

The Corporation of the City of Richmond Hill

By-Law 76-25

A By-Law to Adopt And Maintain A Procurement Policy
For The Corporation Of The City Of Richmond Hill


Whereas Section 270 of the *Municipal Act, 2001* S.O. 2001, c.25, as amended (the "Municipal Act, 2001"), provides that a municipality shall adopt and maintain policies with respect to matters including its Procurement of goods and services;

And whereas Council at its meeting on July 9, 2025 adopted the recommendation of the Audit Committee at its meeting on June 24, 2025 contained in Staff Report SRCFS.25.029 to further amend the Financial Control By-law.

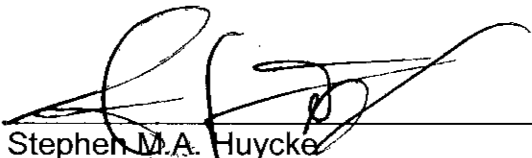
Now Therefore The Council Of The Corporation Of The City Of Richmond Hill Enacts As Follows:

1. That the Procurement Policy attached hereto and forming part of this By-law, be approved.
2. That Procurement By-Law No. 113-16, and all subsequent amendments thereto, be repealed.
3. That this By-law shall come into full force and effect on September 1, 2025.


Passed this 9th day of July, 2025.



David West
Mayor



Stephen M.A. Huycke
City Clerk



Procurement Policy

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Part 1: Purposes, Goals and Objectives

1.1 Purposes, Goals and Objectives of the Procurement Policy

The City is committed to upholding the principles of fairness and transparency in all its Procurement activities, recognizing the critical role that public Procurement plays in promoting economic development, fostering healthy competition, and ensuring the responsible use of public funds.

The purposes, goals and objectives of the Procurement Policy are to:

- a. ensure openness, accountability and transparency while protecting the financial best interests of the City;
- b. achieve best value for money, balancing cost considerations with quality, innovation, and sustainability;
- c. foster a competitive environment, when possible, provide equal opportunities to all qualified Suppliers, and ensure that Procurement processes are conducted with the utmost transparency, allowing all stakeholders to understand the procedures and criteria involved;
- d. provide City staff, which have Procurement responsibilities, clear direction on the policy principles, goals and objectives to be met through the City's Procurement activities; and
- e. promote adherence to all relevant legislation and Trade Agreements as a core principle of the City's Procurement activities.

Part 2: Definitions

2.1 Definitions

In this Policy, the following terms have the meanings set out below:

- a. **Approved Budget** means a budget adopted in accordance with O.Reg.530/22 of the Municipal Act, 2001 to acquire a Deliverable. It includes pre-commitments and any subsequent change to the budget. This includes capital budget authority and operating expenditures to be approved in future budgets assuming the same level of service as that of the current year.
- b. **Bid** means a submission in response to a solicitation document and includes proposals, quotations or responses.
- c. **Bidder** means a Supplier that submits a Bid.
- d. **Bid Solicitation** means the request issued by the City to solicit Bids from Bidders.
- e. **Broader Public Sector Entity** means an organization that receives government funding, but is not part of the government itself, examples include school boards and publicly funded academic, health and social service entities.
- f. **City** means The Corporation of the City of Richmond Hill.
- g. **City Manager** means the individual appointed to exercise general control and management of the affairs of the City for the purpose of ensuring efficient and effective operation of the municipality and any other duties as assigned pursuant to Section 229 of the Municipal Act, 2001.
- h. **Commitment Authority** means the Delegated Authority to bind the City by the signing of a Contract or Contracts required for the completion of the delivery including Contracts with sureties or bonding companies upon a default or Contract amendments, and includes authority to administer of all terms, conditions, rights and obligations of the City provided for in the Contract, subject

to the parameters set out in this Policy, but does not the authorities to take those actions requiring express approval under this Policy, such as approving the inclusion in a Contract of a provision assuming the liability of a Supplier liability and terminating the Contract.

- i. **Commissioner** means an individual assigned responsibility for a City department.
- j. **Competitive Process** means the solicitation of Bids from multiple Suppliers.
- k. **Contingency** means a cost that arises after the commencement of a Fixed Price Contract that is beyond the price established in the Contract and that is for an item or matter that was unforeseen at the time of commencement but that is within the defined scope.
- l. **Contract** means a document, or documents required to confirm a commitment by the City in connection with the Procurement of Deliverables from a Supplier, which may be evidenced by an agreement executed by the Supplier and the City, and/or a Purchase Order issued by the City to the Supplier.
- m. **Contract Amendment** means a change to an existing Contract, including any extension, renewal, value or increase in the scope of the Contract not provided for in the original Contract.
- n. **Contract Renewal Options** means options included in an existing Contract to permit the City to extend the initial term of the Contract and/or purchase additional Deliverables under it.
- o. **Contract Value** means the value of the entire term of the Contract, exclusive of sales taxes, and includes the value of any premiums, fees, commission and interest, as well as Contract Renewal Options.
- p. **Cooperative Procurement** means coordinating City purchases with purchases from other government entities, Broader Public Sector Entities or organizations dedicated to sourcing and/or providing municipal Deliverables and taking advantage of Public Sector Pricing available through the Federal or Provincial Government.
- q. **Council** means the City of Richmond Hill's duly elected municipal council.
- r. **Delegated Authority** means the powers and authorities delegated by Council to staff in this by-law, pursuant to the authority to delegate provided for in Section 23.1 of the Municipal Act, 2001.
- s. **Deliverables** means goods and services, including construction.
- t. **Director** means any employee, who reports to either the City Manager or a Commissioner; and who by virtue of their title is a director, or any employee who holds the position of City Solicitor, City Clerk, Fire Chief or other equivalent position.
- u. **Emergency** means a situation, or the threat of an impending situation, which may affect public health or safety, the natural environment, essential services of the City or the welfare of persons or public property which requires actions to be taken to prevent serious damage, disruption of work, or to restore or maintain essential service to a minimum level.
- v. **Employee Code of Conduct** means the City's policy setting out acceptable standards of conduct of the City's employees.
- w. **Exempt Procurement** means those purchases and expenditures described in Appendix A which are not subject to the requirements of this Policy, in particular those set out in Part 7 (Procurement Approval and Contracting Authorities), Part

10 (Standard Procurement Methods) and Part 11 (Non-Competitive Procurement).

- x. **Fixed Price Contract** means a Contract that establishes a set price for delivering a specified quantity of Deliverables for a specific assignment.
- y. **Immediate Family** means the spouse, common-law spouse, children, parents and brothers and sisters of an employee.
- z. **Invitational Competition** means a Competitive Process in which an invitation to submit Bids is issued to selected Suppliers.
- aa. **Manager** means the Manager of a section within the City of Richmond Hill who by virtue of their title is a Manager, or any employee who holds the position of Assistant City Solicitor or Deputy Fire Chief or other equivalent position.
- bb. **Manager Procurement Services** means the staff person responsible for the Procurement Services Section.
- cc. **MFIPPA** means Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56, as amended or superseded.
- dd. **Municipal Act, 2001** means the Municipal Act, 2001, S.O. 2001, c. 25, as amended or superseded.
- ee. **Non-Competitive Procurement** means the acquisition of medium and high value Deliverables through a method or process that deviates from the standard procurement method typically required for the type and value of the Deliverables.
- ff. **Open Competition** means a Competitive Process in which Bids are solicited through a publicly advertised Bid Solicitation.
- gg. **Procurement** means the acquisition of Deliverables by purchase, rental or lease, but excludes those Deliverables that are a Revenue Generating Arrangement as described in the City's Financial Control By-law no. 114-16, as amended or superseded.
- hh. **Procurement Advisory Board** means a committee comprised of leaders at the Director level or above drawn from key client groups across the City, that may include one or more members from the Richmond Hill Public Library, that provides oversight into strategy, policy and / or procedural changes/adjustment considered by Procurement Services Section activities.
- ii. **Procurement Services Section** means the administrative unit within the City's Financial Services Division that is responsible for administering the City's Procurement policies.
- jj. **Procurement Value** means the estimated maximum total value of the Procurement exclusive of sales taxes as of the date of the issuance of the Bid Solicitation over the entire duration of the Contract, including the value of any Contract Renewal Options, and must include all costs to the City for all Deliverables, including, if applicable, acquisition, delivery, installation, training, operation, maintenance, replacement and disposal, less applicable rebates or discounts.
- kk. **Project Lead** means City staff directly reporting to and assigned by a Commissioner, Director or Manager to be the lead for any Procurement related activities and be the key contact responsible for contract related activities resulting from an award, and who by virtue of their title is a Manager or Program Manager or Project Manager or other equivalent position.

- ll. **Public Body** means a government entity, a Broader Public Sector Entity, or a corporation or entity owned or controlled by a government entity or Broader Public Sector Entity.
- mm. **Purchase Order** means the City's written document issued to a Supplier for the purchase and supply of the Deliverables identified on the face of the Purchase Order.
- nn. **Scope Change** means an alteration to a Contract, involving tasks, deliverables, or objectives that were not included in the Deliverables, separate from unforeseen work as defined as Contingency.
- oo. **Supplier** means an individual, partnership or corporation carrying on the business of providing Deliverables.
- pp. **Time and Material Contract** means a Contract structure designed for as-needed Deliverables, where the Contract Value is determined based on unit rates applied to actual work performed or materials used.
- qq. **Trade Agreements** means domestic and international trade agreements applicable to municipal Procurement.
- rr. **Treasurer** means the individual appointed as either Treasurer or Deputy Treasurer to be responsible for handling the financial affairs of the City pursuant to Section 286(1) of the Municipal Act, 2001.

Part 3: Application and Scope of Policy

3.1 Application

Except as set out in Sections 3.2 and 3.3 below, this Policy applies to all City Procurement.

3.2 Non-Application

This Policy shall not apply to the following matters and any expenditures, which may be made in accordance with other applicable City by-laws, policies or approvals:

- a. employment contracts, including employment contract-related expenses, such as payroll, payroll deductions and remittances including income tax and employment insurance; refundable expenses such as meals, travel and accommodations; professional designation charges; payments for memberships and professional organizations; costs of attendance at seminars, workshops, conferences or courses; Workers Safety Insurance Board payments;
- b. non-legally binding agreements;
- c. any form of assistance, such as grants, loans, equity infusions, guarantees, and fiscal incentives;
- d. a contract awarded under a cooperation agreement between the City and an international cooperation organization if the procurement is financed, in whole or in part, by the organization, only to the extent that the agreement includes rules for awarding contracts that differ from the obligations of this Policy;
- e. acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon, including related fees and commissions;
- f. measures necessary to protect intellectual property, provided that the measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between Parties where the same conditions prevail or are a disguised.

- g. the following general expenses:
- i. payments for consumption of utilities including water, sewage, gas and hydro charges, but excluding cell services;
 - ii. payments to regulated authorities such as CN Rail, York Region Transit, VIVA, Enbridge or other utilities or telecommunication organizations operating within and across municipal rights-of-way or other City lands, HST remittances, and any other payments of charges of other levels of government or committee fees;
 - iii. payments related to the City's share of the costs of any goods or services acquired pursuant to the terms of any contractual arrangement between the City and a third party for the maintenance and/or operation of lands, buildings and/or facilities;
 - iv. payment of postage costs, insurance or court settlements, petty cash replenishment;
 - v. payments to developers for the installation of municipal services and infrastructure in connection with development approvals pursuant to the Planning Act;
 - vi. honoraria or any other expenditure authorized by Council for which there would otherwise be no authority to issue payment.

3.3 Exempt Procurement (Appendix A)

Exempt Procurement may be initiated by any Director responsible for project delivery or an operating program.

Those staff that have Commitment Authority to approve a standard procurement as set out in Appendix B – Schedule of Approval Authority may enter into Contracts for Exempt Procurement without the Manager Procurement Services co-signing.

Part 4: Procurement Principles

4.1 General Principles

In order to ensure that integrity is maintained in the Procurement process, and to protect the interests of the City, the public and persons participating in a Procurement process, the following general principles shall be adhered to for any Procurement:

a. **Open**

Process requirements are clearly communicated to Bidders. The method of evaluating the Bid and the evaluation criteria used to evaluate the Bid, and the method and format of submitting Bids, are clearly addressed in the Bid Solicitation document.

b. **Fairness**

Standard documents, when feasible, are to be used to ensure consistency of content and format within documents issued by the City. All details regarding the Procurement process are clearly specified in the Bid Solicitation, and the rules of Bid acceptance are applied consistently. All Bidders and all Bids are treated equally and without bias or favouritism. Specifications and terms of reference, whenever possible, are not restrictive and allow for Open Competition from the marketplace.

c. **Accessibility**

Bid Solicitation documents and specifications are prepared with consideration of the requirements of the Ontarians with Disabilities Act and the Accessibility for Ontarians with Disabilities Act.

d. **Confidentiality**

All Bids are kept secure prior to the closing date, during the evaluation period, and following the award of the Contract. All proprietary information and Bids submitted in confidence are handled in accordance with MFIPPA or applicable legislation. Where practicable, Requests for Proposals are evaluated by at least three representatives to allow for various perceptions and opinions when reviewing and evaluating proposals prior to the award of the Contract. All Bid rating results and related supporting documentation are kept on file in accordance with the City's Records Retention Policy for future reference, audit or examinations. Procurement procedures are reviewed on a regular basis to ensure the procedures are clear, logical, current, and in accordance with accepted industry standards.

e. **Sustainable and Social Procurement**

The Procurement Services Section will support the integration of sustainability and social value into evaluation criteria, as defined by the requesting department and in alignment with the City's Strategic Plan. This encourages the selection of goods and services, where possible and economically feasible, that minimizes environmental impacts, promotes environmentally responsible practices, and supports long-term sustainability. The Procurement Services Section will also work to remove barriers to participation for local businesses, social enterprises, and diverse suppliers, ensuring that the City's Procurement processes are accessible and inclusive. This approach fosters opportunities that contribute to community well-being and equitable economic growth. Through these commitments, the City affirms its dedication to environmental stewardship, sustainability, and fostering an inclusive and thriving community.

Part 5: Code of Ethics and Prohibitions

5.1 Procurement Code of Ethics

City staff authorized to carry out Procurement on behalf of the City shall adhere to the following code of ethics:

- a. open and honest dealings with everyone involved in the Procurement process. This includes all businesses with which the City contracts or from which it purchases Deliverables, as well as all members of staff and of the public who utilize the services of the Procurement Services Section;
- b. fair and impartial award recommendations for all Competitive Processes; and
- c. no public endorsement of any potential Supplier may be made in order to give that Supplier an advantage over others.

5.2 Prohibited Actions

City staff conducting Procurement activities are prohibited from engaging in the following actions:

- a. subdividing, splitting, separating or otherwise structuring Procurement requirements or Contracts in any way that could circumvent the requirements or intent of this Policy;
- b. procurement of any Deliverables for personal use by or on behalf of any member of Council, appointed officer, employee of the City or their Immediate Families;

- c. soliciting or accepting gifts, hospitality, or other benefits from any Supplier or potential Supplier that could influence or appear to influence procurement decisions. The acceptance of unsolicited, infrequent, and nominal gifts or hospitality, such as low-cost promotional items or meals consumed in the course of working meetings, is permitted if they are within normal standards of business courtesy.
- d. negotiating with a Supplier, or accepting an offer from a Supplier, to purchase Deliverables for personal use at the same price that is being offered by the Supplier to the City unless such pricing is also being offered to the general public;
- e. requesting that a Supplier adjust the invoice or shipping date from what would normally appear, in order to align with administrative deadlines;
- f. other than the employee who is the official contact person, discussing any aspect of the Bid Solicitation with a prospective Supplier from the time the Bid Solicitation document is first issued until such time as an award report has been prepared and submitted to the appropriate Approval Authority;
- g. being involved in the development of the need for the work where the employee's Immediate family will participate in a Bid Solicitation; and
- h. participating as a member of an evaluation committee where there is a conflict of interest. An employee will be considered to have a conflict of interest where he/she or a member of his/her Immediate Family has a direct or indirect financial interest (that is known to the employee) in a Contract or proposed Contract.

Part 6: Roles and Responsibilities

6.1 Separation of Roles and the Role of Council

- a. In accordance with best practices in municipal Procurement, Council recognizes the need for a clear separation of political and administrative functions in relation to the City's Procurement operations. It is the role of Council to establish policy and to approve expenditures through the City's budget approval process. Through this By-law, Council delegates to the City's officers and employees the authority to incur expenditures in accordance with Approved Budgets through Procurement in accordance with the rules and processes set out in this Policy.
- b. To facilitate Council's oversight role in respect of significant projects, Council may require the City Manager to obtain Council's authority to initiate specific Procurements by identifying projects of interest, such as those that are of high value or involve significant risk, security concerns or significant community interest.
- c. To avoid the potential appearance of bias or political influence in Procurement decisions, members of Council will not be involved in the Procurement process.
- d. Council may be required to provide the limited approvals as set out in Appendix B of this Policy.

6.2 Responsibilities of the Procurement Advisory Board

The Procurement Advisory Board functions solely in an advisory capacity and does not possess decision-making authority. The Procurement Advisory Board shall have the following responsibilities:

- a. act in an advisory capacity to provide insight and oversight into strategy, as well as changes or adjustments to policy, procedures, or related matters considered by Procurement Services;

- b. provide policy recommendations to senior leadership and Council regarding Procurement Services Section activities; and
- c. additional responsibilities outlined in this Board's Terms of Reference and any subsequent updates.

6.3 Responsibilities of the Manager Procurement Services

The Manager Procurement Services shall coordinate Procurement procedures and protocols, on behalf of the City in accordance with the provisions of this Policy. The Manager Procurement Services shall have the following responsibilities relating to the Procurement Policy:

- a. be responsible for the administration of this Policy, including the development and implementation of procedures and protocols;
- b. ensure that Procurement procedures and protocols follow all relevant federal and provincial legislation and Trade Agreements;
- c. ensure City staff have access to current Procurement procedures and protocols and provide Procurement training to City staff, as required;
- d. advise on the suitability of specifications to ensure a maximum number of competitive Bids;
- e. ensure that business transactions are conducted ethically and professionally;
- f. review the corporate use of Deliverables to ensure the City is receiving the best value;
- g. oversee all Open Competitions, including compliance reviews and rejection of non-compliant submissions;
- h. any other responsibilities specifically outlined in this Policy.

6.4 Responsibilities of the City Manager

The City Manager shall have the following responsibilities relating to the Procurement Policy:

- a. direct all staff to conduct their work in accordance with this Policy and all applicable procedures and protocols; and
- b. any other responsibilities specifically outlined in this Policy.

6.5 Responsibilities of the City Solicitor

The City Solicitor shall oversee the Legal Services Division which is responsible for providing legal advice with respect to:

- a. any legal issues that may arise in the administration of a Procurement process or Contract: and
- b. standard and non-standard Contract templates and provisions.

6.6 Responsibilities of the Risk Manager

The Risk Manager shall oversee the Risk Section which shall be responsible for providing insurance and risk advice required in the administration of any Procurement Process or Contract, including:

- a. establishing standards or guidelines for insurance requirements for routine or repetitive procurement;
- b. subject to input from the Project Lead and other relevant staff, recommending the insurance requirements for unique acquisitions; and
- c. advising the Project Lead about whether their insurance coverage is currently valid and up to date.

6.7 Responsibilities of Commissioners

Commissioners shall have the following responsibilities relating to the Procurement Policy

- a. direct their staff to conduct their work in accordance with this Policy and all applicable procedures and protocols;
- b. any other responsibilities specifically outlined in this Policy.

6.8 Responsibilities of Directors

Directors shall have the following responsibilities relating to the Procurement policies:

- a. ensure Procurement is carried out in accordance with this Policy and all applicable procedures and protocols;
- b. determine appropriate Delegated Authority of staff in their Divisions as authorized by this Policy;
- c. assign Project Leads to be responsible for specific Procurement and related Contract management activity; and
- d. any other responsibilities specifically outlined in this Policy.

6.9 Responsibilities of Managers

Managers shall have the following responsibilities relating to the Procurement policies:

- a. where they are acting as Project Lead, they will have the responsibility as outlined in Section 6.10; and
- b. any other responsibilities specifically outlined in this Policy.

6.10 Responsibilities of the Project Lead

A Project Lead shall have the following responsibilities relating to the Procurement policies:

- a. ensure Procurement is carried out in accordance with this Policy and all applicable procedures and protocols;
- b. ensure sufficient Approved Budget exists for planned purchases before initiating a Procurement process;
- c. prepare specifications and scope of work to be included in all Bid Solicitations;
- d. consult with the Information Technology Division if the goods or services may potentially have implications for the City's information technology infrastructure;
- e. developing appropriate terms and conditions, assessing requirements for insurance, bonding, WSIB and other similar items in consultation with the Commitment Authority, Risk Section and Legal Division as required;
- f. prepare award reports, where required;
- g. ensure that after award, and prior to the commencement of the work, all mandatory documentation has been obtained and all preconditions of award have been met;
- h. managing the Contract up to completion of the performance of all contractual obligations of the Supplier and the City; and
- i. any other responsibilities specifically outlined in this Policy.

Part 7: Delegated Authorities

7.1 Schedule of Approval Authority

Appendix B – Schedule of Approval Authority sets out the following Delegated Authorities:

- a. authority for initiating a Procurement, whether by Open Competition or otherwise;
- b. Commitment Authority; and
- c. amending a Contract.

7.2 Conditions for Exercise of Delegated Authorities

The Delegated Authorities described in this Part 7 are subject to all of the following conditions:

- a. No Procurement may be initiated unless the Contract Value can be accommodated within an Approved Budget or identified funding source;
- b. No Commitment Authority may be exercised unless:
 - i. the Contract Value can be accommodated within the Approved Budget and the award of the Contract has been approved in accordance with this Policy; and
 - ii. for Competitive Processes, the award is made to the top-ranked Bidder determined by the evaluation and selection process set out in the Bid Solicitation.; and
 - iii. any variances of insurance recommended by the Risk Manager, or the incorporation of provisions limiting or assuming a Supplier's liability in the proposed Contract, other than in a Contract for a Low Value Procurement that has also been determined to be low risk by the Risk Manager, have been authorized by the Commissioner responsible for the project delivery or operating program, or the City Manager if the variance or insurance or assumption of liability lies within the City Manager's department; and
 - iv. except in the case of Emergency, no medium or high value acquisition of goods or services shall be ordered, requested, delivered, or performed until after the Commitment Authority has been exercised by execution of a Contract, or issuance of a Purchase Order or a work order.
- c. No Contract amendment may be approved unless
 - i. The amendment receives approval from the appropriate Approval Authority as outlined in Schedule B; and
 - ii. The amendment can be accommodated within the Approved Budget.

7.3 All Bids Exceed Approved Budget

In the event that all Bids exceed the Approved Budget, the originating Director must consult with the Manager Procurement Services to determine the most appropriate approach for proceeding with the Procurement or cancellation of the Bid Solicitation. In the event that all Bids surpass the approved budget, this circumstance shall not serve as a justification for engaging in Non-Competitive Procurement. Specifically, it does not fulfill the justification outlined in Section 10.3a.ii which states that "no Bids that conform to the essential requirements of the Bid Solicitation were submitted."

7.4 Early Termination of a Contract

The Project Lead, or any other staff responsible for administering a Contract, may recommend initiating default or rectification processes and/or exercising early termination provisions set out in a Contract in the following circumstances:

- a. mutual agreement between the City and the Supplier;
- b. the Supplier has failed to meet its obligations under the Contract;
- c. there has been a change in circumstances that makes it impossible or impractical to continue the Contract (e.g., regulatory changes, funding limitations);
- d. the Supplier had engaged in conduct that would have resulted in its disqualification pursuant to Section 12.4 had it been discovered prior to award.

provided that no additional funds over and above the Approved Budget will be required to enable the completion of the work through other means or unless Council has approved such additional funds.

The Commissioner responsible for the project delivery or operating program, or the City Manager if it lies within the Office of the City Manager will review and authorize all recommended early Contract terminations.

7.5 Exercise of Contract Renewal Options

Contract Renewal Options may be exercised under the following circumstances:

- a. the Supplier's performance in supplying the Deliverables is satisfactory;
- b. the Project Lead and the Manager Procurement Services agree that the exercise of the option is in the best interest of the City;
- c. The contract extension receives approval from the appropriate Approval Authority as outlined in Schedule B; and
- d. funds are available in appropriate accounts within the Approved Budget.

Part 8: Part 8: Authority for Emergency Procurement

8.1 Emergency Procurement

An Emergency Procurement is allowed when it is absolutely necessary due to an Emergency or unforeseeable events that require immediately delivery of goods and services, and where standard procurement methods would not deliver goods or services within a timeframe that is acceptable to prevent risks to:

- a. public health or safety;
- b. the natural environment;
- c. essential services of the City; or
- d. the welfare of persons or public property.

8.2 Authorization for an Emergency Procurement

During an Emergency:

- a. the City Manager or Commissioner shall approve the purchase of Deliverables deemed necessary to remedy the Emergency, prior to the commencement of the work; and
- b. the Procurement Services Section will provide cooperative assistance when requested to expedite any Procurement documents necessary to deal with the Emergency.

If the value of an Emergency purchase meets the threshold for a non-standard procurement requiring Council approval, the requesting Director must prepare a report explaining the actions taken and the reasons behind them. This report must be submitted to Council within 60 calendar days.

Part 9: Part 9: Standard Procurement Methods

9.1 Low-Value Acquisitions (Under \$25,000.00)

- a. The Low-Value Acquisition Procurement Process is used when the Procurement Value is less than \$25,000.00 and the Deliverables are required for a specific single-use need or short-term project, and not part of ongoing or recurring requirements.
- b. The process may include informal price comparison from known Suppliers using email, phone, advertisements, catalogues or similar sources.
- c. The Project Lead should seek to ensure best value for the acquisition. Where feasible, price comparisons should be obtained from at least three (3) Suppliers. The Project Lead is responsible for retaining records related to the pricing comparison results and any other selection criteria used in selecting the Supplier.

9.2 Medium Value Acquisition (\$25,000.00 to \$133,799.00)

- a. The medium value acquisition process is used when the Procurement Value is expected to be between \$25,000.00 and \$133,799.99.
- b. The Bid Solicitation may be issued as part of an Invitational Competition to at least three (3) suppliers or through an Open Competition. These competitions may be based solely on price or include additional evaluation criteria outlined in the Bid Solicitation.
- c. Invitational Competitions will be administered by the Procurement Services Section in collaboration with the Project Lead. If the Project Lead manages the Competitive process, all Bids received, and evaluations shall be forwarded to the Procurement Services Section for records retention.
- d. Where three Suppliers cannot be identified, or where the Manager Procurement Services deems more appropriate, the Bid Solicitation will be undertaken through an Open Competition. Open Competitions will be managed by the Procurement Services Section, with the cooperation and involvement of the Project Lead.

9.3 High Value Acquisition (\$133,800.00 and over)

- a. An Open Competition must be used when the Procurement Value is expected to be \$133,800.00 and over unless a Non-Competitive Procurement is justified in accordance with Part 11 of this Policy and applicable procedures and protocols.
- b. A notice of Procurement and the Bid Solicitation document must be publicly posted on the City's prescribed electronic tendering site and/or other forms of media deemed appropriate by the Procurement Services Section.
- c. The Open Competition may be based solely on price or may consider other evaluation criteria included in the Bid Solicitation. The specific process to be followed will be determined by the form of Bid Solicitation document selected for the Procurement in accordance with the City's procedures and protocols. Where provided for in the Bid Solicitation, the Open Competition may include negotiation with one or more top-ranked Bidder(s).
- d. Open Competitions will be managed by the Procurement Services Section, with the cooperation and involvement of the Project Lead.

9.4 Supplier Prequalification

- a. Supplier Prequalification may be used in a two-stage Open Competition process when the Manager Procurement Services, in consultation with the Project Lead, determines it is appropriate. In this process, a prequalification phase is conducted by soliciting and evaluating submissions from all interested Suppliers. The objective is to establish a short-list of prequalified Suppliers who will be eligible to submit a Bid in the second stage of the Bid Solicitation.

- b. When a Supplier Prequalification process is used, the Procurement Lead will approve a short list of acceptable Suppliers, in accordance with the evaluation and terms and conditions outlined in the Bid Solicitation. These Suppliers will then be invited to participate in the subsequent second stage Invitational Competition.

9.5 Rosters

- a. Rosters may be set up through an Open Competition process to establish a list of qualified Suppliers for Deliverables needed on a recurring basis. Suppliers are pre-screened based on the qualification criteria and evaluation process specified in the Bid Solicitation. The Manager Procurement Services, in consultation with the originating Project Lead and their relevant Director, determines when this process is appropriate.
- b. Selected Suppliers will be invited to enter into a master agreement, which will outline the terms and the general conditions that will govern any future work assignments. For the delivery of construction services, a separate agreement, specific to each individual project or task, will be required.
- c. When Deliverables are needed, Suppliers selected by the City through this process will be invited to undertake individual assignments either directly or through an Invitational Competition to Suppliers on the Roster, as follows:
 - i. For direct assignments, the Project Lead may select a Supplier from the Roster to perform the work based on the rates established in the original open framework competition. Assignments shall be equitably distributed among all qualified Suppliers.
 - ii. A second stage Invitational Competition may be utilized for any procurement value but shall be mandatory for high value acquisitions made to Suppliers from the Roster. These competitions may be based solely on price or include additional evaluation criteria outlined in the Bid Solicitation. If the Project Lead manages the second stage Competitive Process, all Bids received must be forwarded to Procurement Services Section for records retention.

9.6 Co-operative Procurement

- a. Where the best interests of the City will be served as determined by the Manager of Procurement, the City may participate in Co-operative Procurement.
- b. If the City participates in a Co-operative Procurement initiative, the City may adhere to the policies and procedures of the entity conducting the Procurement process, provided that the Manager Procurement Services is satisfied that such policies and procedures comply with the Procurement Principles set out in Section 4.1. If the City is leading a Co-operative Procurement initiative, this Policy and all applicable City procedures and protocols will apply.
- c. While participating in a Co-operative Procurement, the City will independently obtain the necessary approvals, prepare and execute a Contract, and handle the ordering, receiving, inspection, and payment for the Deliverables it uses. The Co-operative will not perform these actions on behalf of the City.
- d. The City will publish a notice of its participation with Cooperative buying groups.

Part 10: Non-Competitive Procurement

10.1 Non-Competitive Procurement Methods

Non-Competitive Procurement refers to the acquisition of medium and high value Deliverables through a method or process that deviates from the standard Procurement

method typically required for the type and value of the Deliverables. This includes:

- a. where Deliverables are obtained directly from a specific Supplier without conducting a Competitive Process; and
- b. where the expected Procurement Value requires the use of an Open Competition, but an Invitational Competition is used instead.

10.2 Approval of Non-Competitive Procurement

The Project Lead must secure approval from the Manager Procurement Services and the Director responsible for the project delivery or operating program before initiating a Non-Competitive Procurement. All Non-Competitive Procurements must be authorized in accordance with Appendix B – Schedule of Approval Authority.

10.3 Circumstances for Non-Competitive Procurement

Non-Competitive Procurements may only be approved in the following circumstances:

- a. if:
 - i. no Bids were submitted or no Suppliers requested participation;
 - ii. no Bids that conform to the essential requirements of the Bid Solicitation were submitted;
 - iii. no Suppliers satisfied the conditions for participation; or
 - iv. the submitted Bids were collusive,provided that the requirements of the Bid Solicitation are not substantially modified;
- b. if the goods or services can be supplied only by a particular Supplier and no reasonable alternative or substitute goods or services exist for any of the following reasons:
 - i. the requirement is for a work of art;
 - ii. the protection of patents, copyrights, or other exclusive rights;
 - iii. due to an absence of competition for technical reasons;
 - iv. the supply of goods or services is controlled by a supplier that is a statutory monopoly;
 - v. to ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative;
 - vi. work is to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
 - vii. work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor; or
 - viii. the Procurement is for books, subscriptions to newspapers, magazines, or other periodicals;
- c. for additional deliveries by the original supplier of goods or services that were not included in the initial Procurement, if a change of supplier for such additional goods or services:
 - i. cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial Procurement; and

- ii. would cause significant inconvenience or substantial duplication of costs for the City;
- d. for goods purchased on a commodity market;
- e. if a procuring entity procures a prototype or a first good or service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;
- f. for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers;
- g. if a contract is awarded to a winner of a design contest provided that:
 - i. the contest has been organized in a manner that is consistent with the principles of this Policy, in particular relating to the publication of a notice of Procurement; and
 - ii. the participants are judged by an independent jury with a view to a design contract being awarded to a winner;
- h. if goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an Open Competition could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest; or
- i. for purchases made due to an Emergency in accordance with Section 8.2. Where possible, an Invitational Procurement competition is encouraged.

Part 11: Specifications

11.1 Specification and Scope Requirements

When developing technical specifications, scope of work, or terms of reference for procurement, the following principles apply:

- a. Requirements should focus on performance or functional outcomes whenever possible, rather than relying on specific designs, brand names or detailed descriptions. Existing standards should be used where applicable.
- b. References to trademarks, trade names, patents, copyrights, designs, types, specific origins, producers, or suppliers should only be included when necessary. Where possible, any such references should clearly state that equivalent alternatives will be evaluated fairly.
- c. Specifications, scope, or assessment procedures should not be created or used in a way that unfairly limits competition.

11.2 Seeking Information from Suppliers

When preparing the operating or capital budget, or drafting specifications to be used in a Bid Solicitation, it may be necessary to gather information from potential Suppliers to understand what is available. When seeking information in connection with a planned high value acquisition, a publicly posted Request for Information (RFI) or Market Sounding should be used whenever possible to ensure transparency and provide all

potential Suppliers opportunity to provide information.

Direct contact with potential Suppliers should be limited to seeking basic information. To ensure fairness in the competitive process, seeking information outside of an RFI or Market Sounding is allowed only under the following conditions:

- a. Staff may contact potential Suppliers or meet with them informally to gather information. Meetings could be in the form of office sales calls, demonstrations, trade shows, site visits, and similar interactions;
- b. When discussing, requesting, or receiving information from potential Suppliers, staff must inform them that the nature of the undertaking is exploratory and for information or budgetary purposes only, and that any subsequent Procurement will be conducted according to the City's Procurement Policy;
- c. No commitment can be made to any potential Supplier;
- d. No information can be given to a potential Supplier that would give them an advantage in a future Bid Solicitation; and
- e. Staff shall not seek or accept, in a manner that would have the effect of precluding competition, advice that may be used in the preparation or adoption of any technical specification for a specific Procurement from a Supplier who has a commercial interest in the procurement.

11.3 Suppliers Who Assist in Developing Specifications

If a Request for Information (RFI) is not used and more than basic details are needed, a Supplier may be asked to help create specifications or define the requirements for procurement. If this happens, regardless of whether the Supplier is paid, the Supplier shall not be eligible to Bid, directly or indirectly, or to assist another Bidder, unless in the opinion of the Manager Procurement Services exceptional circumstances exist.

Part 12: Supplier Relations

12.1 Vendor Engagement and Communications

The City values the vendor community as key partners in delivering essential goods and services that support its mission. Information on how the City manages Procurement will be readily accessible. Responses to inquiries from third parties interested in becoming a City Supplier will follow a consistent approach to ensure transparency and fairness.

12.2 Debriefings

Unsuccessful Bidders may request a meeting for the purpose of debriefing after receipt of a notification of the outcome of the Procurement process. All requests must be in writing to the attention of the Procurement Services Section and must be made within twenty-one (21) calendar days of such notification. The intent of the debriefing is to provide information to aid the unsuccessful Bidder in presenting a better Bid in subsequent Procurement opportunities. Any debriefing provided is not for the purpose of providing an opportunity to challenge the Procurement process or its outcome. Unsuccessful Bidders will not be provided with information that might prejudice fair competition between Suppliers.

12.3 Procurement Protests

Unsuccessful Bidders may formally protest the outcome of a Procurement process. Where the unsuccessful Bidder is challenging a Competitive Process, they must request and attend a debriefing prior to engaging in the Procurement protest process. If, after attending a debriefing, an unsuccessful Bidder wishes to challenge the Bid process, it must provide written request for review in writing within seven (7) calendar days of the debriefing. Protests must include a clear statement as to which Procurement they wish to challenge, and a clear explanation of the unsuccessful Bidders concerns with the

Procurement including specifics as to why they disagree with the Procurement process or its outcome. Procurement protests will be reviewed by the Treasurer, Manager Procurement Services and at least one member of the Procurement Advisory Board.

12.4 Disqualification of Bidders

If there is supporting evidence, a Project Lead may recommend that a Bidder be disqualified from participating in a Procurement process and/or that any invitation to negotiate that has been issued to the Bidder be rescinded for the following reasons:

- a. bankruptcy or insolvency of the Bidder;
- b. the Bidder made false declarations, or included misrepresentations, inaccurate, misleading or incomplete information;
- c. there have been significant or persistent deficiencies in performance of any substantive requirement or obligation of the Bidder under a prior contract or contracts, whether or not these have resulted in a claim by the City under any security provided to it;
- d. final judgments in respect of serious crimes or other serious offences;
- e. professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Bidder, including, but not limited to,
 - i. communicating, directly or indirectly, with any other bidder or their representative about the preparation of bids for the same work
 - ii. having a conflict of interest due to a situation or circumstance where the Bidder had, or appears to have had, an unfair advantage, such as:
 - having or having access to information in the preparation of its Bid that is confidential to the City and not available to other bidders;
 - communicating with any person with a view to influencing preferred treatment in the Procurement process (including but not limited to the lobbying of decision makers involved in the Procurement process); or
 - engaging in conduct that compromises or could be seen to compromise the integrity of an Open Procurement process and render that process non-competitive and unfair;
- f. failure on the part of the Bidder to pay taxes.

The Treasurer, Manager Procurement Services at least one member of the Procurement Advisory Board will review and authorize any recommendation made by the Project Lead for the disqualification of any Bidder due to any of the reasons above.

12.5 Supplier Performance and Suspension

A performance evaluation process shall be instituted. Performance of the Supplier must be monitored by the Project Lead and tracked in accordance with applicable procedures and protocols. The City requires its Suppliers to act with integrity and conduct business in an ethical manner. Suppliers may be suspended from participating in Procurement processes for a specified period of time due to any of the reasons described in Section 12.4 and for any of the following additional reasons:

- a. The Supplier has a history of litigious conduct or bringing frivolous or vexatious claims against the City;
- b. the Supplier has threatened, intimidated, harassed, assaulted or committed battery against, or otherwise interfered with an official, employee, representative, agent or independent consultant or contractor of the City in the performance of his or her duties or in any way or attempted to influence such persons; or

- c. the Supplier refused to enter into a Contract with the City after the Supplier's Bid had been accepted by the City.

Any Supplier that is owned or controlled by the same individual(s) that owned or controlled a suspended Supplier at the time it was suspended is also considered suspended.

The Manager, Procurement Services, shall maintain an up-to-date list of suspended Suppliers and ensure it is reviewed against the list of Suppliers responding to Competitive Processes led by Procurement Services Section to prevent participation or disqualify suspended Suppliers. The Project Lead is responsible for checking the list before initiating Procurement through other means to ensure that suspended Suppliers are not awarded Contracts.

The Treasurer, Manager, Procurement Services and at least one member of the Procurement Advisory Board will review and authorize all recommended Supplier Suspensions.

Part 13: Procurement Governance and Compliance

13.1 Compliance with Legislation and Trade Agreements

Procurement shall be subject to all applicable City By-laws and policies, any specific provisions of the Municipal Act, 2001, all other relevant federal and provincial legislation and Trade Agreements. In the event of a conflict between this Policy and any Trade Agreement, the Trade Agreement shall take precedence.

13.2 Confidentiality and Access to Information

Requests for disclosure of confidential information should be forwarded to the Office of the Clerk for administration in accordance with procedures governed by MFIPPA.

13.3 Document Retention

All Procurement Records shall be retained for inspection by the City's auditors and appropriate City officials, in accordance with the City's Records Retention Policy.

13.4 Review of Policy

The Manager Procurement Services, in consultation with the appropriate City staff, will conduct a detailed review of this Policy on an as-required basis, but at a minimum, shall report to Council, every five years with any recommended amendments. The review conducted by the Manager Procurement Services shall take into consideration current and future professional practices, industry standards, market conditions, federal/provincial government directions/policies, technological developments and advancements, language in the Policy where, through application, it becomes apparent that clarification is needed, and the impact that any recommended changes may have on potential Suppliers to the City.

Appendix A – Exempt Procurement

- (a) fiscal agency or depository services;
- (b) liquidation and management services for regulated financial institutions and management services for regulated financial institutions;
- (c) services related to the sale, redemption, and distribution of public debt, including loans and government bonds, notes, and other securities;
- (d) financial services¹ respecting the management of government financial assets and liabilities (*i.e.* treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution;
- (e) health services or social services;
- (f) services that may, under applicable law, only be provided by licensed lawyers or notaries;
- (g) services of expert witnesses or factual witnesses used in court or legal proceedings;
- (h) Procurement of goods or services:
 - (i) financed primarily from donations that require the procurement to be conducted in a manner inconsistent with this Policy;
 - (ii) between the City and another government body or enterprise;
 - (iii) from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities;
 - (iv) under a commercial agreement relating to the sporting or convention facilities operated by the City and a third party not covered by this Policy that contains provisions inconsistent with this Policy;
 - (v) conducted for the specific purpose of providing international assistance, including development aid, provided that the City does not discriminate on the basis of origin or location within Canada of goods, services, or suppliers; or
 - (vi) Conducted:
 - A. under the particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation by the signatory countries of a project; or
 - B. under the particular procedure or condition of an international organization, or funded by international grants, loans, or other assistance, if the procedure or condition would be inconsistent with this Policy.

¹ "**Financial Services**" means a service or product of a financial nature, and a service incidental or auxiliary to a service of a financial nature, and includes deposit taking, loan and investment services, insurance, estate, trust and agency services; securities; and all forms of financial or market intermediation including the distribution of financial products.

Appendix B – Schedule of Approval Authority

I. Initiating a Procurement

| Procurement Type and Value | Authority |
|--------------------------------|---|
| Standard Procurement Any Value | Project Lead |
| Non-Competitive \$25,000+ | Director jointly with Manager Procurement Services |
| Emergency \$25,000+ | Commissioner or City Manager |
| Contract Renewal | Project Lead jointly with Manager Procurement Services |
| Exempt Any Value | Director |

II. Commitment Authority

| Standard Procurement Value | Authority |
|----------------------------|------------------------------|
| Up to \$133,799.99 | Project Lead |
| \$133,800.00- \$249,999.99 | Manager |
| \$250,000.00- \$499,999.99 | Director |
| \$500,000.00+ | Commissioner or City Manager |

| Non-Competitive Procurement Value | Authority |
|---|--------------|
| \$25,000.00- \$137,799.99 | Commissioner |
| \$133,800.00- \$499,999.99 | City Manager |
| Any Value - For procurements related to a By-Election that must be held under section 65 of the Municipal Elections Act, 1996 as amended or superseded. | City Clerk |
| All other Contracts with a value of \$500,000.00+ | Council |

| Emergency Procurement Value | Authority |
|-----------------------------|------------------------------|
| \$25,000.00- \$133,799.99 | Project Lead |
| \$133,800.00- \$249,999.99 | Manager |
| \$250,000.00- \$499,999.99 | Director |
| \$500,000.00+* | Commissioner or City Manager |

*to be reported to council within 60 days of event

III. Amending a Contract

| Reason for Amendment | Authority |
|--|---|
| Time and Material Contract where unit rates are consistent with original bid | Staff with Commitment Authority based on amended Contract Value |
| Extension Options where pricing is consistent with contract terms and conditions | Staff with same roles as original award |
| Extension Options where pricing is higher than contract terms and conditions | Approvals outlined below |
| Fixed Price Contract – Total aggregate increase in Contract Value due to Contingency | Approvals outlined below |
| Scope Change - Maximum not to exceed \$25,000 | To be combined with Contingency to determine total aggregate increase. Approvals outlined below |

| Increase in Contract Award | Amended Contract Amount | Authority |
|----------------------------|-------------------------|---|
| 10% | Max \$500,000 | Project Lead |
| 10% | Any Size | Manager |
| 20% | Any Size | Director |
| 30% | Any Size | Commissioner |
| Above 30% | Any Size | Commissioner Jointly with Director Financial Services / Treasurer |