



## **The Corporation of the Town of Oakville Procurement Policy User Guide**

### **(Procurement Policy By-Law Number 2017-095)**

## **Financial Planning – Purchasing & Risk Management**

### **Purpose Statement**

The purpose of the Procurement Policy User Guide is to establish guiding procedures for the purpose of procuring supplies, services, construction and consulting services in a manner that is congruent with providing ethical, professional and accountable delivery of programs and services to user departments and residents of the town.

### **Scope**

All employees of the town delegated with the authority to procure shall comply with the Procurement Policy By-law and Procurement Policy User Guide for the Town of Oakville.

### **Procedures**

- 1.0 Direct Award by User Departments
- 2.0 Informal Quotations / Proposals by User Departments
- 3.0 Request for Quotations (RFQ) Purchasing Staff
- 4.0 Request for Tenders (RFT) by Purchasing Staff
- 5.0 Request for Proposals (RFP) by Purchasing Staff
- 6.0 Non-Competitive Procurement
- 7.0 Award Reports
- 8.0 Receiving
- 9.0 Invoicing
- 10.0 Vendor Management
- 11.0 Information Flow
- 12.0 Purchasing Services

## **References and Related Documents**

By-law 2017-095  
Employee Code of Conduct  
Council Code of Conduct  
HR-MNG-008 Respectful Conduct Policy  
HR-MNG-008-001 R Zone Procedures  
Policy MS-ACC-001 Accessibility  
Guide to Making Purchases More Accessible  
Policy A-ISS-001 Information Technology General Use and Practices  
Sustainable Purchasing Handbook  
Procedure EN-GEN-001-002 Sustainable Purchasing  
By-Law 2012-063 Retention of Records  
Financial Control Policy F-FOC-001 and Related Documents  
Procedure A-BMG-001-003 Purchasing Card Operating System  
*Accessibility for Ontarians with Disabilities Act, 2005*  
Canadian Free Trade Agreement (CFTA)  
Comprehensive Economic and Trade Agreement (CETA)

## **Responsibilities**

The agent shall be responsible to establish sound procedures for the purpose of procuring supplies and services in a manner that is congruent with providing ethical, professional and accountable delivery.

All employees of the town delegated with the authority to procure shall comply with the procurement procedures for the town.

Selected internal and external audits shall be conducted to ascertain adherence to the Procurement Policy By-law. Council shall receive a copy of the audit results.

User departments are responsible for ensuring that sufficient funds are available, identifying the appropriate account numbers and obtaining the appropriate department approval(s) prior to purchasing or requesting any supplies or services.

## **Definitions**

**"Agent"** means the manager, Purchasing and Risk Management of the Town of Oakville or designate, in all cases, the manager, Purchasing and Risk Management is the sole authority authorized, save and except the clerk together with the Mayor or CAO, to execute contract documents on behalf of the town.

**"Award Report"** is the report generated by authority of the director, using the appropriate reporting template available through corporate templates, in order to obtain approval to award a quotation, tender or proposal.

**"Bid"** means an offer or submission from a supplier in response to a Request for Quotations, Request for Tenders, Request for Proposals or Request for Supplier Qualifications.

**"Bid Security"** is a bond or deposit which guarantees that the bidder, if awarded the contract, will accept the contract as bid.

**"Bid Transmittal"** is a form submitted by departments prior to the onset of formal bid activity, providing key information about the project and its proposed funding sources. Transmittals shall be fully approved by the agent and the deputy treasurer and director, Financial Planning or designate prior to the start of the bid process.

**"Bidder"** is a person or corporation that offers a submission in response to a Request for Quotations, Request for Tenders, Request for Proposals or Request for Supplier Qualifications.

**"Bidding System"** is the town's online web-based solution for issuing bid solicitations and/or receiving online bid submissions and posting bid results.

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

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

**"Chief Administrative Officer"** (CAO) means the official or designate, appointed by Council, to oversee the administrative management of the town.

**"Clerk"** means the Clerk of the Town of Oakville or designate.

**"Commissioner"** means the head of a commission at the town who oversees a specific corporate commission, or designate.

**"Compliant Bid"** means a bid which correctly and completely responds to all of the requirements that are considered mandatory or important in effect or meaning; as outlined in the bid documents and that the bidder is deemed to be fully capable, technically and financially.

**"Conflict of Interest"** is defined as a situation or circumstance, real or perceived, which could give a supplier or consultant an unfair advantage during a procurement process or compromise the ability of a supplier or consultant to perform its obligations under their contract.

**"Contract"** means a legal agreement between two or more parties, usually written, or a purchase order.

**"Corporate Information System"** (CIS) means the Town of Oakville's financial information system.

**"Costs"** means the total cost of the goods or service, including contract contingencies plus taxes, less rebates.

**"Council"** means the municipal council of the Town of Oakville.

**"Department"** means a division of a corporate commission.

**"Designate"** means the person or persons assigned the duties and responsibilities on behalf or in the absence or incapacity of the person charged with the principal authority to take the relevant action or decision.

**"Director"** means the head of a specific department of the Town of Oakville, or designate.

**"Electronic System"** means the Corporate Information System (CIS) used to track all financial transactions within the town.

**"Goods"** see "Supplies".

**"Halton Cooperative Purchasing Group"** or **"HCPG"** means the member municipalities and other public funded agencies within the Region of Halton who participate in cooperative purchasing activities.

**"Mayor"** means the Mayor of the Town of Oakville or designate.

**"Non-Compliant"** means a bid that does not correctly and completely respond to all of the requirements that are considered mandatory or important in effect or meaning; as outlined in the bid documents or that the bidder is deemed not to be fully capable, technically and financially.

**"Prequalification"** is the process of screening potential suppliers in which such factors as financial capability, reputation and experience are considered in order to develop a list of qualified suppliers who may then be allowed to submit bids or proposals, or who may be hired on a rotational basis to fulfill specific requirements or projects.

**"Proposal"** means a bid from a supplier to provide supplies and/or services, acceptance of which is subject to detailed evaluation and may be subject to further negotiation, also called Request for Proposals (RFP).

**"Purchase Card Operating System"** also referred to as PCOS, means the town's corporate credit card system, policies and procedures.

**"Purchase Order"** means either a purchase order for goods or services under \$25,000 (OU), a purchase requisition (OR), inventory replenishment (OS), purchase order for goods or services over \$25,000 (OP), or a blanket purchase order (OB).

**"Responsible and Responsive Vendor"** means a vendor who is deemed to be fully capable, technically and financially, of supplying the goods or services requested in the solicitation and the bid or offer correctly and completely responds to all of the requirements that are considered significant or important in effect or meaning; as outlined in the solicitation.

**"Retention of Records By-law"** means By-law 2012-063 Retention of Records, as the same may be amended or replaced from time to time.

**"Services"** may include, but are not limited to, telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical services, insurance, and the rental, repair or maintenance of equipment, machinery or other personal property.

**"Single Source"** is a procurement decision whereby purchases are directed to one source of supply, rationalized by a sound business case, even though other competitive sources may be available, or are capable of providing the goods or services within the necessary time frame.

**"Sole Source"** is a procurement decision whereby purchases are directed to one source of supply as no other source is qualified or capable of providing the goods or services.

**"Specifications"** means the detailed description of, and written requirements and standards for, supplies and/or services contained in a RFQ, RFT or RFP to the extent known, and also includes any drawings, designs and models.

**"Standard Criteria"** includes clear and objective evaluation criteria based on duties or services that are normally performed during the contract to which the performance evaluation is relevant.

**"Standardization"** is the adoption of a single product or group of products to be used at the exclusion of all others.

**"Supplier"** shall mean the vendor, contractor or consultant who supplies or bids to provide supplies or services to the town.

**"Supplies"** include goods (as defined by the *Sale of Goods Act*, RSO 1990, c. S.1), wares, merchandise, materials, and equipment used or required by the town.

**"Town"** means the Corporation of The Town of Oakville.

**"Treasurer"** means the commissioner of Corporate Services and treasurer of the Town of Oakville or the deputy treasurers of the Town of Oakville as designates.

## 1.0 - Procedures for Direct Award Procurement by User Departments

- 1.1 Procurement of supplies and services must be made from suppliers who hold contracts that were entered into by the purchasing division on behalf of the Town.
- 1.2 Where no contract is available, purchases may be made direct from a responsible and responsive vendor when the total value of the procurement is less than \$10,000 for supplies, services and construction and less than \$25,000 for professional and consulting services.
  - 1.2.1 The total value of the procurement excludes taxes, duties and shipping.
  - 1.2.2 The dollar value identified in this procedure represents the estimated maximum total value of the procurement over its entire duration, whether awarded to one or more suppliers, taking into account premiums, fees, commissions and interest and providing for the total value of all possible options.
- 1.3 Payments less than \$10,000 may be made using a corporate purchasing card in strict accordance with the Purchasing Card Operating System (PCOS) procedure. When payment by PCOS is not viable, a purchase order must be entered in the Corporate Information System (CIS) at the time of placing the order or engaging the service, or for greater clarity prior to delivery of supplies or prior to commencement of services from the supplier.
  - 1.3.1 For repair services where the exact value cannot be determined, the user department shall enter the OU prior to engaging the service using an estimated value. If the actual cost is lower upon final invoicing the user department shall receive the actual invoice amount in CIS. Where the actual cost is higher upon final invoicing the user department shall update the OU prior to receiving the actual invoice amount.
  - 1.3.2 The user department shall inspect all deliveries of supplies and services to confirm they meet the specifications, pricing, quantity, quality, etc.
  - 1.3.3 Receiving the Order - Once the user department has approved the receipt of supplies or service, the order must be received against the OU. Receiving the order in CIS gives authorization to Accounts Payable to pay the invoice. It is important that receiving be done promptly when goods are delivered so payment to the vendor is not delayed.
  - 1.3.4 All invoices must contain detailed information sufficient to warrant payment and must be sent directly from the supplier to the Accounts Payable department electronically in PDF or TIF format to [accountspayable@oakville.ca](mailto:accountspayable@oakville.ca), unless payment has been made via PCOS. Departmental staff can be copied on the e-mail. If the invoice is e-mailed to Accounts Payable, the vendor should not send a hard copy through the mail.
  - 1.3.5 The user department shall be responsible to arrange for the return of all supplies or the termination of services which do not meet the specifications set out in the purchase order. Purchasing staff shall assist upon request.

- 1.4 Prior to engaging services or construction, the user department shall request and receive a Certificate of Insurance naming the Town of Oakville as additional insured providing proof of commercial general liability of not less than \$5,000,000 (limits less than \$5,000,000 must be pre-approved by the agent).
- 1.5 It is the town's responsibility to ensure the supplier has complied with the requirements of the Workplace Safety and Insurance Board (WSIB) and that all requisite premiums under the Act have been paid. Prior to engaging services or construction, the user department shall request and receive an up to date WSIB clearance certificate. **The town is ultimately liable to the extent the vendor does not meet its WSIB obligations.**

No work may begin until the required certificates identified in 1.4 and 1.5 are received. The user department shall contact the agent for assistance when required.

## **2.0 - Procedures for Issuing Informal Quotations / Proposals by User Departments Procurement Policy Schedule "C"**

- 2.1 Procurement of supplies, services, construction and consulting services must be made from suppliers who hold contracts that were entered into by the purchasing division on behalf of the town.
- 2.2 Where no contract is available, informal quotations / proposals may be solicited by the user department for supplies, services and construction greater than \$10,000 but less than \$25,000 and for professional and consulting services greater than \$25,000 but less than \$50,000.
  - 2.2.1 The total value of the procurement excludes taxes, duties and shipping.
  - 2.2.2 The dollar value identified in this procedure represents the estimated maximum total value of the procurement over its entire duration, whether awarded to one or more suppliers, taking into account premiums, fees, commissions and interest and providing for the total value of all possible options.
- 2.3 The following guiding principles shall be followed:
  - 2.3.1 a minimum of three compliant bids/proposals (from three separate suppliers) shall be obtained by the user department in written communication (a "No Bid" response shall not be considered a valid bid);
  - 2.3.2 staff are encouraged to seek more than the minimum three bids and to vary the selection of bidders to ensure a more competitive process;
  - 2.3.3 if the user department has not been able to secure three compliant bids they may request the agent waive the requirement for the three bids, such request be in writing and outline what efforts were taken to satisfy the requirements;
  - 2.3.4 all bidders shall receive the same request information, terms and conditions of which are to form the basis of the award;
  - 2.3.5 staff shall utilize templates provided by the purchasing division;
  - 2.3.6 award for quotations and proposals shall be to a responsible and responsive vendor offering the lowest compliant quote, or the highest ranked compliant proposal as the case may be;
  - 2.3.7 an award report is required for professional and consulting services greater than \$25,000;
  - 2.3.8 for goods, services and construction a purchase order (OU) shall be entered into CIS. Quote information shall be entered on the OU. If another form of contract is required it shall be approved and signed by the agent;



- 2.3.9 for consulting and professional services, the director or designate shall enter a purchase requisition (OR) and purchasing staff shall create the purchase order (OP). Copies of quotes or proposals received shall be provided to purchasing upon request. If another form of contract is required it shall be approved and signed by the agent;
- 2.3.10 quote/proposal documents shall be retained in accordance with the Retention of Records By-law.
- 2.3.11 following award and upon request by unsuccessful bidders, department staff should advise the name of the successful bidder and the award amount.
- 2.4 The director shall ensure the use of fair and ethical purchasing practices as established in the Procurement Policy By-law.
- 2.5 If the lowest compliant quotation for goods, services or construction is slightly over the \$25,000 threshold, or the highest ranked proposal for consulting and professional services is slightly over the \$50,000 threshold, the agent may waive the requirement to re-issue a formal quotation / RFP by the purchasing division.
- 2.6 The user department shall inspect all deliveries of supplies and services to confirm they meet the specifications, pricing, quantity, quality, etc.
- 2.6.1 Receiving the Order - Once the user department has approved the receipt of supplies or service, the order must be received against the OU or OP. Receiving the order in CIS gives authorization to Accounts Payable to pay the invoice. It is important that receiving be done promptly when goods are delivered so payment to the vendor is not delayed.
- 2.6.2 All invoices must contain detailed information sufficient to warrant payment and must be sent directly from the supplier to the Accounts Payable department electronically in PDF or TIF format to [accountspayable@oakville.ca](mailto:accountspayable@oakville.ca). Departmental staff can be copied on the e-mail. If the invoice is e-mailed to Accounts Payable, the vendor should not send a hard copy through the mail.
- 2.7 The user department shall be responsible to arrange for the return of all supplies or the termination of services which do not meet the specifications set out in the purchase order. Purchasing staff shall assist upon request.
- 2.8 Prior to engaging services or construction, the user department shall request and receive a Certificate of Insurance naming the Town of Oakville as additional insured providing proof of commercial general liability of not less than \$5,000,000 (limits less than \$5,000,000 may be approved by the agent).
- 2.9 It is the town's responsibility to ensure the supplier has complied with the requirements of the Workplace Safety and Insurance Board (WSIB) and that all requisite premiums under the Act have been paid. Prior to engaging services or construction, the user department shall request and receive an up to date WSIB clearance certificate. **The town is ultimately liable to the extent the vendor does not meet its WSIB obligations.**

No work may begin until the required certificates identified in 2.8 and 2.9 are received. The user department shall contact the agent for assistance when required.

### **3.0 - Procedures for Issuing Request for Quotations (RFQ) by Purchasing Division Procurement Policy Schedule "D"**

- 3.1 Formal quotations shall be solicited by the purchasing division for supplies and services greater than \$25,000 but less than \$100,000 or for construction greater than \$25,000 but less than \$250,000, providing clear instructions, specifications, terms and conditions of the contract and shall be processed in the following manner;
  - 3.1.1 the director or designate shall file a bid transmittal with the agent prior to start of the quotation process;
  - 3.1.2 The director is responsible to ensure that sufficient funds are available and identify the appropriate account number(s) prior to filing the bid transmittal;
  - 3.1.3 the director shall identify the lead time (date the supplies or service is required), it is important the user department plans their requirements so purchasing staff have sufficient time to effectively and efficiently carry out their responsibilities;
  - 3.1.4 quotations may be advertised publicly using the Bidding System, or sent directly to suppliers by invitation only as agreed between the user department and purchasing staff;
  - 3.1.5 where bids are sent directly to suppliers by invitation, purchasing staff shall seek more than the minimum three bids and to vary the selection of bidders to ensure a more competitive process;
  - 3.1.6 every department shall provide technical assistance in the preparation of the quotation specifications, drawings, etc.;
  - 3.1.7 purchasing staff shall prepare the bid documents;
  - 3.1.8 purchasing staff in consultation with the user department shall determine the amount and form of any bid/performance security required;
  - 3.1.9 bidders shall be given a minimum of ten (10) business days to respond to the quotation request, however additional time may be necessary depending on the nature and complexity of the procurement;
  - 3.1.10 a set closing date and time shall be noted in all quotation documents;
  - 3.1.11 response to quotations will be received through the Bidding System;
  - 3.1.12 quotations shall be awarded to the responsible and responsive vendor offering the lowest compliant bid;
  - 3.1.13 once a quotation has been awarded, purchasing staff shall arrange the return of quotation security deposits (if any) to the unsuccessful bidders;

- 3.1.14 purchasing staff shall retain the quotation deposit of the successful bidder until the contract has been executed and all required documents have been received, at which point the quotation deposit shall be returned (unless the bid document states that the bid deposit is to be retained in lieu of other performance security);
- 3.1.15 a quotation deposit may be forfeited to the town where a successful bidder fails to execute a contract or furnish any required documents within the time specified in the quotation document after notice to them to do so, or where any bidder withdraws their quotation after the closing date and time for quotations.
- 3.2 If two or more compliant bids are submitted in the same amount, bidders will be allowed 24 hours to re-examine their bids to determine if there are any cost savings that may be passed on to the town, such as additional discounts, favourable payment terms, etc. If this effort is unsuccessful, then a tie break method will be held to determine the successful bidder. The outcome of the tie breaking method is final. The tie break method shall be detailed by the agent on the award report.
- 3.3 In any of the following circumstances, the agent in consultation with the director may choose to either cancel the call for quotations or recall the quotations at a later date, if in the best interests of the town:
- 3.3.1 when only one compliant bid has been received;
- 3.3.2 when the lowest compliant bid exceeds the available project budget for the supplies, service or construction;
- 3.3.3 when all bids received are non-compliant with the specifications or quotation terms and conditions.
- 3.4 Where only one compliant bid has been received as outlined in 3.3.1, the agent in consultation with the user department may accept the bid as submitted or negotiate changes required to achieve an acceptable bid, provided that the requirements of the procurement are not substantially modified.
- 3.5 Where the lowest compliant bid exceeds the available project budget as outlined in 3.3.2, the agent in consultation with the user department may proceed to negotiate changes to pricing, terms or conditions with the lowest compliant bidder to achieve an acceptable bid, provided the requirements of the procurement are not substantially modified.
- 3.6 Where all bids received are non-compliant as outlined in 3.3.3, it is prudent to cancel and recall quotations if time permits. However, where time does not permit, the agent in consultation with the user department may make changes to the specification, terms or conditions that were specified in the procurement document. In such cases all bidders who provided a response to the quotation before the closing date and time shall have the opportunity to present a new quotation based on the revised specification, terms or conditions, provided the requirements of the procurement are not substantially modified.
- 3.7 The director or designate shall enter an award report using the Purchasing Approval Application process found in Portico. The agent shall award the contract upon receipt of the approved award report.

- 3.8 Quotations shall be awarded using the Bidding System.
- 3.9 The director or designate shall enter a purchase requisition (OR) and purchasing staff shall create the purchase order (OP) to send to the successful bidder. If another form of contract is required it shall be approved and signed by the agent.
- 3.10 If the department is required to use the work order system, a work order must be created which in turn will generate an OP for purchasing staff to approve.
- 3.11 In some cases payment may be made by PCOS and purchasing staff shall create a blanket purchase order to reflect the terms and conditions of the agreement. Where PCOS is used in conjunction with a work order the work order number must be entered as the subledger.
- 3.12 Contracts must be managed responsibly and effectively and payments must be made in accordance with the provisions of the contract award. Approval by appropriate authority must be obtained before executing changes to the contract including expenditures in excess of the awarded contract price.
- 3.12.1 The director shall enter an Additional Funding (Request for Purchase Order Increase) award report as required under Item 7 – Procedures for Award Reports.
- 3.12.2 Change orders should represent additional work that is required to address an unexpected problem or unforeseen circumstances and is required to deliver the original approved work and not expand the original scope of the project.
- 3.12.3 Where the user department is requesting the work be expanded outside of the original project scope the Single Source award process should be followed.
- 3.12.4 Where a Request for Purchase Order Increase is less than \$25,000, the director shall contact the purchasing division requesting additional funds be added to the OP including a description of the additional work required and account number to be used. All such changes shall be forwarded to the financial approvers to ensure the funds are available prior to making the change.
- Note:** Where multiple change orders are requested for the same project it shall be at the discretion of the agent to require an award report based on the total dollar value of purchase order increases requested.
- 3.13 The user department shall inspect all deliveries of supplies and services to confirm they meet the specifications, pricing, quantity, quality, etc. The user department shall enter a receipt in CIS against the purchase order.
- 3.13.1 Receiving the Order - Once the user department has approved the receipt of supplies or service, the order must be received against the OP. Receiving the order in CIS gives authorization to Accounts Payable to pay the invoice. It is important that receiving be done promptly when goods are delivered so payment to the vendor is not delayed.

3.13.2 All invoices must contain detailed information sufficient to warrant payment and must be sent directly from the supplier to the Accounts Payable department electronically in PDF or TIF format to [accountspayable@oakville.ca](mailto:accountspayable@oakville.ca), unless invoices are paid via PCOS.

Departmental staff can be copied on the e-mail. If the invoice is e-mailed to Accounts Payable, the vendor should not send a hard copy through the mail.

- 3.14 Purchasing staff shall secure all required insurance and WSIB certificates.
- 3.15 Award reports and executed contracts shall be kept within secure files in the purchasing division in accordance with the Retention of Records By-law.
- 3.16 Annual Renewal Within Defined Contract Term – when the contract term is multiple-year, an annual award report is not required when pricing for the entire term was agreed in advance or annual increases are within the specified tolerances and contract performance has been acceptable. The defined contract term will be stated in the original Award Report.
- 3.17 Optional Year Contract Renewal – when optional year renewal of a contract is being recommended and where provision for such optional renewal year formed part of the original bid document, an award report is required when greater than \$25,000.

#### **4.0 - Procedures for Issuing Request for Tenders (RFT) by Purchasing Division Procurement Policy Schedule "E"**

- 4.1 Formal tenders shall be solicited by the purchasing division for supplies and services greater than \$100,000, and for construction greater than \$250,000, providing clear instructions, specifications, terms and conditions of the contract and shall be processed in the following manner:
- 4.1.1 the director or designate shall file a bid transmittal with the agent prior to start of the tender process;
  - 4.1.2 the director is responsible to ensure that sufficient funds are available and identify the appropriate account number(s) prior to filing the bid transmittal;
  - 4.1.3 tenders shall be advertised publicly on the Bidding System for a minimum of ten (10) calendar days, however additional time may be necessary depending on the nature and complexity of the procurement;
  - 4.1.4 tenders for goods and services greater than \$340,615 and tenders for construction greater than \$8,500,000 shall be advertised publicly on the Bidding System for a minimum of twenty-five (25) calendar days unless:
    - a. a prequalification process has been issued in advance; or
    - b. a notice of planned procurement has been posted using the Bidding System at least forty (40) calendar days (and not more than 12 months) in advance of the tender posting.
  - 4.1.5 every department shall provide technical assistance in the preparation of the tender specification, drawings, etc.;
  - 4.1.6 tenders specifications and/or conditions shall not accord a preference for local goods, services or suppliers;
  - 4.1.7 tender conditions shall not require prior experience if not essential to meet the requirements of the procurement, any experience required shall not be limited to a specific province or territory;
  - 4.1.8 tender conditions shall not limit participation to suppliers that have previously been awarded contracts by the town, nor require prior experience with the town;
  - 4.1.9 tender conditions may include a preference for Canadian value-add or may limit tendering to Canadian goods, services or suppliers provided that the purpose is not to avoid competition or to discriminate against any other goods, services or suppliers;
  - 4.1.10 purchasing staff shall prepare the tender documents;
  - 4.1.11 the agent in consultation with the user department shall determine the amount and form of any bid/tender security required;
  - 4.1.12 a set closing date and time shall be noted in all tender documents;

- 4.1.13 vendor response to tenders shall be submitted using the Bidding System;
- 4.1.14 tenders shall be awarded to the responsible and responsive vendor offering the lowest compliant bid;
- 4.2 Where a tender security is required under 4.1.11;
  - 4.2.1 once a tender has been awarded, purchasing staff shall forthwith arrange the return of any tender security deposits to the unsuccessful bidders;
  - 4.2.2 purchasing staff shall retain the tender deposit of the successful bidder until the contract has been executed and all required documents have been received, at which point the tender deposit shall be returned (unless the bid document states that the tender deposit is to be retained in lieu of other performance security);
  - 4.2.3 a tender deposit may be forfeited to the town where a successful bidder fails to execute a contract or furnish any required documents within the timeline specified in the tender document after notice to them to do so, or where the successful bidder withdraws their tender after the tenders have been opened.
- 4.3 If two or more compliant tenders are submitted in the same amount, bidders will be allowed 24 hours to re-examine their bids to determine if there are any cost savings that may be passed on to the town, such as additional discounts, favourable payment terms, etc. If this effort is unsuccessful, then a tie break method will be held to determine the successful bidder. The outcome of the tie breaking method is final. The tie break method shall be detailed by the agent on the award report.
- 4.4 In any of the following circumstances, the agent in consultation with the director may choose to either cancel the call for tenders or recall the tenders at a later date, if in the best interests of the town:
  - 4.4.1 when only one compliant bid has been received;
  - 4.4.2 when the lowest compliant bid exceeds the available project budget for the supplies, service or construction;
  - 4.4.3 when all bids received are non-compliant with the specifications or quotation terms and conditions.
- 4.5 Where only one compliant bid has been received as outlined in 4.4.1, the agent in consultation with the user department may accept the bid as submitted or negotiate changes required to achieve an acceptable bid, provided that such changes will not alter the general nature of the procurement described in the tender document.
- 4.6 Where the lowest compliant bid exceeds the available project budget as outlined in 4.4.2, the agent in consultation with the user department may proceed to negotiate changes to pricing, terms or conditions with the lowest compliant bidder to achieve an acceptable bid, provided that such changes will not alter the general nature of the procurement described in the tender document.

- 4.7 Where all bids received are non-compliant as outlined in 4.4.3, it is prudent to cancel and recall tenders if time permits. However, where time does not permit, the agent in consultation with the user department may make changes to the specification, terms or conditions that were specified in the tender document. In such cases all bidders that provided a response to the tender before the closing date and time shall have the opportunity to present a new tender based on the revised specification, terms or conditions, provided that such changes will not alter the general nature of the procurement described in the tender document
- 4.8 The director or designate shall enter an award report using the Purchasing Approval Application process found in Portico. The agent shall award the contract upon receipt of the approved award report.
- 4.9 Tenders shall be awarded publicly on the Bidding System.
- 4.10 The director or designate shall enter an OR (requisition) and purchasing staff shall create the purchase order (OP) to send to the successful bidder. If another form of contract is required it shall be approved and signed by the appropriate authority.
- 4.11 If any department is required to use the work order system, a work order must be created which in turn will generate an OP for purchasing staff to approve.
- 4.12 In some cases payment may be made by PCOS and purchasing staff shall create a blanket purchase order to reflect the terms and conditions of the agreement. Where PCOS is used in conjunction with a work order the work order number must be entered as the subledger.
- 4.13 The user department shall inspect all deliveries of supplies and services to confirm they meet the specifications, pricing, quantity, quality, etc. The user department shall enter a receipt in CIS against the purchase order.
- 4.13.1 Receiving the Order - Once the user department has approved the receipt of supplies or service, the order must be received against the OP. Receiving the order in CIS gives authorization to Accounts Payable to pay the invoice. It is important that receiving be done promptly when goods are delivered so payment to the vendor is not delayed.
- 4.13.2 All invoices must contain detailed information sufficient to warrant payment and must be sent directly from the supplier to the Accounts Payable department electronically in PDF or TIF format to [accountspayable@oakville.ca](mailto:accountspayable@oakville.ca), unless invoices are paid via PCOS.
- 4.14 Purchasing staff shall secure all required insurance and WSIB certificates.
- 4.15 Award reports and executed contracts shall be kept within secure files in the purchasing division in accordance with the Retention of Records By-law.
- 4.16 Contracts must be managed responsibly and effectively and payments must be made in accordance with the provisions of the contract award. Approval by appropriate authority must be obtained before executing changes to the contract including expenditures in excess of the awarded contract price.



- 4.16.1 The director shall enter an Additional Funding (Request for Purchase Order Increase) award report when required under Item 7 – Procedures for Award Reports.
- 4.16.2 Change orders should represent additional work that is required to address an unexpected problem or unforeseen circumstances and is required to deliver the original approved work and not expand the original scope of the project.
- 4.16.3 Where the user department is requesting the work be expanded outside of the original project scope the single source award process should be followed.
- 4.16.4 Where a Request for Purchase Order Increase award report is not required the manager shall contact the purchasing division requesting additional funds be added to the OP including a description of the additional work required and the account number to be used. All such changes shall be forwarded to the financial approvers to ensure the funds are available prior to making the change.
- Note:** Where multiple change orders are requested for the same project it shall be at the discretion of the agent to require an award report based on the total dollar value of purchase order increases requested.
- 4.17 Bid Irregularities - A bid irregularity is a variance between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided by the bidder in a bid response. Tender documents shall outline typical bid irregularities and the resulting action. Where a bidder objects to the decision regarding a bid irregularity an adhoc bid review committee consisting of the agent, the department director and the town solicitor or their designates shall review and provide a final decision.
- 4.18 Annual Renewal Within Defined Contract Term – when the contract term is multiple-year, an annual award report is not required when pricing for the entire term was agreed in advance or annual increases are within the specified tolerances and contract performance has been acceptable. The defined contract term will be stated in the original Award Report.
- 4.19 Optional Year Contract Renewal – when optional year renewal of a contract is being recommended and where provision for such optional renewal year formed part of the original bid document, an award report is required when greater than \$25,000.

## **5.0- Procedures for Issuing Request for Proposals (RFP) by Purchasing Division Procurement Policy Schedule "F"**

- 5.1 Proposals may be solicited by the purchasing division for goods and services greater than \$100,000 or for consulting and professional services greater than \$50,000, for cases where a clearly defined specification is not available or when exact requirements cannot be defined and where factors other than price are being considered and shall be processed in the following manner:
- 5.1.1 the director or designate shall file a bid transmittal with the agent prior to start of the proposal process;
  - 5.1.2 the director is responsible to ensure that sufficient funds are available and identify the appropriate account number(s) prior to filing the bid transmittal;
  - 5.1.3 proposals greater than \$100,000 shall be advertised publicly on the Bidding System for a minimum of ten (10) calendar days, however additional time may be necessary depending on the nature and complexity of the procurement;
  - 5.1.4 proposals greater than \$340,615 shall be advertised publicly on the Bidding System for a minimum of twenty-five (25) calendar days unless:
    - a. a prequalification process has been issued in advance; or
    - b. a notice of planned procurement has been posted using the Bidding System at least forty (40) calendar days (and not more than 12 months) in advance of the proposal posting.
  - 5.1.4 every department shall provide technical assistance in the preparation of the proposal specification, scope of work, drawings, etc.;
  - 5.1.5 proposal specifications and/or conditions shall not accord a preference for local goods, services or suppliers;
  - 5.1.6 proposal conditions shall not require prior experience if not essential to meet the requirements of the procurement, any experience required shall not be limited to a specific territory;
  - 5.1.7 proposal conditions shall not limit participation to suppliers that have previously been awarded contracts by the town, nor require prior experience with the town;
  - 5.1.8 proposal conditions may include a preference for Canadian value-add or may limit proposals to Canadian good, services or suppliers provided that the purpose is not to avoid competition or to discriminate against any other goods, services or suppliers;
  - 5.1.9 purchasing staff shall prepare the proposal documents;
  - 5.1.10 the agent in consultation with the user department shall determine the amount and form of any proposal security required;
  - 5.1.8 a set closing date and time shall be noted in all proposal documents;

- 5.1.9 vendor response to proposals shall be received by the Bidding System;
- 5.1.12 award shall be to the responsible and responsive proponent offering the highest ranked compliant proposal;
- 5.2 Proposals are evaluated by an ad hoc committee of town staff, chosen in advance, for their expertise in the subject area. Evaluation committees are responsible to score the technical aspect of the proposal submissions using pre-set evaluation criteria. Each participating member shall sign a confidentiality and conflict of interest statement as it relates to the process. The following guiding principles shall apply:
  - 5.2.1 Request for Proposals shall specifically outline mandatory and non-mandatory submission requirements. Submissions may be considered to be materially compliant, but certain clarifications may be sought after closing. Materially non-compliant submissions shall be declared as non-compliant.
  - 5.2.2 The RFP document shall clearly outline the technical and pricing evaluation criteria and applicable weighting assigned that will form the basis of contract award.
  - 5.2.3 After the closing date and time, the agent shall determine compliance of the submissions. Only those submissions deemed fully compliant will be evaluated by the evaluation committee.
  - 5.2.4 RFP documents may use a two envelope process whereby technical ranking is completed first. Bidders meeting or exceeding the specified pass threshold stated in the RFP shall move to the price ranking. The bidder with the highest ranked proposal after both phases shall be awarded the contract.
  - 5.2.5 When the RFP requires an oral presentation, submission of test samples or inspection of facilities or place of business these factors are part of the proposal evaluation.
  - 5.2.6 Total Cost of Ownership (TCO) also referred to as Life Cycle Costing (LCC) may be evaluated using factors such as price, delivery, installation, maintenance, cost of operation, disposal, etc.
  - 5.2.7 All original proposal submissions, all individual and consensus scoring documents, meeting instructions and minutes shall be retained in accordance with the Retention of Records By-law.
  - 5.2.8 All bidders who participate in the proposal process shall be entitled to a debriefing session to discuss the strengths and weaknesses of their submission in relation to the specified criteria and to help bidders learn how to submit more competitive bids in the future. Purchasing staff shall facilitate any such session.
- 5.3 Procedures found in 4.0 Request for Tenders items 4.2 to 4.19 are also applicable to the Request for Proposal process.
- 5.4 Where indicated in the proposal document, the town shall have the right to conduct negotiations with suppliers. The methodology, process and timing for such negotiations shall be detailed in the proposal document.



## 6.0 - Procedures for Non-Competitive Procurement Procurement Policy Schedule "I"

- 6.1 Single Sourcing (also referred to as limited tendering) may be applied when purchases are made through a selected supplier, even though there are other suppliers that provide similar supplies or service. Examples may include:
- 6.1.1 No bids were submitted or no suppliers requested participation;
  - 6.1.2 When due to market conditions, required supplies or services are in short supply;
  - 6.1.3 When during the performance of a contract unexpected conditions require mediation simultaneously with work in progress;
  - 6.1.4 When there is merit in purchasing at a public auction;
  - 6.1.5 For the purchase of goods on a commodity market;
  - 6.1.6 For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
  - 6.1.7 When the project is a pilot with the understanding that, if successful, further works shall be subject to a bidding process;
  - 6.1.8 When the nature of the assignment is confidential and disclosure to several bidders is inappropriate;

Where the value of the procurement is greater than \$10,000 the director shall initiate a single source award report including rationale for requesting single source procurement prior to engaging a supplier.

- 6.2 Sole Source may be applied when items are unique and possess specific characteristics or traits that can be filled by only one source, such as:
- 6.2.1 To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that shall be maintained by the manufacturer or its representative;
  - 6.2.2 For the procurement of goods or services, the supply of which is controlled by a supplier that is a statutory monopoly;
  - 6.2.3 For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
  - 6.2.4 For work 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;
  - 6.2.5 For the procurement of a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases;

6.2.6 For the procurement of original works of art;

Where the value of the procurement is greater than \$10,000 the director shall initiate a single source award report including rationale for requesting sole source procurement prior to engaging a supplier.

- 6.3 Emergency purchasing may be applied when an event occurs that is determined by the Chief Administrative Officer, commissioner or a director to be a threat to public health, the maintenance of essential town services, the welfare of persons or of public property, the protection of the town's physical assets, or the security of the town's interests or financial liabilities arising from unexpected conditions, and the occurrence requires the immediate delivery of supplies or service.
- 6.3.1 The director may make such purchases, during emergency situations as defined, without the involvement of the agent and/or a competitive bidding process, and is authorized to do so in the most expedient and economical means possible.
- 6.3.2 The emergency award report shall detail the cause of the emergency and the action taken to resolve the emergency and shall be submitted for approvals within two (2) working days following the resolution of the emergency.
- 6.3.3 Where the emergency situation may be prolonged, the director shall contact the agent to determine the best action moving forward.
- 6.3.4 Staff shall reference the Emergency Plan – Section 4 - Emergency Operations Centre for guidance during emergency situations and recovery measures.
- 6.4 Purchase Order Increase – represents additional work that is required to address an unexpected problem or unforeseen circumstances and is required to deliver the original approved work and not expand the original scope of the project.
- 6.5 All non-competitive procurement greater than \$100,000 shall be awarded on the Bidding System as required by the CFTA.

## 7.0 - Procedures for Award Reports

- 7.1 In accordance with the Procurement Policy By-law, all award reports are approved by the agent, the deputy treasurer and director, Financial Planning or designate. The treasurer shall approve all award reports greater than \$50,000. The chart below shows when specific award reports are required, at what dollar value they are required and what departmental approvals are required.

Template Title	Application	Approval Required	
<b>Additional Funding &gt;\$25,000</b>	Purchase Order Increase	>\$25,000 Director & Commissioner	
<b>Contract Renewal &gt;\$25,000</b>	Contract Renewal for all Optional Years	>\$25,000 Director >\$50,000 Commissioner	
<b>Request for Proposal Award &gt;\$25,000 / &lt;\$50,000</b>	Consulting or Professional Services Proposals received by user department	Director	
<b>Request for Proposal Award &gt;\$50,000</b>	Consulting or Professional Services Proposals received by purchasing	>\$50,000	Commissioner
<b>Request for Proposal Award &gt;\$25,000</b>	RFP for Non-Consulting Services Proposals received by purchasing	>\$25,000 >\$50,000	Director Commissioner
<b>Roster Award &gt;\$25,000</b>	Direct Roster awards as outlined in Schedule "H" <b>\$5,000 - \$100,000</b> .	>\$25,000	Director Commissioner
<b>Single/Sole Source Emergency Award &gt;\$10,000</b>	For Single Source / Sole Source / Emergency procurement as outlined in Schedule "I".	>\$10,000 >\$25,000	Director Commissioner
<b>Standardization Award</b>	For approved Standardization as outlined in Schedule "I".	No funds committed	Director Commissioner
<b>Tender/Quote Award</b>	RFQ or RFT issued by purchasing.	>\$25,000 >\$50,000	Director Commissioner
	<b>All Award Reports</b>	<b>&gt;\$250,000</b>	<b>CAO</b>

\*\* Where the department requests an increase in value of a contract award (change to the OP) but funds are not available within the specific Capital Project budget as approved, the request to reallocate from an alternate funding source must be completed in accordance with the Financial Control Policy prior to entering an award report for Additional Funding.

## 8.0 Procedures for Receiving

- 8.1 Follow Up – If the user department has not received their requirements by the promised delivery date, they should contact purchasing, who in turn, will expedite the shipment.
- 8.2 Inspection - The user department should always inspect each shipment and immediately report any damages to purchasing. If damage is encountered, all packing materials must be kept for inspection by the carrier. Shipments received by the user department should also be inspected for quantity, quality and adherence to specifications with any discrepancies reported immediately to purchasing who will take appropriate action to rectify the situation.
- 8.3 Freight Bills - When a shipment is received the person receiving the shipment should not sign the freight bill or the bill of lading unless:
  - 8.3.1 Goods are as described on the Bill of Lading (i.e. number of pieces is as stated) and are addressed to the Town of Oakville.
  - 8.3.2 There is no evidence of damage to either container or goods.
  - 8.3.3 If the shipment appears to be damaged, write this on all copies of the freight bill and have it signed by the delivery staff prior to accepting the shipment. Purchasing must be contacted immediately so that they may arrange for inspection of the shipment by the carrier, arrange for alternate supply of the goods if necessary, arrange for return or disposal of the damaged goods and prepare a claim for damages against the carrier. Once damage is visible, do not open or disturb the package until Purchasing has approved.
- 8.4 Receiving the Order - Once the user department has approved the receipt of supplies or service, the order must be received against the OU, OS or OP. Receiving the order in CIS gives authorization to Accounts Payable to pay the invoice. It is important that receiving be done promptly when goods are delivered so payment to the vendor is not delayed.
  - 8.4.1 Partial Receiver - Delays in authorizing payment can cause unnecessary conflict between the town and our suppliers. It is quite proper and often necessary to authorize payment for a partial order rather than wait for the complete order. To allow for partial release of funds to the supplier, you may receive part of the total value of the order or some of the lines on the order. The system allows us to receive a portion of a lump sum dollar amount so users must take this into consideration when entering the OU or OR. The user department may contact Purchasing or Accounts Payable staff for assistance as required.



## 9.0 - Procedures for Invoicing

- 9.1 When ordering goods or services through a purchase order, all invoices must be sent directly from the supplier to the Accounts Payable department. Invoices can be sent electronically in PDF or TIF format to [accountspayable@oakville.ca](mailto:accountspayable@oakville.ca). Departmental staff can be copied on the e-mail. If the invoice is e-mailed to Accounts Payable, the vendor should not send a "hard" copy through the mail.
  - 9.1.1 Invoices are paid promptly in accordance with the payment terms negotiated with the vendor, however the Town's standard is 30 days from date of receipt of the invoices (unless agreed otherwise).
  - 9.1.2 If an invoice is received by department personnel in error, the invoice must be sent immediately to accounts payable so it can be processed through TransformAP in CIS. User department shall ensure that an invoice inadvertently received by the department is date stamped immediately as this represents the date of receipt of the invoice.
  - 9.1.3 All invoices received by Accounts Payable are processed through TransformAP which is a document management system that saves scanned images in CIS. This system allows Accounting to forward to departmental staff, any vendor invoices which need follow up activity to be done by the respective buyer. With the implementation of TransformAP, it assists departments in following the purchasing/payment processes noted above as intended.
  - 9.1.4 Accounts Payable would like to avoid the necessity to photocopy and send invoices to departments for payment. It is important to follow the processes noted above to ensure the purchasing/payment systems flow as they are intended to.
- 9.2 All invoices must include a purchase order number (OU, OP, OS or OB) with the exception of those purchases using Schedule "B" – Exceptions from Requirements of Purchasing Process.
- 9.3 Vendor invoices must clearly indicate net amount of purchase plus freight or other administrative charges, applicable tax amount and business number.
- 9.4 Vendor invoices must match the purchase order in CIS before payment will be made.
- 9.5 Progress Payment Certificates may be used in addition to the OU or OP (purchase order) for payment against a quotation, tender or proposal document when the length of the contract will extend past 60 days and where there will be multiple payments made.
  - 9.5.1 Generally in this circumstance, the vendor/contractor and the town sign a contract. The quotation/tender/proposal document and the Town of Oakville's Form of Agreement form the contract.
  - 9.5.2 When payments are required to be made, the user department completes a payment certificate. Each division has their own version (internally developed) to suit their processes and internal approvals. Once the payment certificate is approved, the certificate and invoice are forwarded to Accounts Payable for processing.

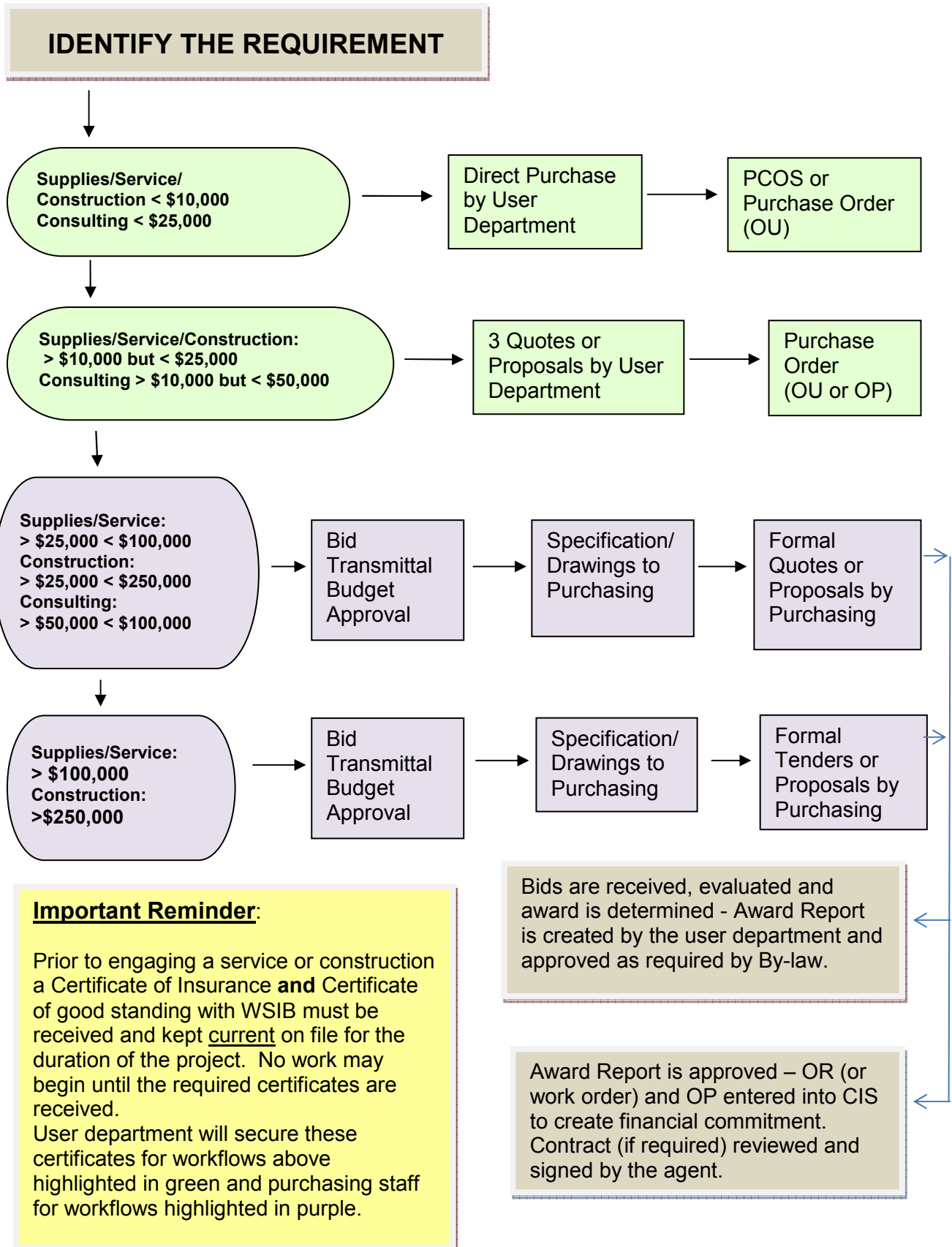
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- 9.5.3 CIS and custom reporting developed within CIS track payments and holdbacks historically through completion of the project.
  - 9.5.4 When the project is nearing completion and if hold back is applicable to the project, staff must complete the hold back release approval form. Construction Lien searches may be required prior to release of hold back. Purchasing staff can provide guidance through this process.
  - 9.5.5 When it is evident that a project is going to exceed the upset limit of the payment certificate, funding approval may be required prior to contacting purchasing, to revise the upset limit.
  - 9.7 Refer to Procedure F-FOC-001-003 – Accounts Payable under the Financial Control Policy for further details regarding the payment of invoices.
  - 9.8 When invoices are being paid through PCOS, invoices shall be sent directly to the cardholder marked as "Paid by Visa".

## 10 - Procedures for Vendor Management

- 10.2 A performance evaluation process shall be instituted in contracts where the user department and/or agent determine appropriate to evaluate the performance of contractors and consulting firms. The outcome is to track performance over time and to assist with the decision to allow a supplier, contractor or consultant to continue bidding on future work for the town.
- 10.3 The performance evaluation form and criteria adopted from time to time shall be provided to the supplier, contractor or consultant in advance of the contract, and shall remain constant for the duration of the contract. The same evaluation criteria shall apply to all consulting or construction projects undertaken for the town, but may be amended from time to time to suit the individual project.
- 10.4 The following guidelines shall apply:
- 10.4.1 Performance issues while carrying out the project shall be noted in writing by the project manager and a copy provided to purchasing. The agent shall provide a form for reporting infractions or incidents during the project.
- 10.4.2 Any infraction reports shall be attached to the vendor's overall performance evaluation.
- 10.4.3 On completion of the project, the user department project manager shall complete the final performance evaluation. The evaluation report shall be reviewed with the purchasing representative.
- 10.4.4 A copy of the completed final evaluation, including all back-up documents pertaining to any infractions, shall be forwarded to the supplier for their records. A summary letter shall indicate if the supplier is eligible to continue bidding on the town's future requirements, be placed on probation for a predetermined period of time (where future work is closely monitored) or suspended from bidding on future town projects for a predetermined period of time.
- 10.4.5 Where a supplier is placed on probation or is suspended from bidding on future contracts for the town due to poor performance, the supplier shall have twenty (20) calendar days to request an appeal. Appeal documentation shall be in writing and be forwarded to the agent.
- 10.4.6 The appeal process shall be conducted by a Dispute Committee which shall hear from both town staff and the supplier at a time and place appointed in writing by the Committee. The Dispute Committee shall be comprised of the treasurer, the deputy treasurer and director, Financial Planning, the agent or designate, and the director of the user department involved. A quorum of the Dispute Committee shall be two of the four members. The decision of the Dispute Committee shall be in writing and it shall be final.
- 10.4.7 In reaching a decision, the Dispute Committee shall be entitled to rely upon the evaluation criteria in the performance evaluation and the results of prior performance evaluations relating to other contracts performed by the same supplier.

- 10.4.8 No bid submissions for new town projects will be accepted from any supplier, contractor or consultant during the bid dispute process or until the Dispute Committee renders a final decision.
- 10.5 No bid submission will be accepted from any supplier, contractor or consultant nor shall any purchase order be issued for payment during the term of the suspension.
- 10.6 The results of any performance evaluation may be disclosed to other municipalities or government bodies upon request, where it can be demonstrated that the supplier has listed the town as a work reference.
- 10.7 In the event of any dispute or claim arising between the town and the supplier, contractor or consultant as to their respective rights and obligations under a contract, either party may give the other written notice of such dispute or claim.
- 10.7.1 The notification of dispute or claim shall be made in writing within fourteen (14) days of the dispute or cause of action arising and state the nature of the dispute giving full details and history of the events leading to the dispute claim.
- 10.7.2 If the dispute or claim cannot be resolved through negotiation to the satisfaction of both parties, the parties may between themselves agree to submit the particular matter to arbitration in accordance with the laws of Ontario.
- 10.7.3 Any agreed arbitration process shall be binding and held in strict confidence in order to protect and safeguard both parties confidential information.
- 10.8 Where at any time the quality of the goods or service supplied by the supplier, contractor or consultant is not of a satisfactory standard, the town may issue a verbal warning outlining the deficiency in supply or other aspect of performance and requiring deficiencies be corrected within such period of time as stated.
- 10.8.1 If the deficiency is not corrected within the time specified, or if there is a further instance of deficient performance, the town shall issue a written infraction notice to the supplier, contractor or consultant identifying the deficiency in performance and setting a final date or time period for its correction.
- 10.8.2 If corrective steps are not taken by the final date or within that time, the town may terminate the contract and take corrective action itself.
- 10.8.3 Termination of any contract can be immediate depending on the severity of the default.

### 11 – Information Flow



**Important Reminder:**

Prior to engaging a service or construction a Certificate of Insurance and Certificate of good standing with WSIB must be received and kept current on file for the duration of the project. No work may begin until the required certificates are received. User department will secure these certificates for workflows above highlighted in green and purchasing staff for workflows highlighted in purple.

Bids are received, evaluated and award is determined - Award Report is created by the user department and approved as required by By-law.

Award Report is approved – OR (or work order) and OP entered into CIS to create financial commitment. Contract (if required) reviewed and signed by the agent.

## 12 – Purchasing Services

### 12.2 Planning Phase

- 12.2.1 Provide information and interpretations on applicable law and policies such as: trade (NAFTA, GATT, etc.), Tax (Sales, Withholding, etc.), customs & excise, dangerous goods, agency, environment protection, competition and transportation.
- 12.2.2 Provide information on public and private industry procurement practices including strategic procurement, bid solicitation, calling for proposals, securing value, etc.
- 12.2.3 Provide information on marketing strategies, sales techniques, the nature of influence and supplier behaviour patterns.
- 12.2.4 Develop procurement policies, plans, reports, standard documents and management tools.
- 12.2.5 Conduct workshops and seminars in Needs Definition, Specifications, Soliciting Bids, Contract Formation and Performance Measurement and control.
- 12.2.6 Life-cycle costing/total cost determination/budget estimating.
- 12.2.7 Cooperative purchasing opportunities.

### 12.3 Market Research Phase

- 12.3.1 Determine normal good or service distribution channels and vendor relationships.
- 12.3.2 Assess vendor costing / pricing and mark-up strategies / develop cost savings / reduction / avoidance / control strategies.
- 12.3.3 Assess market position and practice/ vendor custom / bundling opportunities / supply vs. demand characteristics / owner leverage.
- 12.3.4 Assess price volatility level and potential strategic supply opportunities.
- 12.3.5 Survey users of the item, professional organizations, rating and testing agencies and laboratories and summarize recommendations.
- 12.3.6 Bench marking services and comparison studies.

### 12.4 Sourcing Phase

- 12.4.1 Develop appropriate acquisition strategies and methods based on needs and research.
- 12.4.2 Conduct vendor surveys and evaluations.
- 12.4.3 Develop pre-qualification requirements.
- 12.4.4 Prepare solicitation documentation, terms and conditions for contracting and special instructions to secure comprehensive vendor offers.
- 12.4.5 Develop independent, comprehensive evaluation criteria and appropriate models.
- 12.4.6 Conduct, make / lease or buy studies.

- 12.4.7 Conduct public bidding services including advertising, distribution, addendum control, document sales, pre-bid conferences, securing all bids received. Monitoring time sensitive receipts and public disclosure.

## **12.5 Analysis Phase**

- 12.5.1 Evaluate environmentally friendlier alternatives.
- 12.5.2 Conduct problem solving and decision making analysis.
- 12.5.3 Reveal bid rigging and competition act irregularities.
- 12.5.4 Render independent interpretations and rulings on degree of competitiveness, equitableness and fairness of offers received.
- 12.5.5 Determine irregularities and rejection / acceptance approach.
- 12.5.6 Conduct risk analysis.
- 12.5.7 Report on results of internal and external research.
- 12.5.8 Coordinate product and service demonstrations.
- 12.5.9 Prepare bid or negotiated offer tabulation and evaluations including spreadsheet analysis.

## **12.6 Award Phase**

- 12.6.1 Develop negotiation plans / documents and conduct negotiations through to completion and award.
- 12.6.2 Resolve vendor protests and maintain historical records.
- 12.6.3 Disseminate information to involved parties.
- 12.6.4 Conduct vendor debriefing sessions.

## **12.7 Contract Execution**

- 12.7.1 Prepare and finalize content including terms, conditions, final results, etc., in a way that facilitates effective monitoring and control.
- 12.7.2 Determine contract type such as lump sum, unit price, cost plus strategies, blanket orders, etc.
- 12.7.3 Secure legal opinions where appropriate, evaluate trade-offs and determine best business solution.
- 12.7.4 Confirm contracts with vendors and handle ordering arrangements including importing, warehousing and transfer instructions.
- 12.7.5 Implement contracts and conduct start-up activities with vendors, project managers and administrative staff.

## **12.8 Receipt Phase**

- 12.8.1 Manage logistics and provide inventory control and management services. Expedite shipments.
- 12.8.2 Process returned goods and shipping claims and manage service disputes / claims.
- 12.8.3 Provide internal transportation services if required.

**12.9 Payment Phase**

- 12.9.1 Ensure matching of financial information and arrange for full discharge of contracts and closing out of records.
- 12.9.2 Manage return for credit requests.
- 12.9.3 Initiate and implement partial and stop-payment requests.

**12.10 Contract Administration Phase**

- 12.10.1 Records retention and control of financial commitments for manual and automated records.
- 12.10.2 Process duty drawbacks, brokerage claims, refunds and exports.
- 12.10.3 Coordinate contracts by project or commodity or vendor.
- 12.10.4 Provide management reports on acquisition activity.
- 12.10.5 Monitor price changes; calculate current charges in variable priced contracts.
- 12.10.6 Negotiate contract changes.
- 12.10.7 Issue / control amendments.

**12.11 Project Management Phase**

- 12.11.1 Coordinate contract related activities between internal and external service providers and between owners and partners.
- 12.11.2 Supply progress reports on payments made to date, vendor performance problems, and changes in the marketplace.
- 12.11.3 Advise on three-way or multi-party contract controls and charge-backs.

**12.12 Performance Measurement Phase**

- 12.12.1 Monitor performance levels against expectations as stated in contracts using performance evaluation tools.
- 12.12.2 Mediate disputes between owner and vendor.
- 12.12.3 Take action with vendors to obtain satisfaction and document outcomes for information retention and possible litigation.

**12.13 Quality Measurement Phase**

- 12.13.1 Express quality requirements in measurable ways such as by blueprint or dimension sheet, industry standard, brand or trade name, catalogue number, chemical, physical or performance specifications, sample, pre-qualified listings, etc.
- 12.13.2 Conduct comparison activities of items received to requirements and process rejection notices in detail and maintain records.
- 12.13.3 Adhere to established professional codes of conduct and practice ethical procurement.