularities

20.1 Major or Minor Irregularity and Mathematical Error

A bid irregularity is a variance between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response.

Irregular Results of a competitive procurement process are to be reported to Department Manager and Manager of Business Services & Township Treasurer.

For the purposes of this policy, a submission showing irregularities are classified as "major irregularities" or "minor irregularities" or "mathematical errors" and defined as follows:

A "major irregularity" is a deviation from the competitive procurement process request that affects the price, quality, quantity or delivery, and is material to the award. The bidder will be disqualified from the process. The Township must reject any offer submitted, which contains a major irregularity. The bidder will be notified of the rejection due to the major irregularity.

A "minor irregularity" is a deviation from the competitive procurement process request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. The bidder will be given the opportunity to adjust the irregularity and continue in the process. The Township may permit the person to correct a minor irregularity to make the submission compliant.

A “mathematical error” is a deviation in addition, subtraction, multiplication or division, or a transposition error which may or may not affect the total price. A mathematical error will be corrected based on the unit bid price, including sales tax amounts if applicable. Where the intent of the price, unit or otherwise is unclear, the bid may be declared non-compliant.

Refer to the Schedule “E” for a non-exhaustive list of examples of major and minor irregularities.

If, in the opinion of staff, any bidder has underestimated the value of the goods and/or services to be provided as reflected in its unit/bid price/fee, authorized staff may reject the bid as unbalanced (i.e., not representative of the scope of the supplies and/or services). Unbalanced / Low Ball Bid information and processes are located in Internal Process Guides.

Section 21 - Bidder Debriefings

- 21.1 Where the Township has conducted a competitive procurement process, unsuccessful bidders may request a debriefing. Debriefings must be conducted in accordance with the Township’s Vendor Debriefing Protocol. ‘Schedule H’

Section 22 - Procurement Protests

- 22.1 Suppliers may formally protest the outcome of a procurement process. Formal protests must be made by suppliers to the CAO and responded to by the Township CAO, Township Treasurer and responsible Department Manager.

Section 23 - Bid Review Committee

- 23.1 Where irregularities occur, or complaints or challenges are made by bidders or suppliers in respect of a procurement process, staff will provide notice to the Township Treasurer to initiate the Bid Review Committee process. The BRC will review the matter with the objective of presenting a solution, recommendation or otherwise resolving the issue.
- 23.2 The Township Treasurer is responsible for establishing a Bid Review Committee (the “BRC”) for the purpose of making determinations in respect of matters referred to it by staff.
- 23.3 Whenever the Bid Review Committee process is initiated the Township Treasurer and CAO along with a Department Manager to sit on the committee.
- 23.4 If the BRC cannot reach agreement on the resolution of a matter referred to it, or otherwise considers it advisable, a report of the findings of the BRC must be prepared and submitted to the Township Solicitor for legal advice, if necessary.

Section 24 - Contract Management and Supplier Performance

- 24.1 Once the contract has been signed, it is essential that it be properly managed. Departments are responsible for all aspects of contract management. The following principles must be followed with respect to all Township contracts:

- 24.1.1 Scope Management – The scope of each contract must be appropriately

managed to ensure that all deliverables are properly received, quality control is undertaken, payments are appropriately made, all timelines are met, and any extension options are appropriately exercised.

24.1.2 Payments to Suppliers – Departments are responsible for ensuring that all payments are made in accordance with the contract and for reviewing and approving supplier invoices.

24.1.3 Scope Changes and Contract Amendments – Scope changes and contract amendments are to be managed prudently when unforeseen events arise when a project is underway:

- The supplier must submit a change order request including rationale, cost and timing implications;
- The change must be approved by the Township prior to commencement of work;
- The change must be funded within an approved budget;
- The amendment of the contract must be approved in accordance with the approval limits set out in Section 15 of this By-law; and
- If the amendment results in an increase of greater than 10% of the original contract value, the amendment must have the approval of the Department Manager, Township Treasurer or CAO or designate in accordance with Section 15 and Schedule C – Contract Extension.

24.1.4 Contract Disputes – All potential disputes with suppliers must be managed in accordance with the dispute resolution mechanisms outlined in the contract. Where a contract is silent on dispute resolution, Departments should ensure that potential disputes are proactively managed and appropriately escalated. Written copies of all communications and correspondence with suppliers concerning a contract dispute must be maintained by the Department.

24.1.5 The respective Department Manager, or designate, is responsible for monitoring and documenting supplier performance and compliance with procurement contracts in accordance with the Township's Supplier Performance Evaluation Protocol. Ensuring that performance problems are addressed quickly and effectively and that a written record is kept of all matters connected with performance tracking is essential to proper contract management. This protocol is available to staff on the Township's Intranet and to suppliers on the Township's external website.

24.1.6 Termination – A contract can only be terminated prior to its expiry date in accordance with the terms of the contract. Where necessary, legal services will be retained to provide advice on any legal risks connected with terminating the agreement.

24.1.7 Supplier Disqualification– Problematic suppliers can be barred from future contracts with the Township in accordance with the Township's Supplier Disqualification Protocol, as maintained by the Finance Department.

Section 25 - Supplier Disqualification

25.1 The Township may disqualify suppliers from participating in future procurement opportunities in accordance with the Township's Supplier Disqualification Protocol. This protocol is available to staff on the Township's Intranet and to suppliers on the Township's external website.

Section 26 - Negotiations

26.1 Notwithstanding that Negotiation may be a component of another procurement process, a Department Manager or designate (dependent on level of authority Section 15) is authorized to enter into negotiations with or without formal competitive bids when any of the following circumstances apply:

- 26.1.1 Where there is only one known source of supply;
- 26.1.2 Where two or more identical bids are received;
- 26.1.3 When bids have been solicited and no responsive bid has been received;
- 26.1.4 When the lowest bid received exceeds the estimated cost;
- 26.1.5 When all bids fail to comply with the specifications of conditions and it is impractical to recall;
- 26.1.6 Where the extension or reinstatement of an existing contract would prove cost-effective or beneficial;
- 26.1.7 When, due to market conditions, required goods or services are in short supply;
- 26.1.8 All responsible and responsive submissions exceed the budget by a material amount as determined by the Manager of Business Services & Township Treasurer;
- 26.1.9 Fewer than two (2) submissions are received in a formal competitive procurement process;
- 26.1.10 An award of the contract to the lowest responsible and responsive vendor is considered to not be in the best interest of the Township.
- 26.1.11 Emergencies which could not be foreseen, that could be a threat to public health or safety and require immediate delivery of supplies and/or performance of contract.
- 26.1.12 A Roster has been developed in accordance with the Qualified Supplier Roster Protocol.
- 26.2 The Negotiation Protocol contains established guidelines and procedures for negotiating with bidders or suppliers. This protocol should be read in conjunction with the Township's Procurement By-law and contains the following negotiation procedures:
- Negotiation with Supplier in a Non-Competitive Process
 - Negotiation with Bidders in a Competitive Process
 - Consecutive Negotiation Process
 - Concurrent Negotiations and Best and Final Offers
- 26.3 The methods of negotiation shall be those that employ fair and ethical practices. The information pertinent to and the results of all such negotiations shall be reported to the Manager of Business Services & Township Treasurer and at the discretion of the CAO, shall be reported to Council.

Section 27 - Records Retention and Access to Information

- 27.1 All procurement activities must be supported by appropriate documentation and all records relating to a procurement process must be retained in accordance with the Township's Records Retention By-law and any associated records management policies and procedures.
- 27.2 Disclosure of information related to the Township's procurement processes must be made in accordance with applicable procurement procedures and protocols and the Township's policies with respect to disclosure and protection of information in accordance with the *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)* and the *Personal Health Information Protection Act (PHIPA)*, as amended.

Section 28 - Unsolicited Proposals

- 28.1 All unsolicited proposals, including any offers for presentations or product/service trials submitted to the Township with the expectation on the part of the submitter of obtaining consideration for an ensuing

contract or purchase by the Township will not be given preference. Purchases will follow the requirements and processes contained within this Procurement Policy.

- 28.2** In the event that an actual goods/services product presentation or demonstration would be required in advance of a purchase decision, such presentation or demonstration should be included as part of the formal competitive bid process.
- 28.3** Any procurement resulting from the receipt of an unsolicited bid must comply with the provisions of this Procurement By-law.
- 28.4** In the absence of a competitive process, a contract may only be awarded in respect of an unsolicited proposal if a Non-Standard Procurement is permitted in accordance with this By-law and all applicable procedures and protocols.

Section 29 - Occupational Health and Safety

- 29.1** The Township will promote and incorporate the requirements of the *Occupational Health and safety Act, R.S.O. 1990, C. O.1*, in procurement activities of the Township.

Section 30 - Accessibility for Ontarians With Disabilities

- 30.1** When purchasing goods, services and facilities it shall be required to incorporate accessibility design, criteria and features except where it is not practicable to do so. This is a requirement of the Integrated Accessibility Standard Regulation (O.Reg.191/11) under the *Accessibility for Ontarians with Disabilities Act 2005*.
- 30.2** When preparing the specifications, the user department shall be knowledgeable of the Accessibility for Ontarians and Disabilities Act 2005 and its regulations and apply those requirements with respect to procuring goods, services and/or facilities, and in the development of specifications.

Section 31 - Environmentally Sustainable Procurement

- 31.1** The Township is committed to the purchase of goods and services with due regard to the preservation of the natural environment and to encourage the use of sustainable and environmentally friendly products and services.
- 31.2** All departments, are encouraged to seek additional ways of achieving the goal of being environmentally safe and responsible through review of each procurement process to ensure that, wherever possible and economically feasible, the Township's solicitation document includes specifications that reflect sustainable and environmentally friendly attributes of the goods and services, as further described in Schedule "G" – Environmental Sourcing and Procurement.

Section 32 - Disposal of Real Property

- 32.1** Information regarding the disposal of real property is contained in the Procedures for the Sale of Real Property By-Law 2009-511.

Section 33 - Quarterly Report to Council

- 33.1** The Finance Department must submit a quarterly procurement information report to Council to provide the following information about the Township's procurement activities should they occur within the

quarter:

33.2 The circumstances and details of any emergency purchase(s) with a Procurement value equal to or greater than \$100,000; and

33.3 The circumstances and details of all non-standard procurements with a procurement value equal to or greater than \$10,000.

Section 34 - By-Law Review

34.1 This Procurement By-law will be reviewed every five (5) years, or such earlier date as the CAO or designate or Council may deem it appropriate to evaluate its effectiveness.

Section 35 - Short Title

35.1 The short title of this By-law is the "Procurement By-law".

Section 36 - Interpretation of By-Law

36.1 This By-law shall be interpreted in accordance with the following:

36.1.1 the part numbers and headings, subheadings and section, subsection, clause and paragraph numbers are inserted for convenience of reference only and shall not affect the construction or interpretation of this By-law;

36.1.2 this By-law shall be construed with all changes in number and gender as may be required by the context;

36.1.3 references in this By-law to any legislation or any provision thereof include such legislation or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor legislation thereto.

Section 37 - Schedules

Schedule "A" to this By-law – Exempt Procurements forms an integral part of this By-law and is attached hereto.

Schedule "B" to this By-law – Delegated Procurement Authorities forms an integral part of this By-law and is attached hereto.

Schedule "C" to this By-law – Non-Standard Procurements forms an integral part of this By-law and is attached hereto.

Schedule "D" to this By-law – Statement of Ethics for Public Purchasers forms an integral part of this By-law and is attached hereto.

Schedule "E" to this By-law – Bid Irregularities forms an integral part of this By-law and is attached hereto.

Schedule "F" to this By-law – Conflict of Interest forms an integral part of this By-law and is attached hereto.

Schedule "G" to this By-law – Environmental Sourcing and Procurement

Schedule "H" to this By-law – Vendor Debriefing Protocol

Section 38 - Repeal – Enactment

By-law No. 2014-751 and any amendments thereto, are repealed upon this By-law coming into effect.

This By-law shall come into full force and effect on the date of final

passage hereof at which time all by-laws and/or resolutions that are inconsistent with the provisions of this By-law and the same are hereby repealed or rescinded insofar as it is necessary to give effect to the provisions of this By-law.

Schedule "A" - Exempt Procurements

Competitive Bidding processes are not required for the following categories. The listing below is not a comprehensive listing. Purchasing staff will from time to time review and approve new situations or items to determine if they fall within the preview of this schedule. For exceptions outside of this schedule purchasing staff may request the user department follow the requirements of Schedule "C" – Non-Standard Procurement.

- a) **Petty Cash Items** - Maximum \$75 per transaction
 - Work to be performed on the property under the provisions of a lease, warranty or guarantee held in respect of the property or the original work.
 - Goods purchased on a commodity market.
- b) **Training / Education / Professional Development** – paid via Credit Card or Cheque Requisition
 - Conferences / Conventions / Courses / Seminars / Workshops - If employee paid, reimbursement will be made through payroll
 - Magazines / Periodicals / Subscriptions
 - Memberships
 - Corporate staff development, workshops and training including all related, equipment, resources, supplies, trainers, coaches and speakers
- c) **Refundable Employee Expenses**
 - Meal allowances
 - Miscellaneous – non-travel
 - Travel expenses
 - Entertainment expenses
- d) **Corporate General Expenses**
 - Payroll and Benefit Premiums and remittances
 - Recruitment services
 - Public employment contracts
 - Advertising in newspapers, radio, television, etc.
 - Employee Medicals
 - Medical or other Investigative Services
 - Ongoing Licences– including Hardware and Software Licences and maintenance contracts
 - Debenture payments
 - Insurance premium payments, claim settlements and adjuster services
 - Grants to agencies
 - Damage claims
 - Petty cash replenishment
 - Tax remittances
 - Property tax refunds
 - Workplace Safety and Insurance Board (WSIB) remittance
 - Building/Development permit refunds and deposit returns
 - Charges to or from other government agencies with approval from Finance, including;
 - Regional Permits
 - Cross Boundary Agreements
 - Fire Dispatch Agreements
 - Radio Trunking License
 - Vehicle Licensing
 - Police Services
 - Real Estate transactions including the acquisition or rental of land, existing buildings, or other immovable property or the rights thereon
 - Bank charges
 - Development Charges, Connection Fees, and Cash in Lieu refunds

- Brokerage Fees
- Commissions
- Taxi Services
- Recreation program/facility refunds
- Committee Fees
- e) **Professional and Special Services**
 - Counselling services
 - Legal counsel and professional and expert services as required and authorized by a Department Manager in consultation with the Township Treasurer and/or CAO.
 - Legal counsel and professional and expert services for employment and labour law matters as required and authorized by the Department Manager, Human Resources in consultation with the Township Treasurer and/or CAO
 - Arbitrators, Mediators and Investigators
 - Acquisitions from philanthropic institutions, non-profit organizations, prison labour or natural persons with disabilities
 - Financial services respecting the management of government financial assets and liabilities (*i.e.* treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution
 - Appraisal charges
 - Land survey costs where competitive bids are not able to be obtained
 - Hiring of consultants or contractors to complete project deficiencies or complete the work of a developer where the developer has abandoned the project or is negligent in completion and where funds to complete the work are being drawn from deposits held by the Township and where time does not permit a competitive bidding process
 - Special Events - performers, artists, speakers, facility rental, catering, equipment, resources and supplies
 - Honorarium where a Social Insurance Number shall be provided
 - Providers of artistic and recreational services, such as instructors, dance/yoga/gymnastic teachers, historical experts, artistic designers, health and appearance therapists, public/guest speakers, individuals or ensembles that offer creative content for presentation to others.

Staff engaging Professional & Special Services (Section e) listed above are responsible to request proof of commercial general liability insurance and certificate of good standing with WSIB and keep all documentation current until completion of the work. Exceptions must be pre-approved by the CAO or Township Treasurer.

- f) **Utilities**
 - Servicing and requested plant modifications / relocations related to construction
 - Postage and Courier Services
 - Water and Sewage
 - Hydro and Gas
 - Telephone (basic services), Cellular and Wireless Devices
 - Service relocations when required by a designate authority, e.g. Union Gas, Ontario Hydro
 - Cable or CCTV Television Charges
 - Radio system licensing
 - Services and Inspection of the Technical and Safety Standards Association (TSSA)
 - Other regulated authorities operating within and across municipal right of ways (e.g. CN Rail, Bell Canada)

g) **Election materials**

The Clerk has the authority to purchase goods, services and equipment considered necessary or advisable to carry out the requirements of the Municipal Elections Act, R.S.O. 1996. The Clerk shall wherever possible be guided by the provisions of this Policy.

Schedule "B" - Delegated Procurement Authorities

*Total procurement value includes all costs to the Township, including as applicable, acquisition, maintenance, replacement, disposal, and training, delivery, installation and extension options, less applicable rebates or discounts and including the unrecoverable portion of the HST, as applicable for the specific procurement request, and represent the value of the annual contract or entire multi-year contract.

Total Procurement Value *	Procedure	Mandatory Requirements	Authority to Approve the Award of a Contract and Issue a PO
For the Procurement of Supplies or Services:			
<\$10,000	Low Cost Purchase/Direct Award by User Departments also includes purchases made through the Qualified Supplier Roster or Vendor of Record List	Payment by Credit Card (PCOS) or Purchase Order.	In accordance with spending authority.
>\$10,000	Qualified Supplier Roster Competition issued to all applicable suppliers on Qualified Supplier Roster or Vendor of Record List	Refer to Delegation of Authority for Purchasing and Payments Policy.	In accordance with spending authority.
Limited to maximum dollar value as specified in the Standing Offer	Request for Standing Offer - Utilization of Standing Offers – Call-up issued to one supplier from these lists.	Purchase Order	In accordance with spending authority.
\$10,000 but <\$30,000	Invitational / Informal Quotations/Proposals by User Departments	Bid Award Form Purchase Order	In accordance with spending authority.
\$30,000 but <\$100,000	Request for Quotations (RFQ) or Request for Proposals (RFP) by User Departments in consultation with Purchasing Staff	Bid Award Form Purchase Order	In accordance with spending authority.
>\$100,000	Request for Tenders (RFT) and Request for Proposals (RFP) by User Departments in consultation with Purchasing Staff	Bid Award Form Purchase Order	In accordance with spending authority.
For the Procurement of Construction:			

<\$10,000	Direct Award by User Departments	Payment by Credit Card (PCOS) or Purchase Order	In accordance with spending authority.
\$10,000 but <\$30,000	Informal Quotations by User Departments or the Qualified Supplier Roster Protocol (Direct Award or Roster Competition) or Vendor of Record List	Bid Award Form Purchase Order Manager Approval Required	In accordance with spending authority.
\$30,000 but <\$100,000	Request for Quotations or Qualified Supplier Roster Protocol (Roster Competition) or Vendor of Record List	Bid Award Form Purchase order	
\$100,000 but <\$250,000	Request for Quotations (RFQ) or Request for Proposals (RFP) or Qualified Supplier Roster Protocol (Roster Competition) or Vendor of Record List by User Departments in consultation with Purchasing Staff	Bid Award Form Purchase Order	In accordance with spending authority.
>\$250,000	Request for Tenders (RFT) and Request for Proposals (RFP) or Qualified Supplier Roster Protocol (Roster Competition) by User Departments in consultation with Purchasing Staff	Bid Award Form Purchase Order	CAO after Council Award Approval
For the Procurement of Consulting, Engineering and Professional Services:			
<\$10,000	Direct Award by User Departments	Purchase Order	In accordance with spending authority.
\$10,000 but <\$50,000	Invitational Informal Quotations/Proposals/Qualified Supplier Roster by User Departments in consultation with Purchasing Staff	Bid Award Form Purchase Order	In accordance with spending authority.
>\$50,000	Qualified Supplier Roster/Request for Proposals (RFP) by User Departments in consultation with	Bid Award Form Purchase	In accordance with spending authority.

	Purchasing Staff	Order	
For Non-Competitive Procurement:			
>\$10,000	Single Source Sole Source Emergency Contract Extension/Purchase Order Increase	Non-Competitive Approval Form Purchase Order Purchase Order Amendment	Manager of Business Services & Township Treasurer, Clerk or CAO (or designate)
>\$10,000	Consulting Services – Repetitive Projects/Assignments for Continuous Service	Non-Competitive Approval Form Bid Award Form Purchase Order	In accordance with spending authority.
>\$30,000	Standardization – purchases based on an approved Standardization Award Form that resulted in a Single Source	Non-Competitive Approval Form Purchase Order	In accordance with spending authority.
For Contract Renewals:			
>\$30,000	Optional Year Contract Renewal where provision for such optional year renewal formed part of the original contract	Bid Award Form Purchase Order	In accordance with spending authority.
For Qualified Supplier Roster			
	Roster established through Request for Supplier Qualification (RFSQ) Process by Purchasing Staff	Approval Form for > \$30,000 Master Framework Agreements required	In accordance with spending authority.
Council Approval Required			
Threshold	Procurement of Any Goods, Services or Construction for which:	Approval Authority	
All	Statute requires Council approval Contract requiring approval from the Ontario Municipal Board Exemption from any or all	Council	

	<p>purchasing methods is required.</p> <p>Budget has not been approved.</p> <p>Increased funding from a reserve fund is required.</p> <p>There is an irregularity or unresolved challenge in connection with the Procurement Project and in the opinion of the CAO or designate, in consultation with the applicable Department Manager and Manager of Business Services & Township Treasurer, the award of the contract is likely to expose the Township to significant legal, financial or reputational risk.</p>		
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Schedule "C" - Non-Standard Procurements

In certain circumstances, the Township may not have the ability to go through a competitive process for its procurement activity. In specific reference to Schedule "C", the following are types of direct awards:

Contract Extensions

Contract extensions shall be allowed in accordance with the allowable limited tendering circumstances shown under Schedule C – Limited Tendering and Limited Tendering (Over Trade Agreement Thresholds).

1. Any individual or cumulative scope changes required by unforeseen circumstance arising during performance of a Contract that do not exceed 10% of the original Contract value shall be considered to fall within the scope of the Contract and not require separate competition. Such contract extensions shall be approved by the requisitioning Department Manager or Township Treasurer or CAO in accordance with spending authorities.
2. Any individual extension to the value of a Contract beyond the value established in 1. (Contract Extensions) is considered a non-competitive procurement and approval must be sought by the Department Manager before proceeding. Such contract extensions shall be approved by the requisitioning Manager or Township Treasurer or CAO in accordance with spending authorities.
3. Non-monetary Contract changes which alter the originally agreed Contract terms and/or the originally approved financial account numbers shall be approved by the requisitioning Department Manager.

Single Sourcing – where purchases are made through a selected supplier, even though there are other suppliers that provide similar supplies or service.

Sole Sourcing – where there is only one available supplier for the source of the supplies or service.

Purchase Order / Contract Increase – represents additional work that is required to address an unexpected problem or unforeseen circumstances and is required to deliver the original approved work and not expand the original scope of the project.

Standardization - is the adoption of a single product, service or support activity to be used by one department or a number of departments, whereby a particular supplier may be identified based on technical specifications and sourced to the exclusion of others. This process will allow for a reduction in the number of supplies and services required, maximize volume buying opportunities, reduced handling, training and storage costs.

Consulting Services – Repetitive Projects/Assignments for Continuous Service

Where it has been deemed beneficial to the Township to retain a Consultant on a project where previous involvement in earlier stages of the project may have ensued, the funds are provided as defined in the appropriate budget, and the cost shall not exceed \$50,000, the initiating Department Manager shall submit a report to the Chief Administrative Officer recommending the appointment of the Consultant and request an exemption from the terms of this policy outlining the reasons for so doing. For projects over \$50,000 the initiating Department Manager shall submit a report to Council requesting an exemption from the terms of this policy outlining the reasons for so doing.

No Submissions Received

Where a bid has been publicly advertised and no submissions were

received, no bids conformed to the essential requirements of the bid document or no suppliers satisfied the conditions for participation.

Emergency - when an event occurs where in the opinion of an Emergency Authorized Person, to be a threat to public health, the maintenance of essential Township services, the welfare of persons or of public property, the protection of the Township's physical assets, or the security of the Township's interests or financial liabilities arising from unexpected conditions, and the occurrence requires the immediate delivery of supplies or service. The Department Manager may make such purchases without the involvement of purchasing staff and/or a competitive bidding process and without regard to the authorization limits, and is authorized to do so in the most expedient and economical means possible. When feasible, purchasing staff shall be contacted to assist in obtaining quotes, securing services and issuing purchase orders.

In the case of a declared emergency the Township of Stone Mills Emergency Plan will supersede this By-law.

The emergency award report shall detail the cause of the emergency and the action taken to resolve the emergency and shall be submitted for approvals within two working days following the resolution of the emergency. Where the emergency situation may be prolonged, the Department Manager shall contact the Township Treasurer to determine the course of action moving forward.

Executed Contracts

Copies of executed contracts shall be kept on file with the Non-Competitive Approval Form in the Finance Department. Original executed contracts shall be provided to the Clerk's Department and kept on file in accordance with the Records Retention By-law.

Trade Agreement Requirements

All non-competitive procurement greater than the thresholds of the CFTA shall be awarded on the Bidding System.

Limited Tendering

A non-competitive procurement may be undertaken where both the proposed non-competitive procurement and the particular supplier can be justified in good faith, based on one or more of the following and in consultation with Business Services - Purchasing:

- a. The procurement value is under the trade agreement thresholds;
- b. When the compatibility of a Purchase with existing equipment, product standards, facilities or the required goods and/or services are to be supplied by a particular supplier having special knowledge, skills, expertise or experience, is a paramount consideration;
- c. When the procurement is in the best financial interest of the Township, for example; in order to meet Government grant opportunity timing requirements where normal procurement processes would negatively impact the funding opportunity.
- d. The confidential nature of the requirement is such that it would be not in the public interest to solicit competitive submissions; or
- e. Under any of the limited tendering circumstances as shown below.

Limited Tendering (Over Trade Agreement Thresholds)

Non-competitive procurement (over trade agreement thresholds) may only be used if any of the following exclusions apply and as long as they are not used to avoid competition between suppliers, or discriminate between suppliers, or protect a supplier(s):

- a. Where a standard procurement process conducted in accordance with this By-law and applicable procedures and protocols has not resulted in the receipt of any bids.;
- b. If no tenders that conform to the essential requirements of the tender documentation were submitted (provided that the requirements of the tender documentation are not substantially modified;
- c. If no suppliers satisfied the conditions for participation (provided that the requirements of the tender documentation are not substantially modified);
- d. If the submitted tenders were collusive (provided that the requirements of the tender documentation are not substantially modified;
- e. Where only one supplier is able to meet the requirements of a procurement in order to:
 - ensure compatibility with existing products;
 - recognize exclusive rights, such as exclusive licenses, copyright and patent rights;
 - maintain specialized products that must be maintained by the manufacturer or its representative;
 - work is to be performed on a property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original;
 - work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor; or
 - the supply of goods or services is controlled by a supplier that is a statutory monopoly
- f. Where there is an absence of competition for technical reasons and the goods or services can only be supplied by one particular supplier and no alternative or substitute exists.
- g. For additional deliveries by the original supplier of goods or services that were not included in the initial procurement if a change of supplier for such additional goods or services:
- i. Cannot be made for economic or technical reasons such as requirements or interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and
- ii. Would cause significant inconvenience or substantial duplication of costs for the procuring entity.
- h. For the procurement of goods or services relating to matters of a confidential or privileged nature where the disclosure of those matters through an open competition could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest;
- i. If strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using open tendering;
- j. For the procurement of goods or services or construction from a public body or a non-profit organization.
- k. For the procurement of goods, services or construction through the use of Ontario's Vendor of Record (VOR) Program, where analysis supports best value.
- l. For the procurement of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
- m. For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.

- n. For the procurement of goods, services and construction that is financed primarily from donations that are subject to conditions that are inconsistent with a standard procurement process conducted in accordance with this By-law and applicable procedures and protocols.
- o. A Roster for Professional Services has been developed in accordance with the Qualified Supplier Roster Protocol.

Non-Competitive Approval Form

For non-competitive procurement for the following non-standard procurement which encompasses Limited Tendering circumstances, the Manager shall initiate a Non-Competitive Approval form which would include rationale for requesting non-competitive procurement prior to making a commitment to a supplier or prior to commencing any work. Purchasing staff shall be involved and guide any negotiation process to ensure the Township employs fair and ethical practices.

- Over \$10,000 for Single Source, Sole Source, Limited Tendering circumstances
- Over \$10,000 – Roster (Direct Award) only
- Over \$30,000 for Standardization awards
- Under \$50,000 for Consulting Services – Repetitive Projects/Assignments for Continuous Service awards. CAO is required to approve and sign.
- Contract Extension/Purchase Order Increase (Includes Revenue Contracts) – Any individual extension to the value of a Contract beyond 10% of the original Contract value is considered non-competitive.

A report to Council with a request for expenditure authorization would be required if the non-standard procurement acquisition of goods or services is not already included in the approved budget, such as items requiring pre-budget approval or post-budget amendments or if the procurement is over the Delegated Authority of the CAO (>\$250,000).

Schedule "D" - Statement of Ethics for Public Purchasers, Statement of Ethics for Procurement

Goal: To ensure ethical, professional and accountable procurement.

All employees authorized to purchase Goods, Services and/or Construction on behalf of the Township must adhere to the following principles.

Open and Honest Dealings with Everyone who is Involved in the Purchasing Process. Procurement activities must be open and accountable. This includes all businesses with which this Township contracts or from which it purchases Goods, Services and/or Construction, as well as all members of our staff and of the public who utilize the services of Purchasing Staff.

Fair and Impartial Award Recommendations for All Contracts and Tenders. Contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. This means that Township Staff do not extend preferential treatment to any vendor, including local companies. Not only is it against the law, it is not good business practice, since it limits fair and open competition for all vendors and is therefore a detriment to obtaining the best possible value for each tax dollar.

An Irreproachable Standard of Personal Integrity on the Part of All Those Designated as Purchasing Representatives for This Township. Individuals involved with procurement activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all procurement activities within and between the organization, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. 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.

Schedule “E” - Bid Irregularities

The Financial Services department together with the requisitioning department will evaluate all submissions and may be required to disqualify a vendor’s submission. The disqualified supplier will be advised prior to Council award. A formal letter will be issued, and a debriefing offered after the award; and

The Financial Services department may amend the list of irregularities as new actions arise.

Reasons for disqualification are outlined in the following table.

#	Action	Irregularity	Result
1	Late submission of sealed tender/proposal/quotation package to the Township (by any amount of time)	Major	Automatic Rejection
2	Did not attend and sign in at a mandatory meeting held for bidders.	Major	Automatic Rejection
3	Company submitting a bid has been disqualified from participating in a competition during the time of the competition request because of past performance.	Major	Automatic Rejection
4	The Form of Tender (Form of Proposal) and/or mandatory submission sheets are completed in pencil.	Major	Automatic Rejection
5	Bid Surety or Agreement to Bond is not submitted in the submission package as stated in the competitive request (or any addenda) that such surety is mandatory.	Major	Automatic Rejection
6	Submitted an unsealed bid or proposal response package or envelope. (Does not apply to electronic tendering).	Major	Automatic Rejection
7	Terms of the bid surety and/or Agreement to Bond are not as stated in the Request; the surety received is not in the form requested; for example, submitted a bond when not requested	Minor	Financial Services may request the submission be rectified
8	Price, mandatory items required for evaluation or signature pages are missing from the submission package	Major	Automatic Rejection

9	<p>Execution of Agreement to Bond:</p> <p>a) Bond company corporate seal or equivalent proof of authority to bind company or signature is missing</p> <p>b) Surety company not licensed to do business in Ontario</p>	Major	Automatic Rejection
10	<p>Execution of Bid Bonds:</p> <p>a) Corporate seal or equivalent proof of authority to bind company or signature of the person with the authority to bind the company or both are not on the Acknowledgement and Estoppel Form /Proposal Form supplied in the request document</p> <p>b) Corporate seal or equivalent proof of authority to bind the company or signature of Bonding Company missing</p>	Major	Automatic Rejection
11	<p>Other Bid Security:</p> <p>a) Cheque which has not been certified by a Canadian Bank or an error made on the certified cheque</p> <p>b) Bank Draft not on the official form of the Canadian Bank</p> <p>c) Letter of Credit not from a Canadian Bank or signed</p>	Major	Automatic Rejection
12	A specific term of the competitive request or of the process identified in the request document is not followed and this is cause for the perception of an unfair advantage to the other bidders in the competitive process; for example, lobbying	Major	Automatic Rejection
13	Insufficient amount of the financial security (i.e. no deposit or bid bond or insufficient deposit)	Major or Minor	Automatic Rejection unless amount is not specified in request and insufficiency is trivial or insignificant

14	Execution of the Form of Tender or Acknowledgement Form of proposal is not executed or executed by a person without authority or the original signed form is not submitted, and it is a photocopy.	Major	Automatic Rejection
15	Rules of the process identified in the request document are not followed but there isn't any substantial consequence to the result of the competition; information requested but not mandatory was not submitted and it is noted in the evaluation but there isn't any substantial consequence	Minor	Financial Services may determine that the non-compliance is minor and receive the document for evaluation.
16	Bid received on documents other than those provide in request	Minor	Automatic Rejection unless specified otherwise
17	Strike outs or changes to the submission that are legible but not initialled by the signing authority	Minor	1 working day to make changes; Township reserves the right to waive initialling and accept bid if it does not significantly affect the price/offer
18	Illegible submissions – unable to clearly evaluate a submission	Major	Automatic Rejection
19	Pages with mandatory information required by the vendor are missing or left blank	Major	Automatic Rejection
20	Unsolicited alternative offer shall not be considered	Major	Automatic Rejection
21	Alternate items bid in whole or in part	Minor	Available for consideration if the request invites alternative goods
22	Other mathematical errors which are not consistent with the unit prices	Minor	Unit prices will govern when a total price is incorrect; where a bid deposit is incorrect, a 24-hour period is permitted to correct the bid deposit; automatic rejection

			if not corrected
23	Bid documents which suggest that the bidder has made a major mistake in calculations or bid	Minor	Consultation with the Township Solicitor and referenced within a staff report

Schedule "F" – Conflict of Interest

1. Staff involved in procurement activities with suppliers and consultants shall implement provisions that:
 - a. Adhere to the definition of Conflict of Interest included in this policy and the requirements of the Township's Code of Conduct for emphasis and clarity;
 - b. Reserve the right of the CAO or delegate to solely determine whether any situation or circumstance constitutes a conflict of interest;
 - c. Reserve the right of the CAO or delegate to disqualify prospective suppliers or consultants from a procurement process due to a conflict of interest;
 - d. Require prospective suppliers or consultants participating in a procurement process to declare any actual, perceived or potential conflict of interest;
 - e. Require suppliers or consultants to avoid or disclose any conflict of interest during the performance of their contractual obligations for the town;
 - f. Reserve the right of the Township to prescribe the manner in which a supplier or consultant should resolve a conflict of interest;
 - g. Allow the Township to terminate an agreement where a supplier or consultant fails to disclose any actual or potential conflict of interest or fails to resolve a conflict of interest as directed by the town; and
 - h. Allow the Township to terminate an agreement where a conflict of interest cannot be resolved.
2. Staff shall be aware of the conflict of interest created when a supplier or consulting organization is involved in the development of the competitive documents or is involved in a study that will lead to a requirement for development of competitive documents and also has the ability to fulfill the procurement needs that are being contemplated in those competitive documents.
3. Staff shall be very clear and insist on documented agreements that any supplier or consultant involved in developing the competitive documents or studies affecting competitive documents cannot be involved in the creation of the response to those competitive documents.
4. There may be conflicts of interest where employees, advisors or members of Council may be involved. When involved in a competitive bidding process, including Requests for Proposals, employees, advisors or members of Council are expected to declare a conflict of interest and the CAO or designate shall request that a conflict-of-interest declaration be signed. The employee, advisor or member of Council is ultimately responsible and accountable to use good judgment in the exercise of the township's duties and shall:
 - a. Disclose conflicts of interest to the CAO or delegate, or his or her department supervisor or designate in writing; and
 - b. Avoid situations that may present conflicts of interest while dealing with persons or organizations doing business or seeking to do business with the Township.
5. Situations that might result in a conflict of interest include the following:
 - a. Engaging in outside employment;
 - b. Not disclosing an existing relationship that may be perceived as being a real or apparent influence on their objectivity in carrying out an official role;
 - c. Providing assistance or advice to a particular supplier participating in a competitive process;
 - d. Having an ownership, investment interest, or compensation arrangement with any entity participating in a competitive process;
 - e. Having access to confidential information; and

f. Accepting favours or gratuities from those doing business with the organization.

6. The CAO or designate shall consider situations where there may be an employee or advisor conflict of interest and those situations shall be dealt with accordingly.

7. In addition to the situations that might result in a conflict of interest for all employees and advisors, the agent shall be aware of and identify any additional conflicts of interest that may arise as a result of evaluation team members participating in the selection of products or services. The evaluation team members shall sign a conflict-of-interest and non-disclosure agreement before each evaluation.

Schedule "G" - Environmental Sourcing and Procurement

1) Staff are encouraged to consider environmentally responsible and sustainable products and services as part of their purchasing decisions. The objectives of environmental sourcing are to:

- a. Provide an environmental role model for public procurement by making it a priority to use environmentally responsible products and services, where feasible and cost effective;
- b. Support a healthier working environment for employees and for citizens in general through the purchase of environmentally preferable goods and services;
- c. Increase demand for environmentally responsible products and services, which may ultimately enhance quality and cost competitiveness;
- d. Increase the conservation of resources through the use of more reusable products, and/or products and services that require less energy and materials to produce or use; and
- e. Reduced the Township's Greenhouse Gas emissions and dependency on traditional energy and fuel sources

2) The procurement needs of the Township represent a significant level of responsibility to demonstrate leadership and support for greener business practices. Integrating environmental performance and impact into supply chain decisions is a commitment to improvement of the environment and the quality of life of Township residents.

3) Sustainable procurement shall be viewed in the context of achieving value for money for the total life-cycle costs. It requires the inclusion of environmental impact considerations into the procurement process, including planning, acquisition, use and disposal. Value for money shall include the consideration of many environmental tangible and intangible factors when determining the total life-cycle costs and environmental impact.

4) The factors noted above require an understanding of the environmental aspects and potential impacts associated with the life-cycle assessment of goods and services being acquired. The life-cycle approach shall examine costs beyond the up-front acquisition cost of goods or services, such as costs associated with operating, maintaining and disposing of the goods. Environmental considerations include, among other things: the reduction of greenhouse gas emissions and air contaminants; improved energy and water efficiency; reduced waste and support of reuse and recycling; the use of renewable resources; reduced hazardous waste; and reduced toxic and hazardous substances.

5) Assessment of life-cycle costs will commonly require input from a broad range of sources including program managers, project authorities, procurement authorities, operational users, environmental and disposal experts, cost accountants and financial management advisor, and standards organizations. Dialogue with the supplier community can also be useful to find out what is available and to inform the market of future requirements. Care should be taken not to distort competition — this process should not give any advantage to particular suppliers.

6) Activities to support green procurement should be incorporated during each stage of the procurement process. The following table outlines opportunities to integrate such considerations:

Recommended Framework: Sustainable Procurement Considerations

Procurement Step	Traditional Focus Areas	Environmental Focus Areas
Step 1 Assess Opportunity	Spend analysis focuses primarily on materials and logistics costs	Spend analysis encompasses direct and indirect environmental costs (e.g., energy consumption, disposal, packaging waste, water)
Step 2 Assess Internal Supply Chain	Specification focused, map current process and identify process opportunities	Specification review and design considers industry's environmentally sound products and services
Step 3 Assess Supply Market	Identify potential sources of supply and perform supplier assessments/comparisons	Supply base includes suppliers who specialize in more efficient and sustainable products (e.g., possible commodity substitutions and new manufacturing processes)
Step 4 Develop Sourcing Strategy	Confirm scope, determine desired outcomes and brainstorm process enhancement	Sustainability considerations and criteria are specified in the RFP document (e.g., energy, disposal, water usage costs may be solicited from suppliers for analysis)
Step 5 Implement Strategy	Develop/implement supplier solicitation strategy, conduct supplier negotiation and award contract	Bid analysis quantifies cost/benefits of sustainability attributes (e.g., energy consumption, carbon footprint or waste)
Step 6 Institutionalize Strategy	Transition to new process, develop supplier relationships, implement operation changes and monitor/report performance	Sustainability attributes closely tracked and audited

- 7) Procurement measures such as purchasing environmentally responsible products and supplies as well as adopting pollution prevention criteria when purchasing goods, services and construction are examples of initiatives to advance sound environmental management for organizational operations. Other examples of green procurement would include identifying or sourcing products and services that:
- a. Make efficient use of natural resources including land, air, energy and water;
 - b. Minimize waste by limiting purchases and packaging while increasing our waste diversion rates;
 - c. Are made of high quality materials that can be repaired or upgraded;
 - d. Minimize toxicity;
 - e. Are made from renewable or recycled materials;
 - f. Contain reusable parts or reusability;
 - g. Protect indoor and outdoor air quality.