



## **POLICY CS-02: Purchasing Policy**

### **Corporate Services**

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#### **Purpose:**

This policy outlines the guiding principles of public procurement and the approach that Norfolk County and its local boards will take when procuring goods, services and construction.

#### **1.1 Goals of Policy**

- 1.1.1 To set out guidelines for the County to ensure that all purchases of materials, Supplies and Services provide the lowest costs and best value consistent with the required quality and service.
- 1.1.2 To maintain an open and honest process that is fair, impartial and transparent.
- 1.1.3 To promote and maintain the integrity of the purchasing process and protect Council, vendors and staff involved in the process by providing clear direction and accountabilities.

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## 2. **DEFINITIONS**

For the purposes of this Policy,

“Best Value” shall mean the consideration of purchase price, warranty, service costs, life cycle costs, time of completion/delivery, inventory carrying costs, operating and disposal costs to determine the lowest compliant bid from a responsive, responsible bidder.

“Bid” shall mean a submission from a prospective Vendor in response to a request for the purchase of Supplies or Services issued by the County.

“Bid Deposit” shall mean a financial guarantee to ensure the successful Bidder will enter into an agreement.

“Bid Request” shall mean a formal request for competitive sealed Bids that may be, without limitation, in the form of a Request for Tender (RFT), a Request for Proposal (RFP), or a Request for Pre-Qualification (RFPQ).

“Bidder” shall mean an arms-length party that submits a Bid.

“Blanket Order” shall mean an agreement with a Vendor that sets terms and conditions for procuring specific Supplies and/or Services over a period of time. The Blanket Order establishes an account with the Vendor whereby such Vendor agrees to supply the said items at specified prices. There is no guarantee of quantities or delivery time.

“Committee” shall mean a committee as designated by the Council.

“Conflict of Interest” shall mean:

(i) a conflict between one’s private interests and one’s public or fiduciary duties, including but not limited to any action, decision or recommendation by an agent or public official acting in an official capacity, the effect of which could be to the private pecuniary benefit or detriment of the person or person’s relative; or

(ii)(a) in relation to a bidding process, a Bidder has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having, or having access to, confidential information of the County in the preparation of its Bid that is not available to other Bidders; (ii) having been involved in the development of the Bid Request including having provided advice or assistance in the development of the Bid Request; (iii) receiving advice or assistance in the preparation of its response from any individual or entity that was involved in the development of the Bid Request (iv) communicating with any person with a view to influencing preferred treatment in the bidding process (including but not limited to the lobbying of decision makers involved in the bidding process); or (v) engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive bidding process or render that process non-competitive or unfair;

or

(ii) (b) in relation to the performance of its contractual obligations, a Vendor's other commitments, relationships, or financial interests: (i) could, or could be seen to, exercise an improper influence over the objective, unbiased, and impartial exercise of its independent judgement; or (ii) could, or could be seen to, compromise, impair, or be incompatible with the effective performance of its contractual obligations.

"Consulting Services" shall mean services of an advisory and/or technical nature required to support policy development, decision-making, administration, or management of a business or public entity; generally provided by individuals or organizations that possess specific knowledge, technical skills or unique abilities.

"Consultant" shall mean to work or serve in an advisory and/or technical capacity; a person or company that possesses unique qualifications which allow them to perform specialized advisory and technical services.

"Contract" shall mean a written agreement between the County and another party for the purchase of Supplies, Services, or Construction pursuant to this policy.

"Cost/Dollar Limits" – purchase amounts shall be calculated including all applicable taxes and before the HST rebate is calculated to determine the purchasing method and/or procedures to be used.

"Council" shall mean the Council of the Corporation of Norfolk County.

"Emergency Purchase" shall mean a purchase made in a crisis situation where immediate action is required to prevent the possible loss of life or property.

"Formal Bid" shall mean a sealed Bid.

"General Manager" shall mean a head of a division operating within Norfolk County, being the General Manager of: Corporate Services, Community Development, Environmental and Infrastructure Services, Health and Social Services or Operations.

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

"Informal Quotation" shall mean a competitive Bid process for Supplies or Services that is conveyed and received from Bidders in a written format such as e-mail, mail or fax.

"Performance Security" means a financial guarantee of the full completion of all work as required in a Bid Request.

"Purchasing Authority/Designate" shall mean the authority delegated to designated employees to initiate, to administer and/or to award the purchase of Supplies and Services up to the prescribed thresholds in accordance with this Purchasing Policy –

CS-02, with the Purchasing Procedures – CS-03, and with By-law No. 2021-19. The Purchasing Authority/Designate is the person responsible for ensuring that the appropriate purchasing process has taken place.

“Purchase Order” means a document generated by a requester authorizing the commencement of a purchasing transaction. Typically it contains a description of the need, date, cost, account information, and signatures of the purchasing authority and the spending authority. The Purchase Order may be submitted via electronic copy (preferred) or hard copy.

“Request for Proposal” (RFP) means a publicly advertised formal Bid where a need is identified, but the method by which it will be achieved is unknown at the outset. This process allows Vendors to propose solutions or methods to arrive at the desired result and each proposal is evaluated based on defined criteria.

“Request for Tender” (RFT) means a publicly advertised formal Bid for Supplies and/or Services in which the requirements are known at the outset and are listed in specifications contained in the Bid Request. Tenders are awarded based on the lowest priced compliant tender received.

“Sealed Bids” are Bids submitted in a sealed envelope to a specified location, by a specified date.

“Services” shall mean intangible items such as, without limitation, telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal services, medical and related services, insurance, leases for grounds, buildings, office or other space required by the Corporation and the rental, repair or maintenance of equipment, machinery, or other personal and real property.

“Single Source Supply” is a method of procurement where there is more than one Vendor able to supply the required Goods or Services but for reason of function or service, one supplier is recommended for consideration and the purchase will be made without a competitive bidding process.

“Sole Source Supply” is a method of procurement where there is only one available Supplier for the required goods or services.

“Spending Authority” shall mean the authorization delegated to designated employees to spend on Supplies and Services up to the prescribed dollar thresholds in accordance with By-law 2020-73, To Delegate Spending Authority to Norfolk County Officers and Employees, or its successor by-law.

“Successful Bidder” shall mean the Bidder who has met or exceeded the minimum requirements of the Bid Request in its entirety as determined by the County in its absolute discretion and to whom an award is recommended.

“Supplier” means any individual or organization providing Supplies or Services to the

County, including but not limited to, contractors, consultants, vendors, service organizations, etc.

“Supplies” shall mean tangible goods, wares, merchandise, material and equipment.

“Tender” means a formal Bid based on precisely defined requirements for which a clear or single solution exists.

“The Corporation of Norfolk County” herein is also referred to as the “County” or the “Corporation”.

“Unsolicited Proposals” shall mean submissions from any source whereby the originator believes that the proposal may be of benefit to the County and are not submitted to the County in response to a Bid request or other process initiated by the County.

“Vendor” shall mean any person or enterprise supplying Supplies and/or Services to the Corporation of Norfolk County which includes, without limitation, contractors and consultants.

### **3. PURCHASING RESPONSIBILITIES**

#### **3.1 Expenditure Authorization**

- 3.1.1 Council has the ultimate authority for all expenditures. Council delegates this authority to initiate procurement processes for Supplies, Services and construction through the authorization of annual budgets, or by resolution or by-law. The Financial Management and Planning Department cannot pay for any item that has not been authorized by Council through budget appropriation or specific resolution. Reference FS-13 Financial Transactions Signing Authority and Separations of Duties Policy.
- 3.1.2 Authorization limits for payment are outlined in the Spending Authorization Policy CS-01 and applicable by-laws.
- 3.1.3 This authority also extends to signing all required purchasing documentation, including the signing of contracts and agreements for procured Supplies and Services when a bid is awarded, as per the Spending Authorization Policy CS-01.
- 3.1.4 Authority is further delegated by Council to the Chief Administrative Officer to award formal bid documents in excess of \$250,000 during Council's annual summer recess under the same conditions as identified in Section 3.2.2.

#### **3.2 General Manager Authorization and Responsibilities**

- 3.2.1 Each General Manager is responsible for administering the purchasing function within his or her divisions as authorized.
- 3.2.2 Each General Manager has authority to award all Requests for Tenders and Requests for Proposals with purchase amounts between \$50,000 and \$250,000 when all the following conditions apply:
  - 3.2.2.1 It is the lowest Tender meeting specifications, or the Proposal meeting the price per point methodology, and
  - 3.2.2.2 The scope of the project has not changed from what was approved by Council, and
  - 3.2.2.3 The amount of the Bid, plus all related costs, is within the approved allocations, and
  - 3.2.2.4 The contract is not anticipated to be financed by debentures.

If any of these conditions is not met, the Bid must be referred to Council for approval.



3.2.3 Each General Manager may assign authority for the purchasing function to a Director. Approval for this designation must be recorded and approved in writing by the Chief Administrative Officer, and forwarded to Financial Management and Planning (Purchasing Authority Delegation, Form FO-145).

3.2.4 The purchasing and spending functions cannot be authorized by the same individual for the same transaction.

### **3.3 Director Authorization and Responsibilities**

A Director, to whom any authority has been assigned pursuant to section 3.2.3 herein, shall be authorized to administer the purchasing process assigned by the General Manager up to the value of their prescribed signing authority.

### **3.4 Purchasing Authority/Designate**

A Director may further delegate responsibility for the purchasing process to a Purchasing Designate. Such appointment must be recorded in writing and approved by the General Manager (Form FO-145).

## **4. PURCHASING MECHANISMS**

No contract or purchase shall be divided to avoid any requirements of this policy.

All formal Bid requests, including but not limited to Request for Tenders, Requests for Proposals, Requests for Pre-Qualifications, and Expressions of Interest, shall be advertised in accordance with the rules for Advertising as stated in this policy.

### **4.1 Cooperative Purchasing**

The County requires divisions/departments to use Cooperative Purchasing wherever possible.

The County shall maintain membership in a number of purchasing cooperatives.

Staff are required to purchase from these initiatives.

Information regarding these initiatives will be posted on the Purchasing site of the intranet.

### **4.2 Small Order**

4.2.1 Small Order purchases, excluding consulting services for departments reporting to the Board of Health, may be used when:

4.2.1.1 the purchase amount of the item is equal to or less than \$10,000.

4.2.1.2 the item is not covered under a cooperative agreement, and

4.2.1.3 the item is not available from County stock

4.2.2 A Director is authorized to make Small Order purchases within the expenditure range from such Vendors and upon such terms and conditions as the Director deems appropriate.

4.2.3 Small Order purchases shall be paid by pCard whenever possible.

4.2.4 Staff are required to consider both cost and value when making Small Order purchases and are encouraged to seek competitive pricing.

#### **4.3 Informal Quotation - Request for Quotation (RFQ)**

4.3.1 A Director shall be authorized to initiate purchases of Supplies and Services for estimated purchase amounts exceeding \$10,000 and less than \$50,000 upon such terms and conditions as the General Manager deems appropriate. Informal Quotation requests and specifications (as applicable) will be issued and received electronically on a pre-determined date and time.

At least three (3) Bids should be obtained whenever possible. An open process that results in more than three Bids is encouraged.

Award selection for the Informal Quotation shall be made on the basis of the lowest compliant Quotation that meets minimum specifications.

4.3.2 The Independent Contractor Services Agreement, (Form FO-129) shall be completed and signed by both parties to finalize purchases made and services obtained for procurements made through an Informal Quotation.

#### **4.4 Tender Purchase – Request for Tender (RFT)**

4.4.1 A Director shall be authorized to initiate a Request for Tender for Supplies or Services for estimated purchase amounts equal to or exceeding \$50,000 by requesting and obtaining sealed Bids for the Supplies or Services. A RFT shall be used to achieve an award selection made on the basis of the lowest compliant Bid that meets minimum specifications. At least three (3) Bids must be obtained whenever possible.

#### **4.5 Request for Proposal (RFP)**

4.5.1 A Director shall use a Request for Proposal (RFP) in place of a Tender where a need is identified but the method of achieving the need is unknown at the outset, as per the following:

4.5.1.1 the Supplies or Services cannot be specifically stipulated;

- 4.5.1.2 alternative methods are sought to perform certain functions or services;
  - 4.5.1.3 innovative solutions are being sought; or
  - 4.5.1.4 achievement of Best Value is sought. The award selection will be made based on a fully disclosed evaluation method involving a combination of mandatory and desirable requirements.
- 4.5.2 The evaluation criteria and process shall be approved by the Director prior to the issuance of the Request for Proposal.
- 4.5.3 A Two-Envelope process will be used for Requests for Proposal to determine the best price for the best value for the County.
- 4.5.4 A Price per Point methodology will be used for evaluation purposes. The Proposal with the lowest Price per Point in a cost RFP represents the greatest value and is the preferred Proposal. The Proposal with the highest Price per Point in a revenue generating RFP represents the greatest value and is the preferred Proposal. The preferred Proposal may not be the lowest or highest Proposal.
- 4.5.5 Details of the Proposals or any financial information will not be publicly disclosed. Any public disclosure of information shall be made by the appropriate officer in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990*.
- 4.5.6 A modified RFP process, which may include a modification to the evaluation process shall be reviewed and permitted with approval of the General Manager of the issuing departments, the Director, Corporate Support Services and the General Manager of Corporate Services.

#### **4.6 Request for Pre-Qualification (RFPQ)**

- 4.6.1 The Director may use a Request for Prequalification to short-list Vendors, allowing those short-listed to participate in a subsequent method of procurement.
- 4.6.2 Vendors may be pre-qualified by issuing a Request for Pre-Qualification document. Selection of pre-qualified Vendors will be based on fully disclosed evaluation criteria.
- 4.6.3 As a result of prequalification the County will only allow those who are pre-qualified to participate in the bidding process for scope of work and/or services as specified in the procurement document, while maintaining the

competitive bidding process.

4.6.4 Pre-Qualification may be done on a project specific basis.

#### **4.7 Expression of Interest (EOI)**

A Director may use an Expression of Interest (EOI) prior to a Bid Request to seek information from interested parties for an upcoming solicitation. An EOI is a process whereby the County can acquire information, and sometimes is known as a “fishing exercise”. Such process does not lead to a contract award.

#### **4.8 Other Processes**

##### **4.8.1 Rosters**

A “Roster” is the result of a competitive bidding process, which prequalifies Vendors to be placed on a list where they will be provided an opportunity to perform work for the County as it becomes available based on low price.

##### **4.8.2 Unsolicited Proposals**

Unsolicited proposals may be in writing detailing information on a product or service that can provide the County with significant value or savings. Unsolicited Bids may be accepted and a contract entered into for a maximum of a one-year period without any competitive bid process providing the total annual expenditure is less than \$50,000 and in consultation and agreement with the appropriate General Manager and the General Manager, Corporate Services.

For departments reporting to the Board of Health, the total annual expenditure shall not exceed \$5,000.

No further subsequent proposals providing the same or similar goods or services will be permitted without the issuance of a procurement process.

##### **4.8.3 In-House Bids**

The County does not solicit in-house bids in competition with outside Vendors.

##### **4.8.4 Single Source Supply**

Single Source supply is a method of procurement where there is more than one Vendor able to supply the required Goods or Services but for reason of function or service, one supplier is recommended for consideration and the purchase will be made without a competitive bidding process. All Single

Source procurements, must be authorized prior to the purchase through resolution of Council with the exclusion of small order purchases.

#### **4.8.5 Sole Source Supply**

Sole Source supply is a method of procurement where there is only one available Supplier for the required goods or services. All Sole Source procurements must be authorized prior to the purchase through resolution of Council with the exclusion of:

4.8.5.1 Small order purchases

4.8.5.2 Purchase of replacement parts where the original equipment manufacturer (OEM) is the sole provider of that equipment (i.e. a transmission for Champion road grader)

4.8.5.3 Purchases identified under Section 11.

4.8.6 Notwithstanding the above purchasing mechanisms, adherence to the purchasing policy is not required for a transaction specifically directed and authorized by Council to proceed outside the scope of this policy.

#### **4.9 Pricing Index**

A Director may incorporate a pricing index when procuring supplies or services for multi-year contracts or volatile markets where pricing may fluctuate on a routine basis, upon approval from the applicable General Manager and the General Manager, Corporate Services.

#### **4.10 Conditional Bid Solicitation Prior to Capital Budget Adoption**

A Director is authorized to request Bids for capital works or equipment replacement prior to the adoption of the capital budget by Council provided the Bid specifies that the acceptance and award is subject to budget approval by Council and the scope and quantities within such Bid are subject to addition or deletion.

### **5. BID CLOSING AND OPENING**

Purchasing procedures will establish appropriate review of Bid requests and Bid closing and opening procedures.

### **6. ADDENDA**

A Bid request may be amended only by the issuance of an addendum in accordance with established Addenda procedures.

All Inquiries regarding Bid calls will be processed in a manner that ensures corporate wide consistency and complies with applicable Trade Agreements.

## **7. CONDITIONS APPLICABLE TO ALL BID SUBMISSIONS**

### **7.1 Conditions**

- 7.1.1 These conditions apply to all bid submissions, whether they are formal or informal.
- 7.1.2 Bids must be submitted and received in the manner as specified in the Bid Request.
- 7.1.3 Bids submitted later than the specified closing date and time will not be accepted. No exemptions will be permitted.
- 7.1.4 A Bidder who has already submitted a Bid may submit a further Bid at any time up to the official closing time. The last Bid received will supersede and invalidate all Bids previously received from that Bidder.
- 7.1.6 All Bids will be subject to determination of award according to the purchasing mechanism used.
- 7.1.7 The disclosure of information received in response to Bid solicitation shall be treated in accordance with the *Municipal Freedom of Information & Privacy Act, R.S.O. 1990, as amended*.

### **7.2 Bid Rejections**

The following Bids will be rejected:

- 7.2.1 A Bid that is received after the closing date and time as specified in the bid document, with no exceptions.
- 7.2.2 A Bid that does not comply with the requirements at time of closing as specified in the bid document.
- 7.2.3 A Bid that is incomplete, conditional, or which contains additions not called for, erasures, alterations or irregularities of any kind.
- 7.2.4 A Bid that does not meet specification requirements.
- 7.2.5 As per Schedule B, Bid Irregularities and Responsibilities, of the Purchasing Procedures – CS-03.

## 8. **BLANKET ORDERS**

A Blanket Order is an agreement with a Vendor that sets terms and conditions for procuring specific Supplies and/or Services over a period of time. A Blanket Order establishes an account with the Vendor whereby such Vendor agrees to supply the Supplies or Services at specified prices. There is no guarantee of quantities or delivery time.

A Blanket Order is available for use by all divisions and departments.

The General Manager, Corporate Services may issue and coordinate Blanket Orders following the award of Bids for all County divisions as applicable.

Staff are required to determine if a Blanket Order is available for any Supply or Service they require prior to making the purchase.

Blanket Orders shall be issued for a specific time period with all ordering divisions responsible for maintaining purchases within budget allocations.

## 9. **PURCHASE OF USED FLEET EQUIPMENT**

### 9.1 **General**

The General Manager of Operations, or designate is authorized to purchase used fleet equipment that is sold by other municipalities by private sale or public auction; sold through a Vendor licensed to sell used equipment; by sealed Bid; or by negotiation providing that all of the following conditions are met:

- 9.1.1 The equipment meets or exceeds the divisional equipment requirements.
- 9.1.2 If the total purchase amount per piece of equipment exceeds \$100,000 but is less than \$250,000, the General Manager of Operations approves the expenditure.
- 9.1.3 If the total purchase amount per piece of equipment exceeds \$250,000, a report is forwarded to Council for approval, detailing purchase information and expenses.

The General Manager of Operations or designate is exempt from the County's formal Bid Request process when purchasing used fleet equipment by any of the methods detailed in this section.

## 10. **EMERGENCY PURCHASES**

### 10.1 **General**

Any Director shall be authorized to make emergency purchases in excess of \$50,000

upon the approval of the Chief Administrative Officer. The Director shall present a report to Council at its next meeting.

Emergencies include, without limitation:

- 10.1.1 An imminent or actual danger to the life, health or safety of an official or an employee while acting on the County's behalf; or
- 10.1.2 An imminent or actual danger of injury to or destruction of real or personal property belonging to the County; or
- 10.1.3 An unexpected interruption of an essential public service; or
- 10.1.4 An emergency as defined by the *Emergency Management and Civil Protection Act, R.S.O. 1990*, Chapter E.9 and the emergency plan formulated there under by the County; or
- 10.1.5 A spill or pollutant as described by Part X of the *Environmental Protection Act, R.S.O. 1990*, Chapter E.19 and, 12.2.6 mandate of a non-compliance order.

## 11. **PURCHASE BY NEGOTIATION**

### 11.1 **Conditions**

A General Manager may purchase by negotiation with one or more Vendors without a formal Bid process under the following conditions:

- 11.1.1 When market conditions are in short supply in the judgment of the Chief Administrative Officer and the General Manager, or
- 11.1.2 A Sole Source exists.

Any negotiated expenditure exceeding \$50,000 for a one time purchase or over an annual basis must be reported to Council.

It is the responsibility of the General Manager to ensure that competitive bidding options have been considered prior to negotiation being utilized.

## 12. **TIE BREAKER**

Where Bids are received from competing Bidders, such Bids are low and compliant, and such Bids are scored equally or have the same value or price for the County, tie breaking methods may be used as per the Purchasing Procedures CS-03.

The outcome of the tie breaking method is final.



**13. EXCEPTIONS**

A Director may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to Council. Such exemption may be granted by resolution.

**14. EXCLUSIONS****14.1 Exclusions from Competitive Bids**

Competitive bids shall not be required for Supplies or Services when any of the following apply, including, but not limited to:

- 14.1.1 Supplies or Services are provided by or for utilities, government agencies, Crown corporations, traveling expenses, meals, conferences, seminars, memberships, subscriptions, medical exams, licenses, in-house services and any other Supplies or Services as approved by Council.
- 14.1.2 When any patent, copyright or exclusive license is applicable.
- 14.1.3 When Supplies are in short supply due to market conditions.
- 14.1.4 During emergency situations as set out in Section 10.
- 14.1.5 As identified elsewhere in this policy.

**15. ADVERTISING**

Where effective in the opinion of a Director, information regarding informal or formal Bid Requests shall be advertised in the local newspaper and/or a digital strategy campaign through the Communications Department; and/or in applicable publications necessary to comply with all existing statutory regulations.

Any requirements exceeding \$100,000 must be advertised to comply with applicable trade agreements.

All formal Bid Requests will be advertised on the County website and the Ontario Public Buyers Association, or any other method determined by the General Manager, Corporate Services.

All formal Bid Requests shall be advertised on the applicable website(s) for a minimum of 15 calendar days to comply with trade agreements.

**16. BID DEPOSITS**

A Bid Deposit is a form of financial guarantee that ensures the successful bidder will enter into an agreement. The General Manager, Corporate Services in consultation

with the user department will determine whether a bid deposit will be part of the bid submission requirements.

The amount of the bid deposit, if required will be reflective of the project budget while offering adequate protection to Norfolk County in case of default by the Bidder. Bid deposits will not be less than 5% of the estimated budget for goods, services or construction being purchased unless determined otherwise as authorized by the General Manager in consultation with the General Manager, Corporate Services.

### **16.1 Bid Deposit Requirements**

- 16.1.1 The County does not pay interest on any Bid deposits.
- 16.1.2 The County is authorized to cash and deposit, without notice, any Bid deposit in the County's possession that is forfeited as a result of non-compliance with any of the terms, conditions and/or specifications of a Bid.
- 16.1.3 The County reserves the right to request that a Bid deposit may subsequently be used as a Performance Security by the successful Bidder as applicable to the Bid Request.

## **17. FINANCIAL GUARANTEES**

Successful bidders must provide financial guarantee(s) as required in the Bid Request.

Financial guarantees will be reflective of the project budget while offering adequate protection to Norfolk County in case of default by the Bidder.

All financial guarantees must be original documents, signed with original signatures and sealed as applicable. No facsimiles or copies will be accepted.

The General Manager, Corporate Services in consultation with the user department will determine whether performance security and/or bonding will be part of the bid submission requirements.

### **17.1 Performance Security**

- 17.1.1 Performance security is a form of guarantee for the full completion of all work as required in the Bid Request. Acceptable formats for performance security include: certified cheque, bank draft, money order or irrevocable letter of credit in a form satisfactory to the County.
- 17.1.2 Performance security is required for but not limited to construction, renovation, maintenance, demolition, service contracts (when working on County property), and supply and installation of equipment for a minimum of 5% of the estimated contract price.

- 17.1.3 A Bid deposit may subsequently be used as performance security when the amount required for both is the same and in an acceptable format.

## **17.2 Bonding Requirements**

- 17.2.1 Bonding is a guarantee of the full completion of all work and/or all financial commitments as required in the Bid Request. Performance, Labour and Materials Payment and/or Maintenance Bonds must be for a minimum of 50% of the Bid amount for each bond. The applicable Director or designate shall determine the financial amounts of the bonds required.

## **18. INSURANCE**

The County will only accept Certificates of Insurance in the form of an original document from the contractor, or an email/faxed copy directly from the insurance company/broker, and must be furnished at the cost of the bidder. The proper certificate(s) must be received prior to the commencement of any purchase or service by the successful bidder. The Certificate of Insurance must detail all County insurance requirements for no less than the minimum amounts as stated in the Purchasing Procedures – CS-03 to the satisfaction of the County and in force for the entire contract period.

### **18.1 Insurance Coverages**

Insurance coverages will be required as stated in the Bid Request and may include but not be limited to the following:

- 18.1.1 Automobile Liability – provides coverage for bodily injury and property damage resulting from work performed by the contractor's licensed vehicles/equipment.
- 18.1.2 Commercial General Liability
- 18.1.2.1 provides coverage for bodily injury and property damage as a result of work performed by a contractor.
- 18.1.2.2 provides explosion, collapse and underground coverage when required for certain contracts involving major renovations/new building.
- 18.1.3 Environmental Liability / Contractor's Pollution Liability
- 18.1.3.1 provides coverage when dealing with work that could involve release of a substance, for example, hitting something that could pollute the environment, e.g.: gas line, sewer line.
- 18.1.3.2 Gradual Release is required for contracts dealing with road construction, road repairs, asphalt resurfacing, fuel tanks, and work

at water and sewer facilities.

- 18.1.4 Professional Liability / Errors and Omissions – covers professional errors or omissions where the damage does not involve bodily injury or property damage, (e.g.: error in building design so large part of building needs to be demolished and rebuilt).
- 18.1.5 Crime / Fidelity – provides coverage for the loss of securities or other property sustained through fraudulent or dishonest acts by contractors who may have access to County property without Norfolk County supervision.
- 18.1.6 Tenant’s Environmental Impairment Liability – this coverage is only required if the County is renting a building/property to a third party, to protect the County if the leasee contaminates the property.
- 18.1.7 Builder’s Risk – provides coverage for buildings under construction or major renovations, including equipment and materials.
- 18.1.8 Other Insurance Coverage – the County reserves the right to request such higher limits of insurance or other types of policies appropriate to the Agreement as the County may reasonably require from time to time.

## 19. **HOLDBACK**

Payments to any contractor, holdbacks and their release shall be in full compliance with the provisions of the *Construction Act R.S.O. 1990*, c. C.30 and Norfolk County Policy FS-12, Holdback Procedures.

## 20. **LITIGATION**

### 20.1 **No Contract Award**

A contract may not be awarded to any Bidder who:

- 20.1.1 is a party to litigation with the County; or
- 20.1.2 directly or indirectly, including by common ownership or control or otherwise, is related to a party to litigation with the County; or
- 20.1.3 intends to use a sub-contractor in respect of the specific project who is a party to litigation with the County, or, who, directly or indirectly, including by common ownership or control or otherwise, is related to a party to litigation with the County.

For the purposes of this section, the phrase “party to litigation with the County” includes cases in which the Bidder or prospective Bidder or any of the parties named above, have advised the County in writing of their intention to commence litigation, or have

commenced or have advised the County of their intention to commence an arbitral proceeding against the County.

## **21. SUSPENSION OF BIDDERS DUE TO PERFORMANCE**

The General Manager, Corporate Services, in consultation with the appropriate Director and legal counsel for the County, may suspend the rights of any Vendor to Bid on any Bid Requests, in any case where the prior performance of the Vendor in response to a purchase order(s) or contract(s) has been documented to be unsatisfactory. Unsatisfactory performance shall include a failure to meet contract specifications, terms and conditions, as well as health and safety violations.

A Vendor whose right to Bid has been suspended may apply to The General Manager, Corporate Services for reinstatement of such rights at any time after the expiry date of the suspension period specified in the written notice given.

## **22. CONFLICT OF INTEREST**

### **22.1 Internal Conflicts**

It is the responsibility of all persons involved in bid solicitation or evaluation to disclose any inherent or potential conflict of interest to the applicable Director or General Manager, or in the case of a Member of Council, to the Chief Administrative Officer.

Any person disclosing a conflict of interest shall remove themselves from the procurement process associated with the conflict.

It is the responsibility of all members of Council to disclose any inherent or potential conflict of interest to Council at the time the matter is being considered by Council.

### **22.2 Vendor Code of Conduct**

The County requires its Vendors to act with integrity and conduct business in an ethical manner. The County may refuse to do business with any Vendor that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest or an unfair advantage, or fails to adhere to ethical business practices. Vendors are responsible for ensuring that any employees, representatives, agents, or subcontractors acting on their behalf conduct themselves in accordance with this Vendor Code of Conduct. The County may require the immediate removal and replacement of any individual or entity acting on behalf of a Vendor that conducts themselves in a manner inconsistent with this Vendor Code of Conduct. The County may refuse to do business with any Vendor that is unwilling or unable to comply with such requirement.

## **A. ILLEGAL OR UNETHICAL BIDDING PRACTICES**

Illegal or unethical bidding practices include:

- (a) bid-rigging, price-fixing, bribery or collusion, or other behaviours or practices prohibited by federal or provincial statutes;
- (b) offering gifts or favours to the County's officers, employees, appointed or elected officials, or any other representative of the County;
- (c) engaging in any prohibited communications during a procurement process;
- (d) submitting inaccurate or misleading information in a procurement process; and
- (e) engaging in any other activity that compromises the County's ability to run a fair procurement process.

The County will report any suspected cases of collusion, bid-rigging, or other offences under the *Competition Act* to the Competition Bureau or to other relevant authorities.

## **B. DECLARING AND AVOIDING CONFLICTS OF INTEREST**

All Vendors participating in a procurement process must declare any perceived, possible, or actual Conflicts of Interest.

Where a Vendor is retained to participate in the development of a Bid Request or the specifications for inclusion in a Bid Request, or otherwise advises the County in relation to the preparation of a Bid Request or the administration of a bidding process, that Vendor will not be allowed to respond, directly or indirectly, to that solicitation.

## **C. ETHICAL BUSINESS PRACTICES**

In providing goods or services (including but not limited to construction-related contracts), Vendors are expected to adhere to ethical business practices, including:

- (a) performing all contracts in a professional and competent manner and in accordance with the terms and conditions of the contract and the duty of honest performance;
- (b) complying with all applicable laws, including safety and labour codes (both domestic and international as may be applicable); and
- (c) providing workplaces that are free from harassment and discrimination.

## **D. FALSE DECLARATIONS**

If a Vendor includes false or misleading information in response to a Bid Request, the County may suspend that Vendor from participating in future procurement processes.

If a Vendor fails to disclose a conflict of interest in connection with a procurement process or during the performance of a contract with the County, and the County subsequently discovers that such a conflict of interest exists, the County may suspend that Vendor from participating in future procurement processes.

The following non-exclusive factors should weigh in favour of suspension:

- (a) The Vendor knowingly made misrepresentations or failed to disclose a conflict of interest; and
- (b) The misrepresentation or undisclosed conflict of interest resulted in the Vendor having an unfair advantage or otherwise compromised the integrity of the County's procurement process.

### **22.3 County Conflict Determination**

Determinations in relation to conflict of interest under this policy shall be the responsibility of the General Manager, Corporate Services, in consultation with the appropriate Director and legal counsel for the County.

## **23. NO LOCAL PREFERENCE**

In accordance with the *Discriminatory Business Practices Act, R.S.O. 1990*, chapter.D.12, there shall be no local preference given to any Bidder when awarding a Bid for purchase of Supplies and Services for the County.

## **24. ADMINISTRATION**

### **24.1 General**

- 24.1.1 In all purchases, specifications are to be generic or "as equivalent". All factors influencing the purchasing decision are to be included in the specifications.
- 24.1.2 Notwithstanding the provisions of this procedure, the County shall have the right to reject the lowest or any Bid at its absolute discretion. The County also reserves the right to reissue the Bid Request in its original format or modified as best suits the requirements of the County.
- 24.1.3 For purchases from \$500.00 to \$10,000 a Purchase Order is not required if payment is made using the County's pCard.

## **25. REPORTING TO COUNCIL**

### **25.1 Reporting and Approvals**

- 25.1.1 The General Manager, Corporate Services shall submit to Council a semi-annual information report, containing the details relevant to the authorizations for all formal bid opportunities awarded by the Chief Administrative Officer through delegated authority during summer recess in addition to those that are equal to or greater than \$50,000 up to \$250,000 in value. The report will also include all Blanket Order renewals exceeding \$50,000 including taxes, over the term of the contract.
- 25.1.2 Each division or department shall supply to The General Manager, Corporate Services a report disclosing all procurements equal to or greater than \$50,000 up to \$250,000 in value, carried out under the authorized authority for all formal Bid methods outlined in this policy, for inclusion in the semi-annual procurement information report to Council.
- 25.1.3 Despite any other provisions of this policy, the following procurements over \$50,000, are subject to prior Council approval;
- 25.1.3.1 Any contract requiring approval from the Ontario Municipal Board;
  - 25.1.3.2 Any contract prescribed by statute to be approved by Council;
  - 25.1.3.3 Any contract over \$50,000 where the total acquisition cost is greater than the Council approved budget or where the expenditure would result in insufficient remaining funds in the project budget to complete the project as budgeted;
  - 25.1.3.4 Any acquisition of Supplies or Services that is not already approved in the current year's budget, such as items requiring pre-budget approval or post-budget amendments, which must be reported to Council in order to have the expenditure authorized via resolution;
  - 25.1.3.5 Any contract where the award is not being recommended to the lowest bidder, with the exception of Request for Proposals evaluated using a Price Per Point Methodology;
  - 25.1.3.6 Any circumstances when authority to award has not been expressly delegated;
  - 25.1.3.7 Any contract anticipated to be financed by debentures;
  - 25.1.3.8 Any circumstances when the formal bid process did not follow all provisions outlined in Purchasing Policy No. CS-02 and Purchasing Procedures No. CS-03;
  - 25.1.3.9 Any circumstances when the scope of a project has changed from that which was approved by Council in the budget;



25.1.3.10 When an award to be approved exceeds \$250,000, which is the maximum award, including any related costs that may be approved by a General Manager;

**26. RETENTION OF DOCUMENTATION**

All background information, information submitted by Vendors, purchase orders and other relevant information involved in obtaining prices for Supplies and Services exceeding \$10,000 shall be retained in the division or department for the current budget year and for five (5) years thereafter in records retention, by legislation.

**27. PURCHASING PROCESS REVIEW**

The General Manager, Corporate Services or designate and/or the Manager, Purchasing Services may randomly review divisional purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence.

**28. PURCHASING PROCEDURES**

Purchasing procedures approved by the Senior Leadership Team are to be followed and used for information on purchasing Supplies and Services in compliance with this policy.

**ATTACHMENT**     [Form FO-145](#) – Purchasing Authority Delegation