

City of Thorold Procurement Policy

FINANCE

Policy: **300-01** Procurement/Purchasing Policy

REVISED: 04/29/2025



Whereas the Council of the Corporation of the City of Thorold deems it desirable to provide fair, transparent, and accountable procurement policies.

And Whereas Section 270 of The Municipal Act, 2001, entitled “Adoption of Policies”.

as amended, states that a municipality and a local board shall adopt policies with respect to its procurement of goods and services;

And Whereas the City is updating its procurement policies and procedures to ensure alignment with current legal standards and trade treaty obligations;

Now Therefore, The Corporation of the City of Thorold by the Council thereof hereby enacts as follows:

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1. Purpose, Goals, and Objectives

1.1 The city is committed to ensuring that all procurement activities are conducted with transparency, fairness, and accountability. This includes selecting the method of procurement based on the specific requirements of the contract and ensuring that all bidders have equal opportunity to participate in the process. The selection of the ‘Best Value’ will be determined through a comprehensive evaluation of cost, technical merit, quality, and other specified criteria, with clear documentation supporting the decision-making process:

- (a) to encourage competitive bidding;
- (b) An open and honest process shall be maintained that is fair and impartial;
- (c) to maximize savings for taxpayers;
- (d) to maximize efficiencies in the Procurement Process, including through electronic Procurement means;
- (e) to authorize a variety of purchasing methods, and to use the most appropriate method depending on the particular circumstances of the Procurement;
- (f) to the extent possible, ensure openness, accountability and transparency while protecting the best interests of the City of Thorold;

- (g) to ensure compliance and consistency with all applicable legislation and trade agreements, policies and procedures;
- (h) to avoid real and perceived conflicts between the interests of the Corporation and those of the Corporation's employees and elected officials and to ensure compliance with the *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M.50, as amended;
- (i) to promote, and incorporate wherever possible in Purchasing activities of the Corporation, the requirements of the *Ontarians with Disabilities Act*, 2005, S.O. 2005, c. 11, as amended;
- (j) to adhere to the code of ethics of the Ontario Public Buyers Association and the National Institute of Government Purchasing;
- (k) to maintain timely and relevant policies and procedures;
- (l) to delegate the appropriate level of authority to enable City departments to meet services requirements.
- (m) Develop and maintain a Social Procurement culture that leverages procurement to contribute to Social Value Objectives. This will be done in accordance with the values of our community and Council and aligns with the City's strategic goals and plans;
- (n) Practice Sustainable Procurement of Deliverables with due regard to environmental stewardship and balancing prosperity, well-being, and nature.

2. Definitions

The following terms are used throughout this policy:

- **“Award”** means authorization to proceed with Purchasing Goods and/or Services from the chosen Supplier or to proceed with the Disposal, by way of sale of Surplus Assets, to a chosen buyer;
- **“Best Value”** means the best combination of cost, technical merit, and quality as determined by the city. The Best Value may not be the lowest cost;
- **“Bid”** means an offer or submission from a Supplier in response to a Bid Solicitation that is subject to acceptance or rejection or (if a right of negotiation is reserved by the Corporation or is implied in the wording of a Bid Solicitation) negotiation by the Corporation, or consideration by the Corporation (as in the case of the pre-qualification process in a RFPQ or RFEOI) or, in the case of a Disposal of Surplus Assets, an offer

or submission from a buyer in response to a Bid Solicitation that is subject to acceptance or rejection by the Corporation;

- **“Bidder”** means the legal entity that submits a Bid in response to a Bid Solicitation;
- **“Bid Security”** means the form of security required by the terms and conditions of Bid Solicitations to guarantee that the successful Bidder enters into a Contract with the Corporation as required.
- **“Bid Irregularity”** means a potential or actual non-compliance with a Bid Solicitation that may lead to the disqualification of a Bid, or that may require corrective action to take place in order to make a Bid compliant.
- **“Bid Solicitation”** means a request for Bids, which shall whenever possible use electronic means, including an Informal Request for Quotation, Request for Quotation, Request for Tender, Request for Proposal or Negotiated Request for Proposal;
- **“Bidding System”** means the Corporation’s online web-based solution for issuing Bid Solicitations and/or receiving online Bid submissions and posting Bid results;
- **“Budget”** means the budget or portion of the budget approved by Council;
- **“Budget Adjustments” (Reallocations)** Means the transfer of funds within the same department and budget category (Operating, Water, Sewer, or Capital) with no net impact on the overall Council-approved budget. These reallocations must not involve reserves, debt, or staffing changes and require approval by the CAO for amounts up to \$25,000, with review by the Director of Finance. Amounts over \$25,000 require Council approval.
- **“Budget Amendments” (Over Runs)** Means changes to the Council-approved budget that increase the total funding for a department, project, or program due to unforeseen needs or cost overruns. These amendments require formal Council approval and may involve new funding sources such as reserves, debt, or grant contributions.
- **“CETA”** means the Comprehensive Economic and Trade Agreement signed October 30, 2016, as amended, between Canada and the European Union and its member states;
- **“CFTA”** means the Canadian Free Trade Agreement in force July 1, 2017, as amended;

- **“Chief Administrative Officer” or “CAO”** means the Chief Administrative Officer of the Corporation, his or her Designate or any successor position thereto;
- **“City”** means The Corporation of the City of Thorold;
- **“Clerk”** means the appointed employee from the Corporation who without note or comment, records all resolutions, decision and other proceedings of council, who keeps originals or copies of all by-laws, policies and all minutes of the proceedings of the council;
- **“Compliant Bid”** means a Bid that meets the terms and conditions of the Bid Solicitation and this Policy;
- **“Conflict of Interest”** means:
 - (a) a situation or circumstance, real or perceived, that could give a Supplier or potential Supplier an unfair advantage in a Procurement or compromise the ability of the Supplier or potential Supplier to perform its obligations under a Contract; and/or
 - (b) a situation where a person, business or other interest of an elected or appointed official, officer or employee of the Corporation is, or can be reasonably be perceived to be, in conflict with the interests of the Corporation, and includes, but is not limited to:
 - i) the giving or receiving of a direct or indirect personal gain or benefit, or a direct or indirect advantage or privilege, by any person or business that offers Goods and/or Services (incl. Construction) to the Corporation;
 - ii) a direct or indirect interest in any business that provides Goods and/or Services (incl. Construction) to the Corporation;
 - iii) a conflict of interest as defined in the Municipal Conflict of Interest Act (R.S.O. 1990, Chapter M.50), as amended; or
 - iv) a conflict of interest as defined in the Corporation’s Code of Conduct for Municipal Employees Policy #1200-39, as amended;
- **“Construction”** means a construction, reconstruction, demolition, repair or renovation of a building, structure or other engineering or architectural work and includes site preparation, excavation, drilling, soil or seismic investigation, geotechnical survey, the supply of products and materials and the supply of equipment and machinery incidental to the construction, and the installation and repair of fixtures of a building, structure or other engineering or architectural work. For the purposes of this Policy and procedures construction falls under the title of a Goods and/or Services;

- **“Consulting Services, Professional or Specialized Services or Consultants”** means those Services of an advisory or professional nature required by the City to support Construction, policy development, decision making, administration, or the general management of the City, and are generally provided by persons who possess specific knowledge, expertise, advice, technical skills or unique abilities in a particular field of science or business, which include:
 - (a) Architects, engineers, designers, surveyors, geoscientists, project managers, financial management, communications or public relations consultants, recruiters, auditors, accountants, appraisers, legal service providers and healthcare professionals;
 - (b) Firms or individuals having specialized competence in environmental, planning or similar disciplines; and
 - (c) Software consultants and any other persons providing similar services.
- **“Contract”** means a binding agreement, arising in the context of a Procurement, between the City and one or more parties that creates an obligation to provide or sell goods or perform Services;
- **“Corporate Expense Cards”** means a card issued to approved City staff to make purchases within their authority level following the Corporate Expense Card Policy No: 300-19 and the Purchasing and Execution Authority of this Policy;
- **“Corporation”** means The Corporation of the City of Thorold
- **“Council”** means The Council of The Corporation of the City of Thorold;
- **“Debriefing”** means to provide information related to the Bid Solicitation to inform bidder(s) that were not selected during a particular procurement process;
- **“Department”** means any Department of the Corporation including any division within a Department;
- **“Department Head”** means the most senior manager responsible for a City Department or Delegate. The position may be identified by the title, Director;
- **“Department Representative”** means a City employee authorized to Procure and Dispose of Goods, Services or Construction on behalf of the Department up to a specified dollar value;
- **“Designate”** means a person authorized in writing to act on behalf of another person during his or her absence, which written authorization has been filed with the Manager of Procurement. Only a person holding a position no lower than one level below in the Corporation’s reporting structure may be authorized to act as a Designate;

- **“Director”** means the Director of the Department making the Purchase, his or her Designate or any successor position thereto;
- **“Direct Purchase” means** A simplified method used for small-value purchases (under \$10,000) where a competitive process is not required.
- **“Disability” or “Disabilities”** shall have the same meaning as set out in the Accessibility for Ontarians with Disabilities Act, 2005, S.O. 2005, c. 11, as amended or any successor legislation thereto;
- **“Disposal”** and its derivatives and correlatives means the selling, trading, assignment, donation and/or scrapping of Surplus Assets;
- **“Electronic Procurement”** – The use of digital systems and tools to conduct procurement activities, including bid solicitation, submission, evaluation, and contract management.
- **“Emergency”** means a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public, or is likely to cause significant loss or damage to the property of the Corporation or the residents of the City of Thorold or to prevent serious damage, disruption of work or to restore or to maintain essential services to a minimum level;
- **“Ethical Procurement”** – The process of acquiring goods and services in a manner that upholds principles of fairness, integrity, transparency, and social responsibility, ensuring compliance with applicable laws and trade agreements.
- **“Evaluation”** means the process that takes place after the Bid submission deadline to determine if the Bids submitted are Compliant and to evaluate the Bids using the evaluation criteria included in the Bid Solicitation;
- **“External Legal Council”** means City Solicitor internal or external of the Corporation, his or her Designate or any successor position thereto;
- **“Fair Market Value”** means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm’s length who are fully informed and not under any compulsion to transact;
- **“Formal Agreement”** means a written Contract outlining the terms and conditions for the Procurement of Goods and/or Services or Construction and executed by the City and the Supplier;
- **“Formal Bid Process”** means the process for receipt of Bids,

- **“Formal Quotation”** means an offer in writing by way of a call for Quotation to execute certain specified work or to supply certain specified Goods and/or Services or Construction in response to the information contained in the call for quotation. This method requires that the solicitations are published and received using the City’s Bidding System.
- **“Goods”** means, in relation to Procurement, moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property), including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract. Exemptions of Goods as per Schedule 1 Exceptions for Formal Purchasing Process;
- **“Informal Request for Quotation”** means a Request for Quotation where the Goods or Services being procured are of Small Value and the Procurement is permitted by applicable Corporation policies Schedule 2 of this Policy 300-01.
- **“Lease”** means a contract by which one party (lessee) enters into a contract with a second party (lessor) for possession and use of Goods for a specified period of time at a pre-determined cost;
- **“Lobbying”** means the advocacy of an interest that is affected, actually or potentially, by the Bid Solicitation process or individuals involved in the Bid Solicitation process including seeking to influence the outcome of the Bid Solicitation process or subsequent Award;
- **“Lowest Compliant Bid”** means the Compliant Bid that would provide the Corporation with the desired Goods and/or Services at the lowest cost;
- **“Manager”** means an employee of the Corporation holding the position of manager;
- **“Negotiated Request for Proposal”** or **“NRFP”** means a non-binding flexible format public Request for Proposal by the Corporation made in accordance with Section 10.7 of this Policy, seeking proposals to supply Goods and/or Services which may or may not result in an Award by the Corporation;
- **“Negotiation”** means a Method of Purchasing in which the Corporation may negotiate directly with one or more Suppliers with the intent to award a Contract or extend an existing Contract;
- **“Non-Compliant Bid”** – A bid that fails to meet the terms and conditions set out in a bid solicitation, including but not limited to missing documentation, incorrect pricing formats, or failure to comply with mandatory requirements.

- **“Petty Cash”** means a relatively small amount of cash kept on hand for making immediate payment for small, non-reoccurring, miscellaneous expenses;
- **“Procurement”** means the entire process for the assessment of the Corporation’s needs for Goods and/or Services, the means by which those needs may be satisfied, the examination of the marketplace for Goods and/or Services, the authorization for Purchasing Goods and/or Services, the selection of the method for Purchasing Goods and/or Services, the issuance of a procurement document (which may include a Purchase Order, RFEOI, RFPQ, RFP, NRFP, RFT or other document consistent with this Policy), the selection of a Supplier and the completion of the Purchasing;
- **“Procurement Representative”** means the representative of the City specified in the Bid Solicitation document, the person or designate who manages and supervises the procurement function on behalf of the Corporation, reporting to the Director of Finance;
- **“Procurement Thresholds”** – The financial limits set within the procurement policy that determine the appropriate purchasing method, such as direct purchase, informal quotation, formal quotation, or competitive bidding.
- **“Professional Services”** means those services requiring the skills of professionals for a defined service requirement including but not limited to,
 - (a) architects, engineers, designers, surveyors, geoscientists, project managers, financial consultants, auditors, accountants, lawyers and health care professionals;
 - (b) firms or individuals having specialized competence in environmental, planning, Construction or similar disciplines; and,
 - (c) software consultants and any other persons providing similar services;
- **“Proposal”** means a submission received in response to a Request for Proposal (RFP);
- **“Purchase”** means to acquire Goods and/or Services by purchase, rental, lease or trade, including Construction;
- **“Purchase Order”** means an electronic confirmation of the Purchase of Goods and/or Services at a specific cost and includes the standard terms and conditions for purchase orders;
- **“Purchase Requisition”** means a request for Goods and/or Services for which the Budget has been approved, prepared by a department and sent to the Procurement Division;
- **“Purchasing”** and its derivatives and correlatives means the process of obtaining Goods and/or Services as part of the process of Procurement;

- **“Purchasing Procedure”** refers to policies and procedures adopted from time to time by the Representative of Procurement for the purpose of enabling the provisions of this Policy.
- **“Quotation”** means a binding statement of price, terms of sale and description of Goods and/or Services offered by a Supplier;
- **“Request for Expression of Interest” or “RFEOI”** means a public request made by the Corporation seeking responses from potential Suppliers for the purposes of compiling a list of Suppliers that may be interested in providing Goods and/or Services to the Corporation from time to time. An RFEOI is not a Bid Solicitation, and receipt of an expression of interest by the Corporation does not create any legal obligation between the potential Supplier and the Corporation, but may be a precondition to qualifying for subsequent Bid Solicitations issued by the Corporation;
- **“Request for Pre-Qualification” or “RFPQ”** means a public request by the Corporation seeking submissions outlining the experience, financial strength, education, background and significant personnel of potential Suppliers who may, from time to time, qualify to supply Goods and/or Services to the Corporation. An RFPQ is not a Bid Solicitation, and receipt of a response to an RFPQ by the Corporation does not create any legal obligation between the potential Supplier and the Corporation, but may be a precondition to qualifying for subsequent Bid Solicitations issued by the Corporation;
- **“Request for Proposal / Negotiated Request for Proposal” or “RFP / NRFP”** means a public request for proposals by the Corporation made in accordance with Section 8.6 of this Policy, seeking proposals to supply Goods and/or Services, which may or may not result in an Award by the Corporation. Accordingly, receipt of a response to an RFP by the Corporation may not create any legal obligation between the potential Supplier and the Corporation. An RFP is to be distinguished from an NRFP, which never creates any legal obligation between a potential Supplier and the Corporation;
- **“Request for Quotation” or “RFQ”** means a request for Quotations by the Corporation for the provision of Goods and/or Services made in accordance with Section 8.4 of this Policy. An RFQ is a Bid Solicitation, but receipt of a response to an RFQ by the Corporation does not create any legal obligation between the potential Supplier and the Corporation unless and until the Corporation accepts the Quotation by placing a Purchase Order with the potential Supplier;
- **“Request for Tender” or “RFT”** means a public request for Bids by the Corporation made in accordance with Section 8.5 of this Policy. An RFT is a Bid Solicitation;
- **“Roster”** means a list of Suppliers that have participated in and successfully met the requirements of a Request for Pre-Qualification (RFPQ), and have been pre-qualified

to perform work assignments involving the delivery of a particular type of Goods and/or Services;

- **“Services”** means services in which the physical component of an activity would predominate but which may result in deliverables in the form of reports, drawings, designs, training materials, software modifications or similar physical components. Services do not include Professional Services and exemptions as per Schedule 1 Exceptions for Formal Purchasing Process;
- **“Single Source”** means the use of a non-competitive Procurement process to acquire Goods and/or Services from a specific Supplier even though there may be more than one Supplier capable of delivery of the same Goods and/or Services;
- **“Social Procurement”** – The practice of leveraging purchasing decisions to achieve social value objectives, such as supporting local businesses, promoting workforce diversity, and enhancing community well-being.
- **“Special Circumstance”** means:
 - (a) an event that is exceptional or could not be foreseen and is likely to pose a threat to the health, safety or welfare of the public or staff;
 - (b) an event that, unless immediately addressed, is likely to cause significant loss or damage to property;
 - (c) an event that has disrupted any essential service that needs to be re-established without delay; or
 - (d) an emergency as defined in the Emergency Management Act, (or the Emergency Management and Civil Protection Act, when so renamed) R.S.O. 1990, c. E.9, as amended, or any successor legislation thereto;
 - (e) an event or circumstance where the City’s municipal emergency control group, established under the Act, has been activated;
- **“Standing Order”** means a Purchase Order to procure repetitively ordered Goods, Services or Construction for a defined period of time at an established price, under set terms and conditions if they are required;
- **“Specialized Services”** means those services requiring the skills of trades including, but not limited to electrical, mechanical, drywall, painting, HVAC, roofing, plumbing, electronics, telecommunications infrastructure and insulation;
- **“Supplier”** means any individual or organization offering Goods and/or Services including but not limited to contractors, consultants, vendors and service organizations;
- **“Surplus Assets”** means Goods, equipment and other assets that are obsolete, damaged or surplus to that Department’s needs;

- **Sustainability (or Sustainable Procurement)** – Procurement that considers environmental, social, and economic impacts throughout the lifecycle of goods and services, aiming to minimize negative effects while promoting long-term value.
- **“Trade Agreements”** means any agreements with respect to access to government procurement opportunities as may be applicable to the Corporation, e.g., CFTA and CETA.
- **“Total Contract Price”** means the Contract cost for the full term of the Contract and in the case of a Contract containing renewal or extension provisions the Total Contract Price for the initial term and all potential renewal or extended terms including the non-refundable portion of Harmonized Sales Tax (HST), where applicable, but including all other applicable fees charges and disbursements, less applicable rebates and discounts;
- **“Unsolicited Proposals”** means Proposals received by the City from a Supplier(s) who have approached the City with a Proposal that has not been requested through a regular procurement process.
- **“Vendor Performance Management”** – The process of tracking and evaluating supplier performance based on criteria such as delivery timeliness, product quality, contract compliance, and service responsiveness.

3. Application

3.1 The policies and procedures outlined in this Policy, including all the purposes, goals and objectives of Section 1 hereof, and including the use of electronic means, shall be followed for the Procurement of all Goods and/or Services by the Corporation or its officers, servants and employees. This policy applies to all Procurement and Disposal carried out by the City of Thorold or any of its officers, and employees with the exception of:

- a) those Goods and Services outlined in Schedule 1;
- b) where an applicable trade agreement or statute of Ontario or Canada supersedes or is in conflict with this policy, in which case the requirements of the trade agreement or statute shall take precedence;

3.2 A Council Resolution adopted by Council:

- a) shall be made after receipt of a written administrative report describing the nature of the Procurement, or Disposal and including advice and recommendations from

both the External Legal Council and the Department Head of the requisitioning department;

- b) shall state that Council is satisfied that it is necessary in the public interest and shall give the reason or reasons for so concluding.

4. Integrity of Procurement Process

4.1 Code of Conduct

All Council members shall conduct themselves in accordance with the Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50, as amended.

- a) With regard to Procurement, elected officials shall adhere to the Code of Conduct for Members of Council and Local Board.
- b) With regard to Procurement, employees shall adhere to the Code of Ethics for Municipal Employees. City of Thorold's Policy 1200-39.

4.2 Conflict of Interest

- a) Personal purchases shall not be made for any elected or appointed officials, members of a board or commission, or for City officers, employees, their families or non-arm's length businesses.
- b) An employee of the City who has the responsibility for declaring surplus assets shall not bid on or personally obtain any goods that he or she has declared as surplus.
- c) Every elected official, employee of the City or their families (as defined in the *Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50*) is expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any Purchase Order or Contract is, or might be awarded, any rebate, gift or money.
- d) All elected officials, officers or employees of the City shall declare any Conflicts of Interest to the Procurement Division and shall not be involved in a Bid Solicitation process where a real or perceived Conflict of Interest has been found or deemed to exist, including, but not limited to:
 - i) requesting the Goods and/or Services, setting the parameters of the Purchase, evaluating Bids or recommending, deciding or making Awards;

- ii) direct contact with those making those Purchasing decisions, both in Procurement and the user Department.

4.3 Supplier Conflict of Interest

- a) All Suppliers acting as Consultants or Professional Representatives of the City must disclose any actual or perceived conflicts of interest in writing to the Procurement Division at the time of bid submission. The city will assess these disclosures to determine whether the conflict is material and whether it may impact the fairness of the procurement process. If a Supplier disagrees with the assessment of a conflict, they may submit additional information to the Procurement Division for review. In cases where a conflict is deemed to exist, the Supplier will be excluded from the procurement process. The city will maintain transparency in all decisions regarding conflict of interest assessments.
- b) Suppliers shall be precluded from submitting a Bid for any Bid Solicitation in which the Supplier or its employees has participated in the preparation of the Bid Solicitation. In this situation, any submitted Bid shall be rejected or disqualified.
- c) Failure by a Supplier to have disclosed in their Bid an actual or perceived Conflict of Interest may result in cancellation or suspension of the Award, or termination of the Contract at the City's discretion, without compensation.

4.4 Lobbying Restrictions

- a) Lobbying restrictions shall apply to Suppliers, their staff members, or anyone involved in preparing a Bid. No Suppliers, their staff members or anyone involved in preparing a Bid shall engage in any form of political or other Lobbying whatsoever or seek to influence the outcome of the Bid Solicitation process or subsequent Award. This restriction extends to all the Corporation's staff and anyone involved in preparing a Bid Solicitation or participating in a Bid evaluation process and members of Council;
- b) The Corporation may reject any Bid by a Supplier that engages in such Lobbying, without further consideration, and may terminate that Supplier's right to continue in the Procurement process;
- c) During a Procurement process, all communications for formal solicitations shall be made through the Procurement Division via the City's Bidding System. No supplier or person acting on behalf of a Supplier or group of Suppliers, shall contact any elected official, consultant or any employee of the Corporation to attempt to seek information or to influence the Award;

- d) Elected officials shall refer any inquiries about a Bid Solicitation to the Procurement Division;
- e) The Director of Finance may reject or disqualify any Bid from a Supplier that engages in such lobbying at any stage of the Bid Solicitation process.

4.5 Local Preference

The City of Thorold shall ensure compliance with all applicable trade agreements, including but not limited to the Canadian Free Trade Agreement (CFTA), Comprehensive Economic and Trade Agreement (CETA), and the Ontario-Quebec Trade and Cooperation Agreement. As such, the City shall not discriminate between suppliers based on location, whether it be municipal, regional, provincial, or national.

However, where permitted under these agreements, the City may implement supplier engagement strategies such as:

- a) Conducting pre-qualification processes to identify Ontario-based suppliers who meet procurement needs while ensuring compliance with trade agreements.
- b) Incorporating economic impact, supply chain stability, and risk mitigation as evaluation criteria in bid assessments.
- c) Prioritizing suppliers that demonstrate a positive economic impact within Ontario and Canada, provided such considerations remain compliant with trade agreements.

Additionally, where permitted, the City shall explore cooperative purchasing agreements with other Ontario municipalities to strengthen local supply chains and reduce reliance on foreign suppliers affected by tariffs.

4.6 Data Privacy and Security

- a) The City is committed to safeguarding the privacy and security of all data submitted by suppliers, vendors, and contractors in the procurement process. All procurement activities, including electronic submissions, must comply with applicable data privacy laws and regulations, including the Personal Information Protection and Electronic Documents Act (PIPEDA), the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), and any other relevant privacy regulations.
- b) The Procurement Division shall ensure that suppliers' data is handled securely, and that appropriate measures are taken to prevent unauthorized access, use, or disclosure of any confidential information submitted in the procurement process.

- c) All procurement-related data, including sensitive supplier information, shall be stored, processed, and transmitted in compliance with best practices for information security, ensuring the confidentiality, integrity, and availability of such data throughout the procurement lifecycle.

5. Roles and Responsibilities

This section outlines the roles and responsibilities of key stakeholders in the procurement process, except as provided in Section 9.4 – Emergency Procurement, the exercise of authority to Award a Contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Budget.

City Council:

- a) To align with best practices in municipal procurement, there is a clear separation of political and administrative functions in relation to the City's procurement activities.
- b) Members of Council shall:
 - i) Approve the Budget and project scope during the annual operating and capital budget process or through individual project approval submissions from Departments throughout the year.
 - ii) Deem approval of project scope and Budget as consent for the subsequent Award of a Contract, provided the Award aligns with the approved procurement processes and Delegations of Authority.
- c) Members of Council shall not:
 - i) Involve themselves in specific procurements once they are advertised or solicited.
 - ii) Receive related information or documents until the Contract is finalized, except where recommendations for Award are forwarded to Council for approval.
- d) When receiving supplier inquiries about specific procurements, members of Council shall:
 - i) Direct suppliers to communicate with the designated contacts in the procurement document or the City's Procurement Division.
 - ii) The City shall not purchase goods or services from any employee of the City, member of Council, or any Person with a Conflict of Interest without explicit Council authority.

Chief Administrative Officer (CAO)

The CAO is responsible for and has the authority to:

- a) Ensure that clear, comprehensive procurement policies are established and updated regularly to reflect applicable laws and best practices; and
- b) Approve major contracts and purchases within the scope of the CAO's authority or present them to the council for final approval.
- c) The CAO is authorized to approve reallocation of funds within budgets (Operating, Water, Sewer, or Capital) provided:
 - i) The reallocation does not exceed \$25,000.
 - ii) The reallocation meets policy requirements, Policy 300-33 including no splitting of invoices to bypass the threshold.
 - iii) Does not result in additional staffing costs.
- d) For adjustments/re-allocations exceeding \$25,000
 - i) A formal report must be prepared and submitted to Council for approval.
 - ii) The CAO ensures the Department Heads validates and prepares necessary documentation for Council review.

Emergency Procurement Responsibilities:

- a) Authorize emergency purchases regardless of budget approval when required to protect public health, safety, welfare, prevent significant service disruption, or limit damage to City property, in accordance with Section 9.4;
- b) Approve emergency expenditures exceeding \$250,000, with follow-up reporting to Council at the earliest opportunity;
- c) Review and endorse post-emergency reports from Department Directors detailing the nature of the emergency, total cost, and proposed funding source, including any necessary budget amendment requests.

Director of Finance

The Director of Finance and/or Designate is hereby authorized to pay for any Work, Goods and/or Services purchased in accordance with this Procurement Policy, upon receipt of:

- a) shall be appointed all necessary authority to administer this policy and duties authorized within the policy on behalf of the City of Thorold.
- b) shall be responsible to:
 - i. develop and implement Administrative Policies and Procedures supporting the ongoing compliance with this policy.

- ii. monitor compliance with this policy;
- iii. notify Council of non-compliance with this policy if the non-compliance cannot be rectified; and
- iv. review Bids where there have been allegations of Lobbying, Conflict of Interest, or other inappropriate behavior and report to the CAO on the outcome of such reviews.

Department Directors

The Chief Administrative Officer or Director shall appoint in writing Designates who shall be responsible for the purchasing of goods and/or services and oversight up to the value of their prescribed authority. Designates will also have the following responsibilities:

- a) ensure that all Procurement activities and decisions are Compliant with all applicable sections of this policy;
- b) ensure that spending authorities provided to Delegates support effective and efficient Procurement;
- c) ensure that all authority to Award a Contract is subject to the identification and availability of sufficient funds in the appropriate Council-Approved Budget;
- d) prepare accurate and complete market-ready specifications, scope of work and terms of reference;
- e) report to Council on proposed Procurement which requires Council approval, as outlined in Schedule 2;
- f) shall supply a Quarterly report to Director of Finance, for purchases greater than \$50,000. Report shall include but not be limited to the bid number, type of bid, budget, name of bidders, amounts and awarded bidder.
- g) shall supply a Quarterly report to Director of Finance, for all Single Source purchases greater than \$25,000. Report shall include but not be limited to the bid number, budget, amounts and awarded bidder.
- h) review Contract documents to ensure the scope of work and/or service sought in the Bid Solicitation is accurately represented in the executed Contract;
- i) ensure that the Goods, Services or Construction Procured or Disposed of are being delivered or removed in accordance with the scope of work and or other terms of the applicable Contract;

- j) support the timely payment of accounts within the times set out in the Contract and prompt payment legislation as prescribed by the Construction Act, R.S.O. 1990, c. C.30 as amended (provided the Supplier has met all conditions of the Contract and precluding processes undertaken by Accounts Payable); and
- k) review Supplier performance and take appropriate steps after the review.

Procurement Division:

- a) Administers the procurement process across the City, ensuring that all contracts are awarded in a fair, transparent, and accountable manner.
- b) act as the Procurement Representative for the City, for the purposes of purchasing Goods and/or Services and Construction;
- c) call for, receive, open and review Bids.
- d) require a requisitioning Department to use a specific method of Procurement;
- e) review specifications to determine if they are in the appropriate form, indicate the minimum acceptable quantity level, are commercially practical and in sufficient generic form to ensure competitive bidding;
- f) establish administrative procedures and policies for the implementation of this Policy;
- g) provide guidelines on procurement policies and procedures and the structure, format and general content of Bid Solicitations;
- h) provide ongoing training and education related to this policy;
- i) retain documentation evidencing procurement processes;
- j) monitor adherence to this policy, and report non-compliance in writing, to the Chief Administrative Officer / Director of Finance and appropriate Department Heads;
- k) collaborate with Group Purchasing Organizations and participate in opportunities were deemed beneficial to the City;
- l) review proposed Bid Solicitations to ensure clarity, reasonableness and quality and advise staff of suggested improvements;
- m) Ensure compliance with procurement policies and submit complete, accurate bids in accordance with City requirements

General:

- a) Every Department shall inspect all deliveries of goods and services to determine whether they meet the specifications set out in the Contract prior to submission for payment
- b) monitor Supplier performance.
- c) Approve procurements in accordance with the Approval Authority delegated to it under this Policy;

6. Requirement For Approved Funds

Except as provided in Section 6.1, The Department responsible for procurement shall ensure that sufficient funds are available in the approved budget before initiating any procurement process. This includes verifying available funding before any awards are made and ensuring that the allocation complies with the approved budget limits set by Council.

6.1 Notwithstanding any other provision of this policy, if a proposed Award exceeds the budget allocated in the Council-Approved Budget, a formal Budget Amendment over run report must be submitted to Council for approval prior to proceeding with the procurement process. If the proposed award is within the Council-Approved Budget, but the lowest compliant bid is not selected, a report justifying the rationale for selecting another bid must be presented to Council for review and approval before proceeding.

Therefore, in situations where the proposed Award exceeds the budget or deviates from established procurement guidelines, additional reporting and approval steps are required to ensure transparency and proper budget management before proceeding with the procurement process.

- a) Where a requirement exists to initiate a project for which Goods, Services or Construction are required and funds are not contained within the Council-Approved Budget to meet the proposed expenditure, the Department Directors shall prior to commencement of the Procurement process, submit a report to Council containing:
 - i) information surrounding the requirement to contract;
 - ii) the terms of reference to be provided in the contract;
 - iii) information on the availability of the funds within existing estimates, which were originally approved by Council for other purposes and provide funding source, or on the requirement of additional funds; or

- b) the recommended Award is greater than \$250,000;
- c) the recommended Award exceeds the amount budgeted for the Purchase and cannot be accommodated under Policy 300-33 Budget Control.
- d) the recommended Award is not the lowest Compliant Bid for a Request for Tender; or the highest ranked respondent for a Request for Proposal, or
- e) Where the Work, Goods and/or Services are routinely purchased or leased on a multi-year basis, (no more than for a 3-year term, plus a 1-year extension potential) the exercise of authority to award a Contract is subject to the following:
 - i) the identification and availability of sufficient funds in appropriate accounts for the current year within the Budget
 - ii) the Work, Goods and/or Services will continue to be required in subsequent years, and, in the opinion of the Director of Finance, the required funding can reasonably be expected to be made available; and
 - iii) the Contract includes a provision that the supply of Work, Goods and/or Services in subsequent years is subject to the approval by Council of the Budget estimates to meet the proposed expenditures.
- f) when recommended by the CAO, or
- g) the Award is for a Sole or Single Source Contract and the Total Contract Price exceeds \$100,000.
- h) Contracts related to property acquisition and disposal.
- i) Purchase by negotiation exceeding the threshold.
- q) Awards requiring the approval of Council, as outlined in Schedule 2 shall be by way of report to Council.

6.2 Employees of the City identified in Schedule 2 shall have the authority to Procure, Award and execute Contracts and all other documents necessary to affect the Award or Purchase complies with this policy.

6.3 Formal approval of the annual Budget constitutes Council's approval to proceed with the Procurement process. No further authorization by way of a policy or resolution to Award or execute a Contract is required, except as specifically stipulated in Schedule 2.

6.4 The delegation of authority to approve contracts is based on the total contract price as determined at the time of execution. In cases where the original budget allocation is exceeded or where procurement deviations from the lowest compliant bid occur, Council approval is required to ensure transparency and accountability in procurement decisions;

- a) be the Total Contract Price at the time the Contract was originally executed; and,

b) include the non-refundable portion of taxes and duties;

c) in the case of multi-year Contracts, the Total Contract Price will be the estimated total expenditure under the Contract, including all renewals or option years.

6.5 In the case of Goods and/or Services or Construction of a similar type being supplied on a repetitive basis over the year or season, the Total Contract Price will be determined based on the estimated cost of such Goods and/or Services or Construction supplied in the whole calendar year or season.

6.6 No Procurement, or Contract shall be divided in an effort to reduce the Total Contract Price or to otherwise avoid or circumvent the application of any of the provisions of this policy.

6.7 Where all the requirements of this policy have been met, the employees or officers of the Corporation identified in Schedule 2 have the authority to execute Contract documents and all other documents necessary to effect the Award or Purchase of Good and/or Service, up to the prescribed limits, provided that;

- a) the documents being in a form satisfactory to the External Legal Council or Director of Finance; and
- b) any proof of insurance and the provision of financial securities required under the Contract are satisfactory to the External Legal Council or Director of Finance; and
- c) the Procurement is in compliance with this policy.

7. Procurement Planning

7.1 Planning

- a) Except for the exemptions in Schedule 1 and Direct Purchase, all Procurements shall be conducted through or reviewed by the Procurement Division.
- b) Requisitioning Departments planning large and/or complex Construction projects which meet financial thresholds covered in Trade Agreements for the Procurement of Goods and/or Services or Construction shall be required to:
 - i) engage the Procurement department during the planning phase;
 - ii) address the applicability of trade agreements identified by the Procurement Division. Purchasing by the Corporation may be subject to the provision of Trade Agreements.

- iii) Where an applicable Trade Agreement is in conflict with this policy, the Trade Agreement shall take precedence to the extent only of the conflict;
- iv) The Procurement Division shall advise the applicable Department Director when a Purchase may not conform to an applicable Trade Agreement as early as possible in the Bid Solicitation process;
- v) address any other requirements set out in procedures prepared by the Procurement Division for large and/or complex Procurements covered by Trade Agreements.

7.2 Selection of Method of Procurement

- a) The selection of the appropriate Procurement method will be based on the specific circumstances of the Procurement including the recommended Procurement Method for the dollar value of the transaction as set out in Schedule 3.
- b) The Procurement Division shall be responsible for confirming the Procurement Method to be used.
- c) Procurement authorized under Section 8 and 9 shall be aligned with the Procurement Objectives in Section 1.
- d) Requisitioning Departments are responsible for identifying and complying with all the requirements applicable to the specific method of Procurement being undertaken as outlined in Section 8 and 9 of the Procurement Division's policies and procedures.

7.3 Specifications and Evaluation Criteria

- a) Requisitioning Departments are responsible to provide all the specifications necessary for the Bid Solicitation including:
 - i) the scope of work, and relevant information such as provisions, terms, and minimum requirements for the Procurement;
 - ii) ensuring the specifications provide a clear and accurate description of requirements to be met in the Contract;
 - iii) Identify and consider the application of financial securities and insurance requirements for intended contract are appropriate;
 - iv) determining the Evaluation criteria for a response to an RFP Bid Solicitation; and
 - v) Ensure that funding is available in the Budget.
- b) The Procurement Division and the City External Legal Council may review and recommend improvements or clarifications to both specifications and Evaluation criteria, to improve the likelihood of attracting and selecting the best suited Bidder.

- c) If specifications are developed by an external consultant, that consultant shall be precluded from submitting a Bid in response to the Bid Solicitation for which the Specifications were prepared.
- d) The Procurement Division may issue an RFEOI for the purpose of informing specifications and to improve the likelihood of a subsequent Bid Solicitation resulting in Best Value.

7.4 Request for Expressions of Interest (RFEOI)

- a) A RFEOI may be undertaken to gather information from Suppliers related to the types of Goods, Services or Construction available and/or the scope of business requirements.
- b) RFEOIs shall not be used to pre-qualify Suppliers or obtain specific costs for specified Goods, Services or Construction.
- c) Receipt of a response to a RFEOI issued by the City shall not create any Contract or obligation between the City and the Supplier.

7.5 Request for Pre-Qualification (RFPQ)

- a) The intent of a RFPQ is to pre-qualify Suppliers that are most likely to provide a positive outcome or response to a Bid Solicitation. A RFPQ may be undertaken to qualify Suppliers who meet specified criteria and include them in a list or Roster (Section 9.3). These listed Suppliers may be invited to participate and compete in a subsequent Bid Solicitation.
- b) Planning for the Issuance of a RFPQ shall be conducted in accordance with Section 7.5
- c) Issuance of the RFPQ as well as receipt, and Evaluation of the responses shall be conducted in accordance with Section 10.1 Advertising of Bid Solicitations
- d) Receipt of a response to a RFPQ issued by the City does not create any Contract or obligation between the City and the Supplier.

7.6 U.S. Tariffs and Best Practices

This section addresses the potential tariffs that may be incurred when purchasing goods and services from the United States. The purpose is to guide procurement decisions and minimize the financial impact of these tariffs on Ontario municipalities. The following guidelines should be followed to manage these costs effectively.

7.7 Trade Compliance and Risk Management

The City shall ensure all procurement activities comply with applicable trade agreements, including but not limited to:

- Canadian Free Trade Agreement (CFTA)
- Comprehensive Economic and Trade Agreement (CETA)
- Ontario-Quebec Trade and Cooperation Agreement

A risk assessment shall be conducted for all procurements exceeding \$100,000 to evaluate potential exposure to U.S. tariffs and identify mitigation strategies, including alternative sourcing options.

7.8 Local and Regional Supplier Engagement

To reduce reliance on foreign suppliers impacted by tariffs, procurement shall prioritize domestic sources where permissible under trade agreements. The City shall:

- a) Conduct pre-qualification processes to identify Ontario-based suppliers.
- b) Include evaluation criteria favoring suppliers demonstrating positive economic impact within Ontario and Canada.

7.9 Strategic Procurement Planning

To ensure procurement resilience against market fluctuations, the City shall:

- a) Engage in long-term procurement planning to anticipate tariff-related cost increases.
- b) Include provisions for price adjustments in multi-year contracts where applicable.
- c) Utilize framework agreements with multiple suppliers to mitigate supply chain risks.

7.10 Emergency and Contingency Procurement

In cases of tariff-related disruptions, emergency procurement provisions (Section 9.4) shall be expanded. The City shall:

- a) Utilize cooperative purchasing and joint municipal agreements to mitigate cost increases.
- b) Maintain a roster of pre-qualified alternative suppliers to ensure supply chain adaptability.

7.11 Contractual Safeguards and Vendor Management

To address tariff-related uncertainties, supplier contracts shall include:

- a) Supplier obligations to notify the City of anticipated disruptions.
- b) Performance reviews to assess supplier adaptability and reliability.

Vendor performance management system will include tracking and evaluating supplier responses to tariff-related challenges.

7.12 Reporting and Oversight

The Procurement Division shall provide reports when applicable to the Chief Administrative Officer (CAO) and Council detailing:

- a) The impact of tariffs on procurement activities.
- b) Mitigation measures taken to offset cost increases and supply chain risks.
- c) Opportunities for increased local supplier engagement.

The City of Thorold remains committed to fair, transparent, and sustainable procurement practices. By implementing these best practices, the City aims to mitigate the impact of U.S. tariffs, strengthen local economic sustainability, and ensure continued compliance with trade regulations.

8. Methods of Procurement

8.1 Any person Purchasing or Disposing of Goods and/or Services or Construction, except those identified in Schedule 1, on behalf of the Corporation shall do so using one of the following Methods of Procurement. The Method of Procurement may be used individually or in combination with one another, as may be appropriate in the circumstances. (Exemptions from Procurement Policies – Schedule 1)

8.2 Direct Purchase (Procurement ≤\$10,000)

- a) Department Representatives may make a direct purchase from one Supplier for Goods and Services for a Total Contract Price ≤\$10,000 which results in a Procurement without a competitive bidding process.
- b) This method of Procurement is appropriate when the administrative burden of another Procurement method is significant in relation to the price or value of the

Goods and/or Services or Construction being procured and associated risks are assessed as low.

- c) Department Representatives shall use Standing Orders or Rosters when available.
- d) Department Representatives may enter into Negotiations with a specific Supplier (in accordance with Section 10.7).
- e) The Requisitioning Department is responsible for ensuring that Suppliers providing Goods, Services or Construction to the City, where applicable, provide comprehensive liability insurance, workers' compensation certificate and comply with the *Occupational Health and Safety Act*, and declaration of compliance with the *Accessibility for Ontarians with Disabilities Act 2005*, as amended.
- f) Payment for Goods, Services and Construction up to ≤\$10,000 may be made through the following means:
 - i) Corporate Expense Cards used in strict accordance with the Corporate Expense Card Procedures specified in Policy 300-19
 - ii) Purchase Order for transactions >\$2500 is required where Corporate Expense Cards has not been utilized; or
 - iii) Petty Cash for purchases \$100 or less;
 - iv) In limited situations direct invoice from the Supplier approved and signed by the Department Representative or Designate with authority to approve the purchase; and
 - v) All purchases shall be authorized in accordance with Section 6 Requirement for Approved Funds, and Prescribed Council Approval, and all Contracts shall be signed in accordance with the Contract Execution Levels, Department Director or Designate set out in Schedule 2.

8.3 Informal Quotation (Procurement greater than >\$10,000 and less than ≤\$25,000)

- a) An Informal Quotation shall be used for Procurement with a Total Contract Price greater than >\$10,000 and less than ≤\$25,000 to obtain competitive bidding in an expeditious and cost-effective manner.
- b) The Requisitioning Department will solicit, without formal advertising, at least three (3) written Quotations (if possible).

- c) If fewer than (3) three written quotations are received, a detailed justification must be provided to explain why this was the case, ensuring that the process remains fair and competitive.
- d) Quotations received will be evaluated on cost and criteria outlined in the informal Bid Solicitation to select the preferred Supplier.
- e) If the lowest compliant bid is not selected, the Department must provide justification and seek approval from the CAO or Council, depending on the final award amount.
- f) The Requisitioning Department is responsible for ensuring that Suppliers providing Goods, Services or Construction to the City, where applicable, provide comprehensive liability insurance, workers' compensation certificate and comply with the *Occupational Health and Safety Act*, and declaration of compliance with the *Accessibility for Ontarians with Disabilities Act 2005*, as amended.
- g) In accordance with Schedule 2, the Requisitioning Department (Department Director or Designate) is authorized to create a Purchase Requisition for the successful bidder.
- h) The Procurement Division may review the Quotations and the Purchase Requisition for compliance with the policy, prior to issuance of the Contract.
- i) Staff shall refer to the suspended Supplier list before invitations are sent and shall avoid sending invitations to suspended Suppliers;
- j) Award of Contract shall be to the lowest Compliant Bid; and
- k) The purchase shall be made through the issue of a Purchase Order by the requisitioning department, as per Schedule 2, Approval Levels. Department Representative / Manager within Signing Authority
- l) Purchase Order is required.
 - i) No report to Council is necessary, as long as Budget approval has been granted or can be accommodated per Policy 300-33 Budget Control, and the Work, Goods, or Service cost is within the approved Budget limits with the lowest Compliant Bid selected. However, a report on any overrun is required prior to approval, even if Budget approval has been granted or accommodated under Policy 300-33 Budget Control. Once the overrun report is reviewed and approved, the Department Representative is authorized to sign the Purchase Order.

8.4 Formal Request for Quotation (Procurement >\$25,000 to ≤\$100,000)

- a) A Formal Request for Quotation shall be used for Procurement with a Total Contract Price value >\$25,000 to ≤\$100,000.
- b) The Requisitioning Department will provide the requirements relevant to the Procurement such as specifications, provisions, terms, and supplemental general conditions for the Bid Solicitation.
- c) If the award is not made to the lowest compliant bid, the Department must justify the decision to the Procurement Division and, where necessary, to Council.
- d) The Requesting Department will prepare the Bid Solicitation by using either:
 - i) a Roster of Suppliers compiled by the Procurement Division in conjunction with the Requisitioning Department; or,
 - ii) publicly advertising the Bid Solicitation in compliance with Section 10.1; or,
 - iii) both a) and b) of this section above, if deemed beneficial.
- e) The Request for Quotation document shall clearly indicate the closing time (Hour, Minutes and Seconds) and place for the receipt of Quotations. The RFQs will be received in accordance with the Bid Solicitation instructions.
- f) Suppliers shall submit only one Quotation which cannot be altered after submission.
- g) If possible, at least three Quotations shall be solicited and subsequently evaluated:
 - i) on cost and Evaluation criteria outlined in the Bid Solicitation to select the preferred Supplier.
 - ii) by the Requisitioning Department. Prior to the award, the Purchasing Division may review the purchase requisition, quotations received and other applicable contract documents to ensure accuracy and transparency of the intended award.
- h) The Procurement Division shall ensure the Purchase Requisition contains the relevant information such as specifications, provisions, terms, and supplemental general conditions for the Procurement; and is authorized appropriately as per Schedule 2.
- i) After the Purchase Requisition has been authorized, Procurement Division will issue a Contract and provide it to the Supplier confirming the terms of the Procurement.
- j) Purchase Order is required.

- i) No report to Council is necessary, so long as Budget approval has been granted or can be accommodated through terms of Budget Control Policy 300 –33 and Work, Goods or Services cost is within Budget approved limits and lowest compliant bid selected. Department Director is authorized to sign Purchase Order.
- ii) If lowest Compliant Bid is not selected, or Budget is insufficient, approval of the CAO may be requested up to \$25,000 for a Budget adjustment.
- iii) If amount awarded is greater than \$25,000 over original Budget. Council must approve prior to Award.

8.5 Request for Tender (Procurements >\$100,000)

- a) For Procurement with a Total Contract Price **>\$100,000**, a Request for Tender shall be published by the Procurement Division or designate, provided all of the following conditions apply:
 - i) two or more sources are considered capable of supplying the requirements;
 - ii) the requirements are adequately defined to permit the Evaluation of Bids against clearly stated Evaluation criteria;
 - iii) the City intends to accept the lowest compliant Bid without Negotiations.
- b) If the conditions in section 8.5 a) do not apply, the appropriateness of procuring through a RFP shall be evaluated.
- c) The Requisitioning Department shall prepare the Bid Solicitation after completing the Procurement planning including determination of all the specifications necessary for the Bid Solicitation, in compliance with Section 7. 3
- d) Specifications as well as specific processes and procedures that will be followed for the Procurement, it will also be outlined in the Bid Solicitation including but not limited to:
 - i) the scope of work and relevant information such as specifications, provisions, terms, and minimum requirements for the Procurement;
 - ii) procedures for communication during the Procurement
 - iii) process for receipt and opening of Bids.
 - iv) the basis of Award
 - v) opportunity for post Award debriefing and
 - vi) requirements for security, insurance and indemnification.
- e) The Procurement Division will review the Bid Solicitation and arrange for its issuance.

- f) The Procurement Division will advertise the Bid Solicitation in accordance with Section 10.1 Advertising of Bid Solicitations, except where a list of pre-qualified Suppliers has been compiled in accordance with Section 7.5 on RFPQ.
- g) Where an RFPQ has previously been conducted, only pre-qualified Suppliers where applicable shall be notified and Bids shall only be accepted from pre-qualified Suppliers.
- h) RFT submissions will be evaluated by staff to ensure compliance with terms and conditions of the solicitation and recommendation will be made to Award to the lowest compliant Bidder.
- i) Upon Award of the Contract, the Requisitioning Department will:
 - i) ensure that for Contracts which exceed \$100,000 and prior to the Award of the Contract, the Requisitioning Department will ensure that the Contract has been reviewed by the City's External Legal Council and provided to the Procurement Division if required;
 - ii) ensure the Contract is executed in accordance with the provisions of this policy and provided to the Procurement Division, where applicable; and/or,
 - iii) create and provide to the Procurement Division an approved Purchase Requisition in accordance with Schedule 2, containing all relevant information such as specifications, provisions, terms and supplemental general conditions.
 - iv) in addition, for contracts requiring Council approval or amendments for budget overruns, the Requisitioning Department will ensure that Council approval is obtained before proceeding with the award. Any necessary budget overrun amendments must be made in accordance with applicable policies and provided to the Finance for review.
- j) Upon receipt of an approved Purchase Requisition and an executed Contract where applicable, the Procurement Division will execute a Purchase Order confirming the terms of the Procurement to the Supplier and applicable Department Representative(s).

8.6 Request for Proposal or Negotiated Request for Proposal (Procurement >\$100,000)

- a) For Procurement with a Total Contract Price >\$100,000 an RFP or a NRFP shall be published by the Procurement Division or designate provided one or more of the following conditions apply:
 - i) Two or more sources are considered capable of supplying the requirements;

- ii) The Procurement is required as a result of a problem, requirement or objective for which there is no clear solution; or
 - iii) The precise Goods and/or Services or Construction are not known, and the Bidder is expected to define them so as to provide the Best Value solution; or
 - iv) The selection of the successful Bidder is based on the effectiveness of the proposed solution rather than on cost alone; or
 - v) Procurement is in competitive format for requirements such as a design or a design build solicitation.
- b) The Requisitioning Department shall prepare the Bid Solicitation after completing the Procurement planning including determination of all the specifications necessary for the Bid Solicitation, in compliance with Section 7.
- c) Specifications as well as specific processes and procedures that will be followed for the Procurement will also be outlined in the Bid Solicitation, including:
- i) the scope of work and relevant information such as provisions, terms, and minimum requirements for the Procurement;
 - ii) procedures for communication during the procurement ;
 - iii) process for receipt and opening of Bids;
 - iv) the basis of Award;
 - v) opportunity for post Award debriefing; and
 - vi) Requirements for security, insurance and indemnification.
- d) The Procurement Division will review the Bid Solicitation and arrange for its issuance.
- e) The Procurement Division will advertise the Bid Solicitation in accordance with Section 10.1 except where a list of prequalified Suppliers has been compiled in accordance with Section 7.
- f) All RFPs will be evaluated consistently with specified processes which includes a specified Evaluation team, and criteria identified in the Bid Solicitation.
- g) Ensure that for Contracts which are >\$100,000, and prior to the Award of the Contract, the Requisitioning Department will ensure that the Contract has been reviewed by the City's External Legal Council and provided to the Procurement Division if required.
- h) Award of an RFP shall comply with Section 10 and Schedule 2.

9. Special Circumstance Procurement

9.1 Unsolicited Proposals

- a) Unsolicited Proposals, and/or communications regarding potential Unsolicited Proposals, are Proposals received by the City from a Supplier or Suppliers who have approached the City, i.e. any Department Representative or Councillor, without solicitation. Unsolicited Proposals can be new or innovative ideas that could assist the city in achieving its goals and have not been requested through the regular procurement process;
- b) Department Representative or Council shall not accept an Unsolicited Proposal and/or communication with respect to a potential Unsolicited Proposal. The Supplier shall be advised to direct the Unsolicited Proposal to the Procurement Division.
- c) The Procurement Division will log the Unsolicited Proposal and direct it to the appropriate Department Director. The Department Head shall first assess such Proposals on the basis of whether they align with the City's strategic goals and objectives, do not circumvent the City's regular procurement processes, and the Proposal's scale and scope aligns with the requirements and funding ability of the City.
- d) If it is determined by the Department Director that there is a legitimate need for the Goods, Services and/or Construction offered by way of the Unsolicited Proposal and that funding is available, then it will be reviewed together by the Department Director, the CAO / Director of Finance and, where appropriate, any other Department Director to determine the applicable acquisition process to be conducted in accordance with this policy.

9.2 Single and Sole Source Procurement

- a) Provided that a Department Representative does not use this provision for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers, a Department Representative may use Single or Sole Source Procurement in the following circumstances:
 - i) the compatibility of a Purchase with existing equipment, product standard, facilities or service is a paramount consideration;
 - ii) a Good and/or Service is Purchased for testing or trial use;
 - iii) there is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier, i.e. sole source;
 - iv) a serious and unforeseeable situation of urgency exists, and the Goods and/or Services and Construction cannot be obtained in time by an open

Procurement process. Instances of inadequate or uncoordinated planning shall not constitute cause for approval;

- v) the Corporation has a rental contract with a purchase option and the exercise of such purchase option is beneficial to the Corporation;
- vi) for matters involving security, police matters or confidential issues in which case a Purchase may be made in a manner that protects the confidentiality of the Supplier or the Corporation;
- vii) for work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
- viii) for the purchase of Real Property;
- ix) for work to be performed on property by a Contractor according to provisions of a warranty or guarantee held in respect to the property or original work;
- x) for the Purchase of Goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine Purchases;
- xi) to ensure compatibility with existing Goods and/or Services or Construction. Compatibility with existing Goods and/or Services or Construction may not be allowable if the reason for compatibility is the result of one or more previous non-competitive procurements;
- xii) to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representatives;
- xiii) for the Procurement of Goods and Services the supply of which is controlled by a Supplier that has a statutory monopoly;
- xiv) there are no Compliant Bids in response to a Bid Solicitation; or
- xv) a Roster for Professional Services has been developed in accordance with this policy and the services to be purchased are from a Supplier named in the Roster.

b) All purchases shall be authorized in accordance with the Purchasing Authorities and Contract Execution Authorities set out in Schedule 2.

c) Where required by applicable Trade Agreements, Single or Sole Source Procurements shall be published on the City's Bidding System.

9.3 Rosters for Professional or Specialized Services

a) a RFPQ or a RFEOI may be conducted for the purposes of developing Rosters of qualified Supplier of Professional Services or Specialized Services for projects requiring similar and particular expertise. While the use of Rosters is strictly optional, the associated RFPQ or RFEOI shall be conducted in accordance with the provisions of this policy.

b) All RFPQs and RFEOIs shall be advertised in accordance with this policy;

- c) An evaluation team shall analyze and evaluate the responses received using the criteria outlined in the RFPQ or RFEOI to select a number of qualified Suppliers of Professional Services Specialized Services to be placed on a Roster;
- d) On subsequent projects, Suppliers or Professional Services or Specialized Services may be selected from the Roster to submit detailed proposals in response to a Bid Solicitation. The requesting Department shall invite Suppliers on the Roster to provide Services, using best efforts to equally distribute opportunities among the Suppliers on the Roster. In the event that the Roster includes only one (1) Supplier, the City shall reserve the right to invite other Suppliers to submit bids;
- e) Alternatively, a Supplier may be selected from a Roster to submit a Bid for Professional Services or Specialized Services in accordance with Section 9.2 or 10.7 of this policy;
- f) Rosters shall be compliant with Trade Agreements and shall only be valid to a maximum of three (3) years from the date of formation.
- g) If in the opinion of the Procurement Division, the Roster is misused or ineffective the Procurement Division shall have the authority to terminate and or reestablish the Roster.

9.4 Emergency Procurement

- a) The City may be required to respond to an emergency which shall mean either:
 - i) An emergency declared pursuant to *the Emergency Management and Civil Protection Act 1990* (the "Act"); or
 - ii) An event or circumstance where the City's municipal Emergency Control Group established under the Act has been activated;
 - iii) or when immediate Procurement of Goods, Services or Construction is essential or necessary to prevent or alleviate serious delay, a threat to public health, safety, or welfare, the disruption of essential Services or damage to public property. This may include but is not limited to compliance with Laws such as fulfilling a statutory order such as an environmental, public health, or workplace safety compliance order.
- b) To respond to an emergency, Goods, Services or Construction may be procured by the most economical and expedient means, using where possible:
 - i) Standing Order; and/or
 - ii) Rosters

- c) It shall be the responsibility of the Finance Department to ensure that emergency purchase system is monitored and controlled to avoid its use to circumvent normal purchasing procedures.
- d) Approval limits for Procurement shall comply with Schedule 3, except that:
 - i) the requirement for a Council-Approved Budget shall be waived, and
 - ii) Procurement in an Emergency shall be approved by the CAO.
 - iii) A report to council will be provided for all Emergency Purchases, a follow up report to Council must be made by the Department Head, identifying the nature of the emergency purchase, the approval of the CAO, and the proposed funding source, and/or budget amendment approval request.
- e) The CAO is authorized to approve all emergency procurement expenditures >\$250,000 when necessary to prevent or alleviate serious risk to public safety, essential services, or infrastructure. However, any such expenditure must be reported to Council at the earliest opportunity for formal approval.
- f) In cases of emergency procurement, expenditures may proceed without prior Council approval. However, the Department Director must submit a report to Council within **thirty (30) days** of the expenditure, detailing the nature of the emergency, the total cost, and the funding source. If the expenditure exceeds the approved budget, a formal budget amendment request must be submitted for approval in accordance with Section 13.3.

9.5 Leased Goods

- a) The acquisition of Goods through a Lease shall be completed in consultation with the Procurement Division.
- b) Depending upon the terms and conditions of a Lease, Lease payments may be included in the City's debt and debt servicing costs, and as such decisions to Lease require a high level of scrutiny.
- c) Any decision to Lease Goods, which may include the Lease of office equipment, vehicles, machinery, and equipment, shall be based on the cost of leasing compared to another method of Procurement and an assessment of the risks associated with the Lease.
- d) Authority to incur expenditures through a Lease shall be subject to the spending authority levels as outlined in Schedule 2 of this policy and compliance with the City's Lease Financing Policy 300-21 and the Municipal Act, 2001. The Total Contract Price of Procurement shall be defined as the total payments that shall be made during the term of the Lease agreement plus any optional payments that may be made.

9.6 Co-Operative Procurement

- a) The Procurement Division may enter into arrangements with any publicly funded government body, ministry, agency, board, or authority on a co-operative or joint basis for Purchases of Goods, Services or Construction where there are economic advantages in so doing. Where a co-operative or joint basis Purchase occurs, such Purchases are deemed to comply with this policy. Co-operative Procurement for reporting purposes shall be considered a Request for Proposal or a Request for Tender based on the process undertaken by the originating agency.
- b) The appropriate level of Authorization on Schedule 2 will be determined by using the Total Contract Price of Procurement that would have been included in a Bid Solicitation if co-operative Procurement was not utilized.

10. Specific Processes Required for Procurement

10.1 Advertising of Bid Solicitations

- a) Purchases not covered under the monetary thresholds of applicable trade agreements shall be advertised on the Bidding System for a minimum of ten (10) calendar days preceding the stated closing date.
- b) When required by trade agreements, Purchases shall be advertised on the Bidding System for a minimum of twenty-five (25) calendar days preceding the closing date. This requirement may be reduced by Procurement to ten (10) calendar days provided that.
 - i) a RFPQ has been previously issued for the Purchase or;
 - ii) a notice of planned Procurement has been posted for the Purchase using the Bidding System at least forty (40) calendar days (and not more than 12 months) in advance of the Bid posting.
- c) The City shall advertise Bids that are impacted by trade agreements on any designated electronic Canada-wide single point of access as directed by the Government of Canada.
- d) Any person involved in Purchases may advertise Purchases on multiple or alternative platforms in addition to those prescribed in this section if determined to be in the City's best interest to do so.
- e) Procurement of Goods, Services or Construction equal to or greater than \$100,000, for which Bidders have not been pre-qualified, shall at a minimum be advertised on the City's website or a website authorized by the Procurement Division for posting Bid Solicitations, from the date the Bid Solicitation is issued up to and including the date on which the Bid Solicitation closes.
- f) Where the Bidders have been previously pre-qualified in accordance with this policy no further advertising is required for Procurement.

- g) The City at its sole discretion, may either utilize a hard copy bid submission process or an electronic bidding submission process. The process will be specified in Bid Solicitation.
- h) Electronic bidding shall only occur on the City's selected formal external Bidding System. No bids are to be received directly to any City emails accounts.

10.2 Communication during the Blackout Period

- a) During the period of time from when the Bid Solicitation for an RFT or RFP is issued and until the Bid is Awarded by the City (the blackout period), communication by the Bidders shall be through the Procurement Division, or as specified in the Bid Solicitation.
- b) Prior to the deadline for clarifications, as stipulated in the Bid Solicitation, the Bidders may seek clarification in writing from the Procurement Representative.

10.3 Addenda to a Bid Solicitation Document

- a) Adjustments, clarifications and changes to a Bid Solicitation shall be issued in writing by the Procurement Division as an addendum within the timeframe stipulated in the Bid Solicitation.
- b) Submission times and dates may be extended to allow for the issuance of an Addendum within a reasonable timeframe and not less than 48 hours prior to the submission deadline, as authorized by the Procurement Division as outlined in the procedures and acceptable to the Procurement Division.
- c) The Supplier is responsible for obtaining and incorporating into a Bid any addenda issued.

10.4 Receipt and Opening of Bids

- a) All Bids (with the exception of submissions in response to Informal Solicitations) shall be received by the Procurement Division, in accordance with the instructions in the Bid Solicitation and opened at the time stated in the Bid Solicitation;
- b) Supplier names and bid amounts shall be posted on the City's Bidding System for RFT. In the case of RFP, only the Supplier name shall be posted;
- c) Bid Irregularities shall be administered in accordance with this policy;

- d) The City's standard Bid Solicitation documents shall provide that the City shall have the right to reject the lowest or any Bid in its absolute discretion.

10.5 Bid Evaluation

- a) All Bid Evaluation criteria will be disclosed in the Bid Solicitation. In addition to Total Contract Price, criteria may include but not limited to the following:
 - i) comprehension and completion;
 - ii) experience and qualifications (organization and team);
 - iii) references;
 - iv) understanding of the project;
 - v) approach and methodology;
 - vi) work plan and schedule;
 - vii) warranty;
 - viii) maintenance, support and response time;
 - ix) accessibility standard and design features;
 - x) demonstrated financial stability;
 - xi) Supplier performance on previous City Contracts;
 - xii) preservation of natural resources; waste reduction;
 - xiii) standardization;
 - xiv) sustainability.

10.6 Bid Irregularities

- a) The Procurement Division will maintain procedures to administer Bid Irregularities.
- b) Each Bid Solicitation document issued by the City will outline irregularities with Bid Submissions that may lead to the disqualification of a Bid or may require corrective action to take place in order to make the Bid Compliant as provided in Schedule 4.
- c) The process for administering irregularities arising from Bids shall be in the first instance, in accordance with Schedule 4 and in the event the Bid Solicitation does not provide a full answer to the irregularity in question, then in accordance with the procedures maintained by the Procurement Division.
- d) Notwithstanding sub-sections a), b) and c) of Section 10.6 and provided the Procurement Division and Requisitioning Department agree, prior to the issuance of the Bid Solicitation, Bid Irregularities may be governed by the provisions of other standard agreements in use such as, but not limited to, Niagara Peninsula Standard Contract Document or with the Canadian Construction Documents Committee in place of Schedule 4 (Bid Irregularities)

- e) However, minor irregularities that do not affect the fairness or integrity of the process shall be addressed by providing the bidder an opportunity to correct the issue within a reasonable time frame, as specified in the Bid Solicitation document.

10.7 Negotiation

- a) Notwithstanding that some discussion and Negotiation with potential Suppliers may be a component of any Procurement Process, Negotiation may be used for Purchases of Goods and/or Services or Construction when any one or more of the following criteria apply:
 - i) the required Goods and/or Services or Construction are in short supply;
 - ii) competition is precluded due to the existence of any patent right, copyright, technical secret or control of raw material;
 - iii) a Single or Sole Source is being recommended;
 - iv) two (2) or more identical bids are received;
 - v) the Lowest Complaint Bid received meets all specifications and exceeds the Budget amount for the Procurement;
 - vi) the extension of an existing Contract would be more effective;
 - vii) only one (1) Bid is received in response to a Bid Solicitation;
 - viii) a Roster for Professional Services has been developed in accordance with this policy and the Services to be purchased are from a person named in the Roster; or
 - ix) negotiation may be undertaken after the highest-ranked Bidder in an NRFP has been identified.
- b) Negotiation with more than one Bidder at the same time, for the same Procurement opportunity is prohibited.
- c) All purchases shall be authorized in accordance with the Purchasing Authorities and Contract Execution Authorities set out in Schedule 2.

11. Security and Insurance

11.1 Security and Insurance

- a) The City may require specified financial security and insurance and shall stipulate these requirements within the terms of the Bid Solicitation.
- b) The financial security may include the following:
 - i) Bid Security to ensure the successful Supplier on the Bid Solicitation enters into a Contract;
 - ii) Performance bonds to ensure the performance of the Contract;

- iii) Labour and/or material bonds to ensure the payment of labour and materials supplied in connection with the Contract; and
 - iv) Other additional security that the Procurement Division deems appropriate relative to the terms of the Bid Solicitation.
- c) The acceptable forms of financial security shall be stipulated within the terms of Bid Solicitation.
 - d) Prior to execution of the Contract the Supplier shall provide to the City proof of insurance in accordance with the Bid Solicitation, satisfactory to the Procurement Division or City External Legal Council.
 - e) Failure to comply with terms and conditions of financial security and insurance within the Bid Solicitation, within the timeframes provided, shall be just cause for cancellation of the Award.

12. Contracts

12.1 Form and Execution of Contracts

- a) All Awards of greater than >\$100,000 Total Contract Price shall require the issuance of a Contract in the form of a PO or a Formal Agreement. Awards for greater than \$2,500 shall require the requesting department to issue a purchase requisition and subsequently have a PO approved.
- b) A PO which refers to the City's standard terms and conditions outlined in the Bid Solicitation shall be used when the terms and conditions of the Procurement are unambiguous.
- c) A Formal Agreement shall be used when the terms of the Bid Solicitation are complex or are the result of Negotiation.
- d) It is the responsibility of the Procurement Division in consultation with the City's External Legal Council to determine when it is in the best interest of the City to establish a Formal Agreement with a Supplier.
- e) POs shall be executed in compliance with Schedule 2.
- f) If a Formal Agreement is required, it shall be executed in compliance with Schedule 2, providing the Formal Agreement is satisfactory in form and content to the City's External Legal Council and in technical content to the Department Director.

- g) Contracts shall be executed prior to a Supplier commencing work. A PO shall be fully executed upon its provision to a Supplier.

12.2 Contract Renewals and Extensions

- a) Where a Contract contains an option for renewal or an extended term, the Department Head in conjunction with the Procurement Division shall confirm that:
 - i) the exercise of the option is in the best interest of the City;
 - ii) Supplier performance is satisfactory, based on Contract terms and conditions;
 - iii) the Council-Approved Budget is available to meet the proposed expenditure.

12.3 Contract Adjustments

Contract adjustments that increase the Total Contract Price due to unforeseen circumstances shall require approval as follows:

- a) Adjustments up to **\$25,000** may be approved by the CAO if funds are available within the existing budget.
- b) Adjustments exceeding **\$25,000** shall require Council approval prior to execution, unless deemed an emergency under Section 9.4.
- c) In all cases, a budget amendment must be submitted if additional funding is required, in compliance with the guidelines outlined in Section 13.3.

13. Budget Adjustments and Amendments – Coordinated with Budget Control Policy 300-33

13.1 Budget Adjustments (Reallocations) – Up to \$25,000

- a) The Chief Administrative Officer (CAO) is authorized to approve budget adjustments up to \$25,000, provided that:
 - i) The adjustment must result in no net increase to the City's overall approved budget;
 - ii) There must be no change to the Council-approved Net Tax Levy or Rate Requisition;
 - iii) The reallocation must be confined within the same department and budget category (Operating, Water, or Sewer);
 - iv) Cross-budget transfers (e.g., from Operating to Capital, or Water to Sewer) are strictly prohibited without Council approval;

- v) No use of reserves, debt financing, or internal borrowing is permitted;
- vi) The proposed adjustment must be reviewed and endorsed by the Director of Finance or their designate prior to CAO approval.

b) For any budget reallocation **exceeding \$25,000**:

- i) A formal report must be submitted to Council for review and approval prior to implementation;
- ii) Where the adjustment involves movement of funds between departments, the reallocation must be mutually agreed upon by the heads of both departments involved;
- iii) Council approval ensures transparency, oversight, and alignment with strategic resource planning.

c) All budget adjustment requests must meet the following procedural and policy requirements:

- i) The request must be supported by a clear and documented operational or service-related need, and must not be made solely to exhaust remaining budget balances;
- ii) The reallocation must not be used to fund new positions, create positions, or alter salary structures without prior Council approval;
- iii) The request must be submitted via email to both the Director of Finance and the CAO, and must include:
 - The amount to be reallocated;
 - The accounts affected (source and destination);
 - A description of the purpose and rationale for the reallocation;
 - Splitting invoices or manipulating amounts to remain under the \$25,000 threshold is strictly prohibited and may be subject to disciplinary review.

d) Once the reallocation is approved:

- i) The Finance Division will process the journal entry within the City's budget system (e.g., FMW), ensuring appropriate budgetary controls;
- ii) All reallocations authorized under this section will be reported to Council on a quarterly basis to maintain transparency and track trends in in-year budget changes.

13.2 Emergency Budget Amendments – Up to \$250,000

a) In urgent or unforeseen circumstances, the CAO may authorize a budget amendment of up to \$250,000 to address critical issues such as infrastructure failure, public safety threats, or natural disasters.

b) Such emergency amendments must:

- i) Be reviewed by the Director of Finance to confirm the availability of appropriate funding sources;
- ii) Be approved by the CAO before any expenditure is initiated;
- iii) Be reported to Council within 30 days, including:
 - A description of the emergency,
 - The source of funding used,
 - The financial impact on other programs or budgets.

13.3 Budget Amendments (Overruns) – Council Approval Required

a) All amendments that result in an increase to the total approved Operating or Capital Budget require prior Council approval. Examples include:

- i) Emergencies or unforeseen events;
- ii) Procurement bids that exceed budgeted amounts;
- iii) Council-approved changes to services or service levels;
- iv) Grant-funded initiatives requiring matching contributions;
- v) Other strategic or one-time funding needs.

b) The department requesting an amendment must submit a detailed report to Council that includes:

- i) Justification for the amendment;
- ii) Financial impact and any offsets identified;
- iii) Confirmation of alignment with the City's strategic and financial priorities;
- iv) Proposed funding source(s), such as reserves, grants, or debt.

c) The Director of Finance will review all budget amendment requests to:

- i) Confirm necessity and compliance with the City's financial policy;
- ii) Validate funding sources;
- iii) Ensure the request is reflected in monthly CAO reporting and quarterly reporting to Council.

13.4 Surplus Management and Inactive Projects

a) Operating Budget Surpluses:

Year-end surpluses will be applied to offset future adjustments or amendments,

or transferred to reserves based on the Director of Finance's recommendation, subject to Council direction.

b) Capital Budget Surpluses:

Funds remaining from completed, cancelled, or re-scoped capital projects will be returned to their original funding sources, unless otherwise directed by Council. Surpluses may only be used for new projects if:

- i) They are supported by an unexpected grant;
- ii) They address an emergency or urgent need;
- iii) Council explicitly approves the reallocation.

c) Inactive Capital Projects:

Capital projects with no financial activity for 24 consecutive months will be flagged as inactive and recommended for closure. Departments wishing to keep such projects open must submit a written justification as part of the next capital budget cycle.

14. Supplier and Material Management

14.1 Supplier Performance

a) Requisitioning Department Responsibilities:

- i) **Monitoring Supplier Performance:** The Requisitioning Department is responsible for continuously monitoring and documenting the performance of Suppliers in relation to the terms of the Contract. This includes ensuring that the Supplier is meeting the specifications, timelines, and quality standards as stipulated in the agreement.
- ii) **Timely Notification of Unsatisfactory Performance:** If the Supplier fails to meet any of the contractual obligations, the Requisitioning Department is required to inform the Procurement Division in writing and on a timely basis. This communication ensures that any issues are addressed promptly to avoid further complications.

b) Grounds for Unsatisfactory Performance:

- i) A Supplier's performance may be considered unsatisfactory due to several factors, including but not limited to:
- ii) Failure to meet specifications outlined in the contract.
- iii) Failure to adhere to timelines specified in the contract.
- iv) Non-compliance with safety standards or failure to follow safety protocols during the execution of the contract.
- v) Violation of applicable laws or company policies, including environmental regulations, workplace safety laws, or industry-specific standards.

c) Supplier's Right to Respond:

- i) In case a Supplier is accused of unsatisfactory performance, they are provided an opportunity to respond formally. The Supplier's right to defend or explain their performance will be governed by the terms of the contract, which might include submission of evidence, corrective action plans, or an opportunity for clarification.

d) Grounds for Supplier Disqualification: The City holds the right to disqualify a Supplier from future contract opportunities or suspend them under specific circumstances:

- i) Legal Disputes with the City: If the Supplier has initiated or been involved in any legal disputes or litigation against the City, whether related to a contract or other matters, this may lead to disqualification.
- ii) Criminal Convictions: A Supplier that has been convicted of serious crimes such as corruption, collusion, or bid-rigging (or other anticompetitive activities) may be disqualified, especially if they have not been granted a full pardon.
- iii) Previous Unsatisfactory Performance: If the Supplier has previously failed to meet the required standards in the delivery of Goods, Services, or Construction to the City, they may be disqualified from future bids.
- iv) Outstanding Debts: A Supplier that has failed to pay outstanding debts to the City or its associated entities (such as local boards or corporations) may be barred from future bidding opportunities.
- v) Frivolous or Invalid Claims: A history of making unreasonable or invalid claims against the city can lead to disqualification.
- vi) Current Suspension: A Supplier already serving a suspension period due to previous issues may not be eligible to bid.
- vii) Unsatisfactory References: If the Supplier provides incomplete, unrepresentative, or unsatisfactory references or receives negative feedback during reference checks (either internal or external), this can influence disqualification.
- viii) Other Conduct Issues: If the Supplier engages in behavior that is deemed to be against the City's best interests (such as misconduct, unethical practices, or conflict of interest), the City reserves the right to reject future bids.
- ix) Increased Legal Costs: If there are reasonable grounds to believe that awarding a contract to a Supplier will result in additional legal costs or complicated contract management, this may influence the decision to disqualify or suspend the Supplier.

e) A supplier may be disqualified from participating in future procurement opportunities due to unsatisfactory performance, legal disputes, or violation of

contract terms. However, suppliers shall have the right to appeal their disqualification by submitting a written request within **ten (10) business days** of notification. The appeal will be reviewed by the Procurement Division, and a final decision shall be rendered by the Director of Finance or CAO within **twenty (20) business days.**"

14.2 Debriefing

- a) Request Process: Suppliers that wish to understand why their Bid was unsuccessful may request a debriefing. This request must be made in writing and directed to the Procurement Division. The purpose of the debriefing is to provide feedback to the Supplier on their submission.
- b) No Impact on Award Decision: It is crucial to note that a request for a debriefing will not alter the Award decision. The debriefing is solely an informational process intended to provide insight into the reasons for non-selection.

14.3 Bid Dispute Resolution

- a) Encouragement of Competitive Bidding:
 - i) The city is committed to fostering an environment where competitive bidding is encouraged, and all procurement activities are open, accountable, and transparent. This approach ensures fairness and equal opportunity for Suppliers to participate in the procurement process.
- b) Filing a Substantive Objection:
 - i) A Supplier who believes they have been unfairly treated in a Bid Solicitation process, whether due to issues with the evaluation or because of violations of applicable trade agreements or policies, may file a substantive objection. This objection must be detailed and filed within:
 - ii) Two business days of the Bid results being posted for Requests for Quotation or Requests for Tenders.
 - iii) Two business days from when the Supplier is notified of the results of Requests for Pre-Qualification, Requests for Expression of Interest, Requests for Proposal, or Negotiated Requests for Proposal.
- c) Handling of Objections:
 - i) Upon receipt of the substantive objection, the Procurement Division will arrange a meeting within (Ten) 10 business days with all parties named in the objection to discuss the matter. If all parties agree that the issue can be resolved through written communication, a written response will be provided to the Supplier.

- ii) If the matter cannot be resolved in writing, a formal meeting will be held, chaired by the Procurement Division. A recorder will be assigned to document the discussion, ensuring transparency and clarity. If a resolution is achieved, the Procurement Division will provide a written summary of the outcome.
- d) Escalation to City External Legal Council:
- i) If no resolution is achieved during the meeting, and the Supplier wishes to continue disputing the matter, the Procurement Division will escalate the dispute to the City External Legal Council. The Solicitor will process the dispute according to established legal procedures.
- e) Impartiality of the Process:
- i) To ensure fairness and avoid any undue influence, elected officials are prohibited from advocating on behalf of Suppliers during the dispute resolution process. This ensures the process remains impartial and transparent.

14.4 Supplier Performance Evaluation

- a) Performance Evaluation Implementation:
- i) The **Requisitioning Department** determines when performance evaluations are necessary based on the size and complexity of the contract, or the specific nature of the Goods or Services being procured. The evaluation ensures that the City monitors Supplier performance effectively throughout the contract lifecycle.
- a) Criteria for Performance Evaluation:
- i) Performance evaluations are based on **predetermined, published criteria**, which may include:
 - i) Quality of Goods/Services delivered.
 - ii) Timeliness and adherence to project schedules.
 - iii) Compliance with safety and legal regulations.
 - iv) Communication and responsiveness.
 - v) Problem resolution and overall project management.
- b) Documentation of Performance Issues:
- i) Any issues related to the Supplier's performance must be documented. This includes noting problems or concerns raised by the project manager or other relevant City personnel. Documentation should be shared with the Supplier/Contractor and copied to the Purchasing Division for record-

keeping. Performance issues should also be discussed in site/project meetings and reflected in meeting minutes.

c) Final Performance Evaluation Report:

- i) At the completion of the project or contract, a **final performance evaluation** is carried out by the project leader. This report is reviewed with the purchasing representative and shared with the Supplier/Contractor for their records. This ensures transparency and provides the Supplier with feedback on their performance.

d) Filing of Evaluation Reports:

- i) A copy of the final performance evaluation and related documentation must be filed with the **Finance Department**. This ensures proper record-keeping and provides a historical reference for future procurement decisions.

15. Disposal of Surplus or Obsolete Assets

15.1 Responsibility:

- a) The disposal of surplus or obsolete assets is the responsibility of the respective Department Heads.
- b) If goods, equipment, or inventory stock are surplus, obsolete, or not repairable, the Department Head must submit a report to the Chief Administrative Officer (CAO) specifying the stock, equipment, and other assets that are no longer needed.

15.2 Transfer and Disposal Process:

- a) The CAO has the authority to approve the transfer of surplus assets between departments. If no economic use is identified, these assets will be added to the surplus list for disposal.
- b) The CAO may sell surplus assets or exchange them for new or replacement items. The sale should be made to the highest qualified bidder, either through sealed bids or public auction.

15.3 Sale Procedures:

- a) Surplus assets shall be sold to the highest bidder following this policy.
- b) Assets shall not be sold directly to Department Representatives or Councillors, although they may purchase surplus items through a public process.

15.4 Donation of Surplus Assets:

- a) Surplus assets may be donated to nonprofit organizations for educational or teaching purposes, or as directed by City Council.
- b) Donations are prohibited if the intention is resale. All donations must be approved by the CAO.

15.5 Disposal of Goods with No Value:

- a) If goods have no residual value, the Department Director may dispose of them as waste.
- b) The disposal of unsafe or hazardous surplus items is the responsibility of the Department Director and must follow applicable laws and this policy.

16. General Administration of this Policy & Local Boards

16.1 Interpretation and Application

- a) In the interpretation and application of this policy, where a situation is not explicitly provided for, the Procurement Division shall:
 - i) Refer to the Purpose, Goals, and Objectives set out in Section 1 of this policy.
 - ii) Adhere to the Ontario Public Buyers Association Code of Ethics.
 - iii) Ensure compliance with applicable laws, including the Municipal Act, 2001 and the Municipal Conflict of Interest Act.

16.2 Schedules as Part of the Policy

Schedules “1”, “2”, “3” and “4” attached to this policy shall form an integral part of this document and be enforceable as policy requirements.

16.3 Severability

If any Section or part of this policy is determined by a Court of competent jurisdiction to be invalid or beyond Council’s authority, the affected portion shall be considered separate

and independent from the remainder of the policy, which shall continue in full force and effect.

16.4 Review of Policy

- a) The Director of Finance shall review the effectiveness of this policy at least every five years and report to Council, as necessary.
- b) Council may request modifications or updates, and staff may propose adjustments as required.
- c) All existing purchases, tenders, RFPs, or quotations shall be governed by the version of the Procurement Policy in effect at the time the bid or tender was issued.
- d) Policies referenced in this document will automatically update when modifications occur in the related policies.

16.5 Application to Local Boards

- a) The Thorold Library Board, Business Improvement Area (BIA) Board, may:
 - i) Adopt their own procurement policy by resolution, OR
 - ii) Follow this Procurement Policy as established by the City.
- b) If a local board chooses to follow this policy, it must:
 - i) Establish spending limits consistent with Schedule 2.
 - ii) Ensure all procurement aligns with trade agreements, legal standards, and ethical procurement practices.
 - iii) it will be the respective board responsibility to determine the appropriate approval levels and designated person(s)
- c) All other boards and committees of the city, e.g. Community centre boards – Port Robinson CC; Allanburg CC; Thorold Senior Citizen's board; Fundraising: e.g. Mel Swart Park Committee; LACAC – For purchases requiring Request for Quotation/Request for Tender, the city must be the lead agent for the process for all Budgets exceeding \$25,000. For purchases below this limit, the approval for purchasing shall be by the Committee Board, upon satisfying itself that budget/Council approval exists for the purchase, and that the necessary procurement method as identified in this policy has been followed. References to petty cash/expense cards shall not apply.

16.6 Financial Compliance & Reporting for Local Boards

- a) Local boards must ensure:
 - i) Budget approval exists for all purchases.
- b) Local boards are subject to the same conflict-of-interest rules as City departments.

16.7 Exemptions & Special Circumstances for Local Boards

- a) Local boards cannot grant preferential treatment based on vendor location, per the Discriminatory Business Practices Act, R.S.O. 1990.
- b) Emergency procurements must follow the City's emergency purchasing procedures.
- c) Any exemptions or policy deviations must be approved by Council.

16.8 Procurement Procedures for Local Boards & Committees

- a) For purchases requiring a Request for Quotation/Tender, where the budget Exceeds \$25,000 the city must be the lead agent in the procurement process.
- b) For purchases below the quotation threshold, the approval for procurement shall be made by the Committee or Board, provided:
 - i) Budget and Council approval exists.
 - ii) The procurement method follows the City's policy.
- c) Petty cash and Corporate Expense Card shall not apply to Local Boards and Committees.

16.9 Effective Date

This policy shall come into force and take effect on the 29th day of April 2025.

16.10 Title

This shall be referred to as the Procurement Policy -300-01.

Schedule 1 – Exemptions from Procurement Policies

The following Goods and Services are exempt from the application of this policy:

1. Petty Cash Items

2. Training and Education

- a) Conferences, conventions, courses and seminars;
- b) Magazines, subscriptions, books, periodicals;
- c) Memberships;
- d) Staff Development

3. Refundable Councillor and Department Representative Expenses

- a) Advances;
- b) Meal Allowances;
- c) Travel and Entertainment;
- d) Miscellaneous – Non-Travel

4. Employer's General Expenses

- a) Payroll Deduction Remittances;
- b) Medical and Dental Fees;
- c) Licenses (vehicles, etc.)
- d) Debenture Payments;
- e) Insurance Premiums, Claims Settlement and Adjuster Services;
- f) Grants to Agencies;
- g) Damage Claims;
- h) Customs Brokerage Fees;
- i) Tax Remittances;
- j) Lease Payments
- k) Charges to and from other government bodies;
- l) Payment for employment (i.e. Contract employees);
- m) Postage;
- n) Employee benefits

5. Professional and Special Services

- a) Medical and laboratory Services;

- b) Fees for professional legal or other expert Services engaged by the City External Legal Council in connection with the delivery of legal services including Integrity Commissioner;
- c) Payments to Social Service and Health Agencies that are subject to Purchase of Service Agreements, such as childcare providers;
- d) Legal settlements, disbursements and reimbursement of claimant expenses;
- e) Funeral and Burial expenses;
- f) Appraisal Fees;
- g) Expert Witness Fees related to legal proceedings;
- h) Honorariums;
- i) Advertising

6. Banking Services and Charges

- a) Financial Services regarding the Management of City financial assets and liabilities, treasury operations, including ancillary, and advisory Services. Includes expenses related to the borrowing and investing of money;
- b) Bailiff or collection agencies

7. Licensing Agreements

Ongoing maintenance and software licensing agreements for equipment such as computer hardware and software, telecommunications equipment, elevators, and HVAC Equipment.

8. Utilities (monthly charges)

- a) Water and Sewer;
- b) Hydro;
- c) Gas;
- d) Communication Infrastructure Services such as Bell, Cogeco, Rogers etc.;
- e) Utility relocations;
- f) Construction work completed by Railways;

9. Real Property

Acquisition or Disposal of Real Property including easements and rights-of-way through a rental, lease, purchase, or sale.

10. Leases

Decisions regarding leasing versus purchasing shall be governed by the City of Thorold Financial Lease Policy 300-21 and requires the approval of the Director of Finance.

11. Resale Items

Schedule 2 – Purchasing and Execution Authority

Part 6 of the policy stipulates when Council approvals must be obtained prior to Award of a Procurement Contract.

Stipulated Authorities for Procurement, and Contract execution are firmly established based on the Total Contract Price, at the time the documents are originally executed and include any position which is higher in the City’s reporting structure. For clarity, if any changes to the Total Contract Price exceed the delegated threshold, the authority level is escalated to the next highest delegate in the reporting structure.

All emergency Purchases must be submitted to the Council immediately for informational purposes, ensuring transparency.

A quarterly report must be submitted to the Director of Finance for all purchases greater than \$50,000. This report should include details on the budgetary impact, including whether funds for the purchase have been allocated within the approved budget or if adjustments are necessary. Where adjustments are required, they must comply with the City’s financial policies and may require further approvals.

Before any purchase or procurement contract is finalized, it is required that appropriate budget approval is obtained. This ensures that funds are available and allocated in accordance with the approved budget for the respective department or project. If the purchase or contract exceeds the initially approved budget, an amended budget must be submitted, and Council approval may be required depending on the size and nature of the adjustment.

Schedule 2 – Purchasing and Execution Authority

Total Contract Price	Authority for Procurement & Award	Document Execution Authority	Payment Release Authority	Type of Agreement with Supplier
≤ \$10,000	Department Director or Designate	Department Director or Designate	Department Representatives with Signing Authority / Department Manager	Purchase Order, Petty Cash, Corporate Expense Card

> \$10,000 - < \$25,000	Department Director or Designate	Department Representative / Manager within Signing Authority	Department Representative / Manager within Signing Authority	Purchase Order
> \$25,000 - < \$100,000	Department Director or Designate	Department Director or Designate / Director of Finance (over \$50,000)	Department Director or Designate / Director of Finance (over \$50,000)	Purchase Order or Executed Agreement
> \$100,000 - < \$250,000	Department Director or Director of Finance	Director of Finance	Director of Finance	Purchase Order or Executed Agreement
> \$250,000	Council	Clerk and CAO	Director of Finance	Purchase Order or Executed Agreement

Emergency Purchases

Total Contract Price	Emergency Purchase Authority	Document Execution Authority	Payment Release Authority	Notes
< \$100,000	CAO	Department Director or Designate	Director of Finance	Any emergency amendment must be submitted to the Council.
> \$100,000 - < \$250,000	CAO	Director of Finance or Designate	Director of Finance	Any emergency amendment must be submitted to the Council.
> \$250,000	CAO	Director of Finance or CAO	Director of Finance	Any emergency amendment must be submitted to the Council.

Single/Sole Source Purchases

Total Contract Price	Authority for Procurement & Award	Document Execution Authority	Payment Release Authority	Type of Agreement with Supplier
< \$25,000 (Single/Sole Source)	Department Director or Designate	Department Director or Designate	Department Representative / Manager within Signing Authority	Purchase Order
> \$25,000 - < \$100,000 (Single/Sole Source)	Department Director or Designate	Department Director or Designate	Director of Finance	Purchase Order or Executed Agreement
> \$100,000 (Single/Sole Source)	Council	Council	Director of Finance	Purchase Order or Executed Agreement

A quarterly report to council is required for all Single/Sole Source purchases Over \$25,000 (Section 5 Roles and Responsibilities)

Schedule 3 - Method of Procurement Based on Total Contract Price

1. The selection of the appropriate method of Procurement shall consider the direction provided in Schedule 3 in combination with the specific circumstances of the Procurement.
2. When Requisitioning Departments are considering the method of Procurement for purchases greater than \$25,000, the Purchasing Division shall be consulted prior to selecting the Procurement method.

Total Contract Price	Procurement Method
≤ \$10,000	Direct Purchase with a Purchase Order (if Corporate Expense Card cannot be used)
> \$10,000 - < \$25,000	Informal Quotation with a Purchase Order
> \$25,000 - < \$100,000	Request for Quotation (RFQ) or Request for Proposal (RFP)
≥ \$100,000	Request for Tender (RFT), Request for Proposal (RFP), or Negotiated Request for Proposal (NRFP)

Schedule 4 – Bid Irregularities

IRREGULARITY		RESPONSE
1.	Late bids	Automatic rejection
2.	Unsealed envelopes	Automatic rejection
3.	Submission completed in an erasable medium	Automatic rejection
4.	Incomplete bids, part bids, or all items not bid	Automatic rejection except where the tender form clearly states that an award may be made for individual items or where in the opinion of the Purchasing Division and the Director of the Requesting Department the incomplete nature is trivial or insignificant
5.	Qualified bids, or bids restricted by an attached statement	Automatic rejection except where the change is requested by the city or where, in the opinion of the Purchasing Division and the Director of the Requesting Department, the change is trivial or insignificant
6.	Financial security not submitted or insufficient	Automatic rejection
7.	Bid not properly signed	Automatic rejection
8.	Mathematical errors	May be accepted if corrected in the checking procedure. Unit prices shall ordinarily be used to correct extensions.
9.	Agreement to bond insufficient or not submitted	Automatic rejection
10.	Bids received on documents other than those provided by the city	Automatic rejection unless, in the opinion of the Purchasing Division, the matter is trivial or insignificant
11.	Erasures, Overwriting or Strikeout Not Initialed	
	a) Changes which are minor e.g. address, clerical error	May be accepted, time limit given to initial.
	b) Unit prices have been changed but not initialed and the contract totals are consistent with the price as amended	May be accepted, time limit given to initial.
	c) Unit prices have been changed but not initialed and the contract totals are not consistent with the prices as amended	Automatic rejection

12.	Minor clerical errors	May be accepted, time limit given to correct and initial.
13.	Documents, in which all necessary Addenda, which have financial implication, have not been acknowledged.	Automatic rejection unless in the opinion of the Procurement Manager, and the applicable Department Head in consultation with the City External Legal Council, the Addendum (Addenda) does not significantly impact the bid, in which case the bidder will be provided two (2) business days to formally acknowledge the Addendum (Addenda) with no change or amendment permitted to the financial bid.
14.	Other Minor irregularities	May be accepted, Procurement Manager and the Department Head of the Requesting Department shall have authority to waive irregularities which they jointly consider to be minor.