



**THE CORPORATION OF
THE VILLAGE OF WESTPORT
BY-LAW 2020-45**

Being a By-law to adopt policies with respect to the municipal procurement of goods and services

WHEREAS the Municipal Act, S.O. 2001, c.271 subsection 1, provides that a municipality and a local board shall adopt policies with respect to its procurement of goods and services;

AND WHEREAS the Council of the Corporation of the Village of Westport deems it advisable to adopt policies with respect to the procurement of goods and services;

NOW THEREFORE the Council of the Corporation of the Village of Westport enacts as follows:

1. The policy entitled "Village of Westport Procurement Policy" as presented in attached.
2. Schedule "A" attached hereto, is hereby adopted.
3. By-law 15-11, By-law 17-38 and all previous by-laws and resolutions relating to the municipal procurement and purchase of goods and services, are hereby repealed.

ENACTED AND PASSED this 20th day of October 2020.

MAYOR

CLERK

Schedule A to By-law 2020-45



VILLAGE OF WESTPORT

PROCUREMENT POLICY

**Approved by Council
October 20, 2020**

Schedule "A" INDEX

Section I	DEFINITIONS	Page 4
Section II	PROCUREMENT PRINCIPLES AND GOALS	Page 8
Section III	GENERAL CONDITIONS	Page 9
Section IV	REQUIREMENT FOR APPROVED FUNDS	Page 10
Section V	SPECIFICATIONS	Page 10
Section VI	STANDARDIZATION	Page 11
Section VII	METHODS OF PROCUREMENT	Page 11
Section VIII	REPORTING	Page 18
Section IX	DISPOSAL OF SURPLUS GOODS	Page 18
Section X	CONFLICT OF INTEREST	Page 18
Section XI	INSURANCE AND RISK MANAGEMENT	Page 19
Schedule A	EXEMPTIONS FROM PROVISIONS OF PURCHASING POLICIES	Page 20
Schedule B	BID IRREGULARITIES	Page 22
Schedule C	TENDER PROCESS	Page 26
Schedule D	REQUEST FOR PROPOSAL PROCESS	Page 28
Schedule E	LEASES	Page 29
Schedule F	PRIVILEGE CLAUSE	Page 30

SECTION 1 - DEFINITIONS

In this Policy,

1. Acquisition
means the process used for obtaining goods and services.
2. Agreement
means a legal document that binds the Village of Westport and all other parties, subject to the provisions of the contract.
3. Annual Aggregate Value
means the total amount anticipated to be spent annually by all departments on a particular type of good or service.
4. Approval
means authorization to proceed with the purchase or disposal of goods and/or services.
5. Bid
means an offer or submission received in response to a request for quotation, tender or proposal which is subject to acceptance or rejection.
6. Bid Irregularity
means a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response (see Appendix B).
7. Bid Request
means a written request for bids or a solicitation, which may be in the form of a Request for Quotation, Request for Tender or Request for Proposal.
8. Blanket Order (Supply Contract)
means a Purchase Order which establishes prices or a method for determining prices, terms and conditions and the period of time during which a vendor agrees to provide goods and services to the purchaser upon the purchaser's demand.
9. CAO/Clerk
means the Municipal CAO/Clerk for the Village of Westport.
10. Contract
means a legally binding agreement between two or more parties. Such agreements will consist in the form of a formal agreement between two or more parties that creates an obligation to provide defined goods and/or perform defined services

11. Conflict of Interest

refers to a situation in which private interests or personal considerations may affect an employee's judgment in acting in the best interest of the Village of Westport. It includes using an employee's position, confidential information or corporate time, material, or facilities for private gain or advancement or the expectation of private gain or advancement. A conflict may occur when an interest benefits any member of the employee's family, friends, or business associates.

12. Corporate Signing Officer

means the Head of Council, and Municipal CAO/Clerk or other individuals designated by Council or this policy.

13. Cost Effective Bid

means a bid received in response to a request that offers the best value for the dollars expended taking into consideration a quantitative and qualitative selections procedure.

14. Council

means the Council for the Village of Westport.

15. Co-op

means a Co-operative acquisition venture.

16. Designated Signing Authorization

provides the authority for members of Staff to execute legally binding contracts on behalf of the Village of Westport. See Section III, Subsection 3.

17. Direct Appointment

means to directly appoint a consultant on the basis of defined selection criteria, including but not limited to qualifications and experience.

18. Disposal

means the removal of materials owned by the municipality, which are deemed surplus, by sale, trade-in, auction, alternative use, gift, or destruction.

19. Emergency

means a situation where the purchase of goods and services requires immediate action to prevent or correct dangerous or potentially dangerous safety conditions, further damage, to restore minimum service or ensure the safety of the public.

20. Execute

means to legally bind the Village of Westport to the terms and conditions defined within the Agreement.

21. Expression of Interest

means a situation where vendors are solicited by the Municipality to advise the Municipality of their ability or desire to undertake municipal requirements.

22. Goods and/or Services
includes supplies, equipment, property insurance, maintenance, professional and consulting services and service contracts not otherwise provided for.
23. List of Bidders
means a list, retained by the Municipal Office of those vendors who are interested in submitting bids.
24. Lowest Responsive Bid
means the lowest bid price submitted which meets the requirements and specifications as set out in the bid request, minor deviations excepted.
25. Material Safety Data Sheets (MSDS)
means Material Safety Data Sheets which must be submitted by the vendor for all hazardous materials, including an index of chemical compounds with details of properties, handling details, precautions and first-aid procedures.
26. Municipality
means the Village of Westport.
27. Negotiation
means the action or process of conferring with one or more vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this Policy.
28. Open Market Procedure
means obtaining price quotations from vendors verbally or in writing.
29. Privilege Clause
means the standard clause used in bid documents and advertising that reads in part "the lowest or any tender not necessarily accepted" and as further described in this policy document.
30. Procure/Procurement/Purchase
means to acquire by purchase, rental or lease of goods and/service.
31. Professional and Consulting Services
includes architects, auditors, engineers, designers, planners, surveyors, management and financial consultants, brokers, legal services, and any other professional and consulting services rendered on behalf of the municipality.
32. Pre-qualification
Pre-qualification means a formal evaluation process established by the Village to ensure that the supplier is qualified to perform work for the Village and has demonstrated that he can provide the necessary expertise and resources to satisfactorily complete the work and services required. Pre-qualification shall entitle a bidder to participate in a call for proposals, RFP, Tender, or Request for Quotations as appropriate, so designated as requiring vender pre-qualification.

33. Proposal (Request for Proposal /RFP)

means an offer to provide goods or services to the Municipality, where it is not practical to prepare precise specifications, or where "alternatives" to detailed specifications will be considered, which may be subject to further negotiation. This process allows vendors to propose solutions to arrive at the end product and allows for evaluation on criteria other than price.

34. Purchase Order

means a written offer to purchase goods and services or a written acceptance of an offer where such offer has been made on forms prescribed by the Municipality.

35. Purchase Requisition

means a request for goods and/or services initiated by the user, for which budget approval has been granted and sent to the CAO/Clerk for action.

36. Quotation (Request for Quotation/RFQ)

means an offer to sell goods and services to the Municipality or an offer to purchase surplus goods from the Municipality.

37. Real Property

means land or buildings and any interest, estate or right of easement affecting same.

38. Responsive and Responsible Vendor

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

39. Single Source

means, there is more than one source in the open market but only for reasons of function or service one vendor is recommended for consideration of the particular goods and/or services.

40. Surety

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

41. Tender

means an offer received from a supplier of goods and/or services in response to a public advertisement requesting tenders sealed in an envelope.

42. Vendor of Record (VOR) arrangement

means a procurement arrangement, typically established through an RFP or tender process, that authorizes one or more qualified vendors to provide goods/services to the Village of Westport for a defined period on terms and conditions, including pricing, as set out in the VOR agreement

43. Verbal Quotation

means the requisitioning department will receive pricing via telephone or in person and will retain written documentation of the conversation and document the information on the requisition.

SECTION II - PROCUREMENT PRINCIPLES AND GOALS

The purchasing principles of the Village of Westport are as follows:

1. The guiding principle is that procurement decisions will be made using a competitive process that is open and transparent, objective, fair, accountable and efficient. This policy will promote and maintain the integrity of the purchasing process and protect Council, suppliers and staff involved in the process by providing clear direction and accountabilities.
2. To procure by purchase, rental or lease the required quality and quantity of goods and/or services, including professional and consulting services in an efficient, timely and cost effective manner;
3. To consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in evaluating bid submissions from qualified, responsive and responsible vendors
4. To give full consideration to the annual aggregate value or to consider the total project cost of specific goods and services that will be required by the Municipality prior to determining the appropriate acquisition method;
5. To co-ordinate purchases on a municipal-wide basis when appropriate in order to obtain available volume discounts and best possible price
6. To monitor and report on the economic climate and legislative changes which may have an impact on the Village of Westport and to determine the appropriate actions to be taken through purchasing policies and procedures;
7. To encourage the procurement of goods and services with due regard to the preservation of the natural environment, vendors may be selected to supply goods made by methods resulting in the least damage to the environment and supply goods incorporating recycled materials where practicable.

SECTION III - GENERAL CONDITIONS

1. The CAO/Clerk shall act as the authorized designate for the municipal procurement function for the Village of Westport.
2. Any commitments being made where it is recommended that a contract be executed by the Head of Council and the CAO/Clerk must first be approved by Council.
3. Where it is recommended that a contract other than a purchase order be executed, it will be authorized:
 1. For contracts over \$20,000 by the Head of Council and CAO/Clerk after being approved by Council.
 2. For contracts under \$20,000 by the Head of Council and ~~Municipal~~ CAO/Clerk.

Where a purchase requisition is recommended:

1. For requisitions over \$20,000 by Head of Council and CAO/Clerk after being approved by Council.
 2. For requisitions from \$5001 to \$20,000 by Head of Council and CAO/Clerk.
 3. For requisitions up to \$5000 by CAO/Clerk.
4. No expenditure or commitment shall be incurred or made, and no account shall be paid by the municipality for goods and services, except as approved by Council or as otherwise authorized in accordance with this policy.
6. When using the privilege clause which reads in part "the lowest or any tender may not necessarily be accepted", the specific reasons must be stated why the bids were not accepted.
7. No employee shall purchase or offer to purchase, on behalf of the Municipality, any goods and services, except in accordance with this Policy.
8. Elected Officials shall not approve nor acquire or dispose any goods and services.
9. Any employee who intentionally and knowingly acquires or disposes of any goods and services for the Municipality in contravention of any section of this Policy, as amended from time to time, shall be subject to disciplinary actions in accordance with Municipal policies.
10. All petty cash purchases must exclude tendered goods and services.

11. No requirement for goods and services may be divided into two or more parts to avoid the provisions of this policy.
12. Schedules A-E (attached hereto) may be amended provided such amendments have been approved by the Council and the amended Schedule(s) has been circulated to affected staff.

SECTION IV - REQUIREMENT FOR APPROVED FUNDS

1. The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Council approved Operating budget.
2. Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
 - a. the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates, and
 - b. the requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the CAO/Clerk, the required funding can reasonably be expected to be made available.
3. Where this policy prescribes financial limits on contracts that may be awarded or provides for financial limits on contracts required to be reported to Council, for the purpose of determining whether a contract falls within these prescribed limits, the contract amount shall be the sum of:
 - a. all costs to be paid to the supplier under the contract, excluding all taxes
 - b. less any rebates

SECTION V - SPECIFICATIONS

1. Where practical, specifications or Terms of Reference should be considered that are detailed but not brand specific to leave room for potential vendors to provide alternatives in the event an equal or better-proven product or method is available.
2. Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.

When such services are required:

- a. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of the goods and services
- b. fee shall be paid
- c. the detailed specification shall become the property of the municipality for use in obtaining competitive bids

SECTION VI - STANDARDIZATION

It will be the policy of the Village of Westport wherever possible, to standardize the procurement of goods and services to allow for:

1. reduced number of goods and services required
2. increased volume on common items or services
3. maximizing volume buying opportunities
4. providing economies of scale
5. reduced handling, training and storage costs
6. minimizing maintenance costs
7. co-operative purchasing activities
8. competitive bid results
9. reduced overall cost.

SECTION VII - METHODS OF PROCUREMENT

Notwithstanding any other provisions of this Policy, the acquisition of the items listed in Appendix "A" do not fall under the guidelines of the Purchasing Policy and shall be subject to applicable-Policies and Procedures established from time to time. Procurement by means of a lease agreement is also addressed separately in Schedule E.

1. PROCUREMENT OF GOODS AND/OR SERVICES

Where the required product or service can be specified, (and such goods and services are not stocked in the central stores or covered by a Blanket Purchase Order), it shall be acquired by Purchase Requisition.

Where it is estimated that the value of the goods and services, inclusive of all delivery charges will cost:

- a. \$0 to \$500
Direct acquisition is acceptable.
No purchase requisition is required.
- b. \$501 to \$5000
The Municipal Office shall obtain 3 verbal quotations, where possible and practicable.
No report to Council is necessary.
The purchase requisition shall act as the Purchase Order.
- c. \$5001 to \$20,000
The CAO/Clerk shall obtain three (3) written quotations (using a Request for Quotation, invitational Request for Quotation, or other method).
Report to Council is necessary.
A purchase requisition is required.
- d. \$20,001 to \$50,000
The CAO/Clerk shall issue a Request for Quotation. A minimum of three

written quotations are to be received before the municipality commits to a Vendor.

If only one quotation is received, the municipality may exercise its right to cancel the call for quotations or the municipality may choose to procure through a single bidder. Quotations may be opened in public and it is not necessary to disclose prices or terms at the time of submission.

The purchase is reported to Council.

- e. Over \$50,000
Prior to issuing a Tender/RFP/RFQ, the CAO/Clerk will inform Council of its particulars after which the CAO/Clerk shall issue a Tender/RFP/RFQ for all approved projects based on defined requirements (specifications are available to readily compare products).

Tender/RFP/RFQ require a reply by a designated date and time, signed by a Corporate Officer, authorized to bind the Corporation. Any requested bid deposits, security or bonds must be included with the submission. Replies are delivered directly to the Municipal Office and may be opened at a public tender meeting. If only one tender is received, the municipality has the option of not opening the bid and closing the call for tender.

Each sealed bid received in response to a formal bid request is reviewed to determine whether a bid irregularity exists, action is taken according to the nature of the irregularity (see Appendix B).

Upon Council's approval, the CAO/Clerk shall ensure that a legally binding agreement is executed by the Mayor and him/herself.

The CAO/Clerk is responsible for maintaining current insurance certificates and WSIB certificates, as called for in the bid documents.

2. REQUESTS FOR PROPOSALS (INCLUDING THE ENGAGEMENT OF PROFESSIONAL AND CONSULTING SERVICES)

This method of acquisition can be used for any dollar value and involves the solicitation of proposals when the requirements for goods and/or services cannot be definitely specified, the requirements of the municipality are best described in a general performance specification, and innovative solutions are sought. Depending on its' terms, the process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices.

Requests for Proposals are not formally opened in public nor is it necessary to

disclose prices or terms at the time of submission. If only one proposal is received, the CAO/Clerk has the option of not opening the bid and closing the call for proposal. (SEE APPENDIX C)

Where the required goods or services cannot be specified and it is estimated that the value of the goods and services (excluding all taxes) cost over \$50,000, written quotations shall be acquired through the Request for Proposal (RFP) process and evaluated on the basis of quantitative and qualitative criteria.

A report to Council is required from the CAO/Clerk for Council consideration and approval. Upon Council's approval, a contract must be executed by the Head of Council and CAO/Clerk.

3.i) EXPRESSION OF INTEREST and/or REQUEST FOR PRE-QUALIFICATION

The purpose of prequalification is to ensure that each contractor/supplier bidding to perform work for the Village can demonstrate their ability to provide the necessary expertise and resources to satisfactorily complete the work required.

This method is used when bidders offer their interest in submitting a bid on a product or service. I.e. the following circumstances:

- a) the Work is considered "high risk" with respect to regulations governed under the Occupational Health and Safety Act;
- b) the Work is such that Contract administration costs (Work inspection, follow-up, extra fee negotiations) could result in a substantial cost to the Village if the Work is not satisfactorily performed the first time;
- c) the Good(s) to be Purchased shall meet national safety standards or demonstrate an acceptable level of performance;
- d) large value projects of \$1 million dollars and greater;
- e) small value projects, goods and services which are frequent in nature, such as plumbing, electrical, excavation and other tasks typically completed on a per hour basis;
- f) the Work involves complex, multi-disciplinary activities, specialized expertise, equipment, materials or financial requirements;
- g) there could be substantial impact on the Corporation's operations if the work is not satisfactorily performed the first time; or
- h) wherever the CAO/Clerk deems it to be in the Best Interest of the Village.

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 this guideline.

- 3.ii) All requests for pre-qualification of larger value projects in excess of one (1) million dollars shall be in accordance with the approved Pre-qualification template as approved by Council.

Pre-Bid Procurement methods such as RFI, Market Sounding, EOI and Pre-Qualification are not Solicitations and shall not result in a Contract with the Village. The intent of pre-bid procurement is to determine what Good(s) and Service(s) are available which will meet business or operational requirements of the Village, to help with the design and determination of the best course of action for a project, to identify potential interested bidders and/or to establish a select number of Responsible pre-qualified Bidders. These processes may lead to formal solicitation or the Village may choose to not proceed with any project.

Vendor of Record (VOR) procedures:

- i. Process to become a VOR
- ii. Conditions of VOR Agreement

METHODS OF PROCUREMENT – SUMMARY TEMPLATE

The following are authorized procedures for the procurement of goods, services and construction, not available from pre-existing agreements.

METHOD OF PROCUREMENT	TYPE OF QUOTATION	SOURCE OF BIDS	TYPE OF CONTRACT	REPORTING STATUS
1. GOODS & SERVICES				
a. Under \$500			Direct acquisition	No report to Council required
b. \$500 – 5,000	Verbal quotation required	Purchases made from the competitive marketplace where possible and practicable	Purchase requisition	No report to Council required
c. \$5,001 – 20,000	Written quotation required	3 written quotes to be obtained where possible	Purchase requisition	Report to Council
d. \$20,001 – 50,000	Written quotation acquired by REQUEST FOR QUOTATION	May advertise in local and/or trade paper	Purchase requisition	Report to Council
e. Over \$50,000	Written quotation acquired by REQUEST FOR TENDER	May advertise in local and/or trade paper	Purchase requisition	Report to Council
2. REQUEST FOR PROPOSALS (INCLUDING THE ENGAGEMENT OF PROFESSIONAL AND CONSULTING SERVICES)				
a. Under \$5,000	Written quotation acquired by CAO/Clerk	May advertise in local and/or trade paper	Purchase Order or agreement	No report to Council required
b. \$5,001 – 50,000	Written quotations through REQUEST FOR PROPOSAL	May advertise in local and/or trade paper	Purchase Order or agreement	Report to Council

METHOD OF PROCUREMENT	TYPE OF QUOTATION	SOURCE OF BIDS	TYPE OF CONTRACT	REPORTING STATUS
c. Over \$50,000		May advertise in local and/or trade paper	Purchase Order or agreement	Review by Solicitor Report to Council
3. EXPRESSION OF INTEREST and/or REQUEST FOR PRE-QUALIFICATION				
	Request for information only, followed by INVITATION TO BID or PREQUALIFIED TENDER	May advertise in local and/or trade paper	No contract Followed by further request	No report to Council required

4. EXCEPTIONS TO METHODS OF ACQUISITION

a. VOLATILE MARKET CONDITIONS

Notwithstanding the provisions of this policy, where market conditions are such that long term price protection cannot be obtained for goods and services, the CAO/Clerk will obtain competitive prices for short term commitments until such time as reasonable price protection and firm market pricing is restored.

b. SOLE SOURCE PROCUREMENT – The use of this clause should be minimal and not undermine the spirit of open, fair and transparent procurement.

Sole source procurement may be approved by Council on the recommendation of the CAO/Clerk when any of the following conditions apply. The approval process for single source purchases are subject to the same limits established in Section VII a-e.

- i) goods and services are in short supply due to market conditions.
- ii) the sources of supply are restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to any of the following:
 - a. components or replacement parts for which there is no substitute.
 - b. compatibility with an existing product, facility or service is required.
 - c. specific standards are adopted by Council.
- iii) work is required at a location where a contractor has already been secured through a tender process, with established unit prices by another party and it is considered to be beneficial and cost effective

- to extend the unit prices for the work to be completed for the municipality.
- iv) after the RFP process has closed, it may be necessary for discussion to clarify and/or make significant revision(s) to the initially defined requirements of the call for quotations/proposals.
 - v) when only one bid/proposal is received through the procurement process and it is impractical to recall the requirements of the call for quotations/proposals.
 - vi) when a specialized item/service is required that is only available from one vendor

c. **EMERGENCY PROCUREMENT**

Notwithstanding the provisions of this policy, in case of an emergency, when an event occurs that is determined by the CAO/Clerk to be:

- i) a threat to public health.
- ii) the maintenance of essential municipal services.
- iii) the welfare of persons or of public property.
- iv) the security of the municipality's interests and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive bids.

The above criteria are to be applied on the basis of:

- v) Procurement \$50,000 and less:
Wherever feasible, the CAO/Clerk shall secure by the most open market procedure at the lowest obtainable price, any goods and services required.
A purchase requisition shall be issued.
- vi) Procurement Over \$50,000:
The CAO/Clerk shall prepare information report to be submitted to Council explaining the actions taken and the reason(s) therefore.
A purchase requisition shall be issued.

d. **CO-OPERATIVE OR JOINT VENTURES**

The municipality may participate with other Government agencies or public authorities in co-operative procurement/acquisition ventures whenever it is determined to be in the best interest of the municipality to do so.

e. **UNSOLICITED PROPOSALS**

Unsolicited proposals received by the municipality shall be reviewed by the CAO/Clerk. Any procurement activity resulting for the receipt of an unsolicited proposal shall comply with the provisions of this policy. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement requirements comply with the non-competitive procurement policies and procedures.

SECTION VIII - REPORTING

GOODS AND SERVICES and PROFESSIONAL AND CONSULTING SERVICES

1. Where the;
 - a. value of the goods and services is \$5,000 or less, and
 - b. procedures defined by this policy have been followed, and
 - c. acquisition is within the approved departmental net budget amount, and
 - d. lowest responsive bid is being recommended.

No report to Council is required and the CAO/Clerk shall arrange for a contract to be signed by the Corporate Signing Officer(s).

2. Council approval is required where the:
 - a. value of the goods and services is over \$5,000, or
 - b. purchase is for vehicles or heavy equipment, or
 - c. purchasing policy is being waived, or
 - d. acquisition exceeds the approved capital budget amount, or
 - e. lowest responsive vendor submission is not being recommended, or
 - f. there was no provision in the budget for the item, or
 - g. the CAO/Clerk requests that a report be presented for Council's consideration and approval

Based on the above criteria, a contract shall be executed by the Head of Council and CAO/Clerk in accordance to the reporting guidelines in this policy.

3. All contracts will be held by the Municipal CAO/Clerk.

SECTION IX - DISPOSAL OF SURPLUS GOODS

1. The CAO/Clerk shall obtain the approval of Council for the disposal and/or sale of surplus assets (included in inventory) with an estimated value of over \$500. Surplus goods shall be sold by sealed bid, or public auction.

SECTION X - CONFLICT OF INTEREST

All consultants (e.g.: architects, engineers, etc.) retained by the municipality shall disclose to the municipality prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the municipality as directed by the CAO/Clerk may, at its discretion, withhold the assignment from the consultant until the matter is resolved. And furthermore, if during the conduct of a municipal assignment, a consultant is retained by another client giving rise to a potential conflict of interest, then the consultant shall so inform the municipality.

SECTION XI - INSURANCE AND RISK MANAGEMENT

Prior to the commencement of any work being performed, the CAO/Clerk will request from the vendors and/or contractors providing services to the Village a certificate of liability insurance and a certificate of clearance from Workplace Safety & Insurance Board.

The minimum amount of liability insurance acceptable to the municipality is \$5 million, unless otherwise specified in a tender document. When the vendor and/or contractor will be providing an ongoing service to the municipality, proof that the Village is named on the insurance policy is required. The clerk shall ensure that all documentation has been received prior to contacting the service providers to commence work.

Schedule " A "

GOODS AND SERVICES "EXEMPT" from PROVISIONS OF THE PROCUREMENT POLICIES

1. Petty Cash Items
2. Training and Education
 - a. Conferences
 - b. Courses
 - c. Conventions
 - d. Memberships
 - e. Seminars
 - f. Periodicals
 - g. Magazines
 - h. Staff training
 - i. Staff development
 - j. Staff workshops
 - k. Subscriptions
3. Employee Expenses
 - a. Advances
 - b. Meal allowances
 - c. Travel & Hotel accommodation
 - d. Miscellaneous -Non-Travel
4. Employer's General Expenses
 - a. Payroll deduction remittances
 - b. Licences (vehicles, elevators, radios, etc.)
 - c. Debenture payments
 - d. Grants to agencies
 - e. Payments of damages
 - f. Tax remittances
 - g. Charges to/from other Government or Crown Corporations
 - h. Employee income
5. Professional and Special Services
 - a. Committee fees
 - b. Witness fees
 - c. Court reporters' fees
 - d. Honoraria
 - e. Arbitrators
 - f. Legal settlements
6. Utilities
 - a. Postage
 - b. Water and sewer charges
 - c. Heat/Hydro
 - d. Cable television charges
 - e. Telephone/Cell phones
7. Drinking Water and Wastewater

- a. Goods of established system where deviating from other similar equipment would likely result in additional costs for service, maintenance, and/or calibration.
 - b. Services by area representatives of the manufacturer
 - c. OEM chemicals or reagents
 - d. SCADA services
- 8. Co-operative or Joint Purchasing Agreement
 - a. Participation in a Joint Purchasing or Pricing Agreement where another upper or lower tier municipality has completed a procurement conducive to the spirit of the procurement policy (i.e. UCLG).
 - b. Purchasing from an organization to which the Municipality is a member after pricing arranged conducive to the spirit of the Villages Procurement Policy. (i.e. Sourcewell, LAS)

Schedule " B "
BID IRREGULARITIES

BID IRREGULARITY

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

For the purposes of this policy, bid irregularities are further classified as "major irregularities" or "minor irregularities".

A "major irregularity" is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. The CAO/Clerk must reject any bid, which contains a major irregularity.

A "minor irregularity" is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The CAO/Clerk may permit the bidder to correct a minor irregularity.

MATHEMATICAL ERRORS - RECTIFIED BY STAFF

The CAO/Clerk will correct errors in mathematical extensions and/or taxes, and the unit prices will govern. The responsibility for correcting mathematical errors may be delegated to other staff.

ACTION TAKEN:

The CAO/Clerk will be responsible for all action taken in dealing with bid irregularities, and acts in accordance with the nature of the irregularity:

- i) major irregularity (automatic rejection)
- ii) minor irregularity (bidder may rectify)
- iii) mathematical error (additions or extensions) as above

In the event that the vendor's bid is rejected due to the identification of a major irregularity, the municipality may disqualify such vendor from participating in municipal quotations/tenders/requests for proposals for a period of up to one year.

BID IRREGULARITIES – SUMMARY

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1.	Late bids (by any amount of time)	X		Automatic rejection
2.	Bids completed in pencil	X		Automatic rejection
3.	Bid surety not submitted with the bid when the bid request (or any addenda) indicated that such surety is required	X		Automatic rejection
4	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. Surety company not licenced to do business in Ontario	X		Automatic rejection
5.	EXECUTION OF BID BONDS: a. Corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b. Corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X		Automatic rejection
6.	OTHER BID SECURITY: Cheque which has not been certified	X		Automatic rejection
7.	Bidders not attending mandatory site meeting	X		Automatic rejection
8.	Unsealed tender envelopes	X		Automatic rejection
9.	Proper response envelope or label not used		X	Acceptable if officially received on time
10.	Pricing or signature page missing	X		Automatic rejection

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
11.	Insufficient financial security (i.e.: no deposit bid bond or insufficient deposit)		X	Where security is required & amount is not specified in request, automatic rejection unless insufficiency is deminimus (trivial or insignificant)
		X		Where security is required and amount of security is specified in request
12.	Bid received on documents other than those provided in request	X		Automatic rejection unless specified otherwise in the request
13.	EXECUTION OF BID DOCUMENT Proof of authority to bind is missing	X		Automatic rejection
14.	Part bids (all items not bid)	X or	X	Acceptable unless complete bid has been specified in the request
15.	Bids containing minor clerical errors		X	2 working days to correct initial errors. Municipality reserves the right to waive initialling and accept bid
16.	Un-initialed changes to the request documents which are minor (i.e.; the bidder`s address is amended by overwriting but not initialled)		X	2 working days to correct initial errors. Municipality reserves the right to waive initialling and accept bid
17.	Alternate items bid in whole or part		X	Available for further consideration unless specified otherwise in request

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
18.	Unit prices in the schedule of prices have been changed but not initialed		X	2 working days to correct initial errors. Municipality reserves the right to waive initialing and accept bid
19.	Other mathematical errors which are not consistent with the unit prices		X	2 working days to initial corrections. Unit prices will govern
20.	Pages requiring completion of information by vendor are missing	X		Automatic rejection
21.	Bid documents which suggest that the bidder has made a major mistake in calculations or bid			Consultation with a Solicitor on a case-by-case basis and referenced within the staff report if applicable
22.	Bids received from vendors who have not pre-qualified to bid on tenders designed for Pre-qualification, as per Section VII of this By-law	X		Automatic Rejection

NOTE: The above list of irregularities should not be considered all-inclusive. The CAO/Clerk will review minor irregularities not listed. The CAO/Clerk may then accept the bid, or request that the bidder rectify the deviation.

Schedule "C" **TENDER PROCESS**

Tenders will be called for all work, equipment, and materials with a value exceeding \$50,000 by way of public advertising or invitational bid, as outlined in the Municipal Procurement Policy.

Council shall pre-approve projects estimated to equal or exceed \$50,000, prior to the submission of the project to procurement by Staff.

The CAO/Clerk will advertise and distribute tenders:

- i) all tenders will be publicly advertised, unless otherwise specified.
- ii) In some instances, the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes the screening of potential vendors in which such factors as financial capability, reputation, qualified staff and equipment management and product quality are considered and will require reference checks that provide recent and relevant information in relation to the scope of Work, demonstrated past performance for similar scope of Work and financial liability. After evaluation of responses, only those contractors who are "Pre-qualified" are allowed to submit tenders (bidders shall have regard to the "Request for Pre-qualification" template, as established by Council).

Advertisements may include the following information (if applicable): site meeting time/date/location, contacts names for technical and purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.

The closing date is usually 15 calendar days after date of issue. However, a tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s) being tendered.

Advertised tender packages are available from the Municipal Office, Village of Westport, 30 Bedford Street, Westport KOG IXO. The tender fee (if applicable) is paid to Treasury and information is recorded from bidders as documents are picked up. A copy is available for viewing prior to purchase.

All tender submissions must be addressed to the CAO/Clerk, Village of Westport and returned in the envelope provided with the tender package. The Municipal Office will receive all sealed tender submissions and issue a date and time-stamped receipt.

The Municipal Office will refuse to accept any tender submission that is

- i) not sealed
- ii) received after the closing deadline
- iii) submitted after a tender has been cancelled.

Requests for withdrawal of a tender shall be allowed if the request is made before the closing time for the contract to which it applies. Requests must be directed to the CAO/Clerk by letter or in person, by a Senior Official of the company, with a signed withdrawal confirming the details.

Telephone requests will not be considered. The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract.

Each tender is reviewed to determine whether a bid irregularity exists, and action is taken according to the nature of the irregularity (see Appendix B).

Tenders are tabulated and evaluated by municipal staff.

A report is prepared for Council consideration and approval.

Following Council's approval, a contract which legally binds the corporation will be executed by the Head of Council and CAO/Clerk.

Tender results, if requested, shall be made public.

Schedule "D"

REQUEST FOR PROPOSAL PROCESS

REQUESTS FOR PROPOSALS (RFP's) may be called instead of tenders, by way of public advertising or invitational bid, as outlined in the Municipal Procurement Policy:

- i) when requirements or services cannot be definitively specified, or
- ii) when the requirements or services are non-standard or specialized in nature, or
- iii) the cost is only a minor component making up the award.

Municipal staff will initiate the RFP process by preparing documents, which include the following information: approximate dollar value, municipal department, description of work and closing date.

The CAO/Clerk will advertise and distribute RFP packages. RFP's will be publicly advertised. Advertisements may include the following information (if applicable): site meeting time/date/location, contacts names for technical and purchasing inquiries, document fee (if applicable), and location for pick up and drop off of bid documents.

The closing date is usually 15 calendar days after date of issue. However, an RFP may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s).

Public Request for Proposal document packages are available from the Municipal Office, Village of Westport, 30 Bedford Street Westport KOG IXO.

RFP's must be addressed to the CAO/Clerk. The Municipal Office will receive all sealed submissions and issue a date and time-stamped receipt, if requested.

The municipality will refuse to accept any submission that is

- i) not sealed
- ii) received after the closing deadline
- iii) submitted after an RFP has been cancelled.

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

Proposals shall be opened on the appointed day for registration of bids or at such time as may be set out in the RFP. Only names of bidders will be made public.

Proposals received shall be evaluated on the basis of quantitative and qualitative criteria by an Evaluation Committee, and a recommendation submitted for consideration of Council. Following Council's approval, a contract must be executed by the Head of Council and CAO/Clerk. Once an award is made by Council, the report recommending an award shall be a matter of public record. RFP results, if requested, shall be made public.

Schedule "E" **LEASES**

Leases are to be negotiated by the CAO/Clerk. The recommendation will be forwarded to Council for approval. As a general principle, a lease shall be considered when the following conditions are applicable:

When the expenditure of the goods or services is less than the purchase of goods and services.

The residual payment on the lease is negligible or justification can be made to accept a residual payment that is higher.

Leases will be treated in the same manner as purchase, based upon the retail value of the lease payment, (e.g. a \$25,000 vehicle will be purchased through the tender process, even though the annual payment is less than the amount required to go tender.)

At the expiration of a lease, a replacement goods or product be re-quoted or re tendered. Automatic "roll-over" of a lease payment into a new product must be authorized by the CAO/Clerk and/or Council as appropriate.

The report to Council recommending the entering into a lease agreement will require the CAO/Clerk to include the following information:

1. value of product or service if being purchased
2. length of the lease
3. monthly and annual lease payments
4. residual amount
5. interest

Once a lease has been negotiated and approved, a copy of the lease and documents must be forwarded to the CAO/Clerk.

Schedule "F"
PRIVILEGE CLAUSE

The Village reserves the right in its sole, absolute and unfettered discretion to:

- a. make public the names of any or all bidders and their quoted price;
- b. request written clarification or the submission of supplementary written information in relation to the clarification request from any bidder and incorporate such response to that request for clarification into the proposal;
- c. consider during the evaluation of bids and/or adjust a bidder's scoring and/or reject a Bid on the basis of:
 - i. a financial analysis;
 - ii. information provided by references;
 - iii. the bidder's past performance on previous contracts awarded by the Village;
 - iv. the information provided by a bidder pursuant to the Village exercising its clarification rights under this process; or
 - v. Any other information deemed relevant by the Village that arises during the bid process;
- d. verify with any bidder or with a third party any information set out in a proposal;
- e. check references other than those provided by any bidder;
- f. disqualify any bidder whose bid contains misrepresentations or any other inaccurate or misleading information, or any qualifications;
- g. disqualify any bidder who has engaged in conduct prohibited by this process;
- h. make changes, including substantial changes, to this process provided that those changes are issued by way of addenda in the manner set out in the call for bids;
- i. select the bidder other than the bidder whose bid reflects the lowest cost to the Village or the highest overall score;
- j. cancel this process at any stage;
- k. cancel this process at any stage and issue a new request for proposal for the same or similar deliverables;
- l. accept or reject any or all bids in whole or in part;
- m. accept any irregular or non-compliant bid;
- n. discuss with any bidder different or additional terms to those contemplated in this process; or
- o. if a single proposal is received, reject the proposal and cancel the process or enter into direct negotiations with the sole bidder.

These reserved rights are in addition to any other expressed rights or any other rights which may be implied in the circumstances. The tenderers acknowledge that the Village may rely upon the criteria it deems relevant, even though such criteria may not have been disclosed to the bidders. By submitting a proposal, the bidder acknowledges the Village's rights under this Policy and absolutely waives any right or cause of action against the Village or its agents arising in any way from or relating to this process, whether such right arises at law, equity, in contract, negligence or otherwise.