

# Management Directive

Management Directive #:	MD2021-002
Management Directive Name:	Procurement Management Directive
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Related SOP, Management Directive, Council Policy	Procurement Policy

## Directive Statement and Rationale

The Procurement Division has developed this Management Directive to provide the framework of expectations, and provide guidance and direction to City staff to fulfil operational requirements in compliance with the Procurement Policy.

## Scope

The Procurement Management Directive is intended to govern the manner in which the Corporation of the City of Kawartha Lakes purchases goods and services.

### 1.0 Department Responsibilities

Directors have responsibility for the procurement activities within their Departments and are accountable for spending within their authority level, according to the Table of Authority in Appendix A.

- 1.1 Staff and Council Members shall not purchase any goods or services for personal use in representation of the City.
- 1.2 Staff and Council Members must not give, or be perceived to give a supplier an advantage or disadvantage in obtaining work with the City.
- 1.3 Staff shall ensure that all procurements over \$10,000 (aggregate value) have a PO created prior to the items being ordered (unless it falls under Schedule B Procurement Exemption List in the Procurement Policy).
- 1.4 The funds for purchase of goods or services must be available within the approved budget.
- 1.5 Staff shall comply with financial and internal controls designed to meet accounting and audit requirements of the City ensuring that those departments given delegated purchasing authority are held accountable for their actions.

## Management Directive

- 1.6 The purchase of goods and services, where one supplier is providing a lump sum price for a project, cannot be divided into two or more invoices to avoid the provisions of the Procurement policy and management directive (invoice splitting).

Scenario	Answer
I need a pump replacement on a truck. The City is purchasing the pump from one vendor and having another vendor install it. Is this considered invoice splitting if I do two POs?	No. You will be receiving two invoices from different vendors.
I need to replace the roof on a building, but the cost will be split between two different departments, can I do one PO for this?	Yes. As the work encompasses one building and you will be invoiced by the same vendor. The PO will show two different lines to cover off the different departments.

- 1.7 Repetitive procurement of goods and services will be audited for the annual aggregate value spent by all procuring Departments. The Procurement Division will work with each Department to determine if a competitive process is required.
- 1.8 There must be segregation of duties with respect to procurement (internal control) designed to prevent error and fraud by ensuring that at least two individuals are responsible for the separate parts of any task (i.e. Purchase, approve, receipt of goods and payment).
- 1.9 Staff that procure on behalf of the City, must request updated Ontario Workplace Safety and Insurance Board (WSIB) clearance certificate and a certificate of insurance for each project prior to the work starting as per item 17 below.
- 1.10 Staff will not disclose unit prices to other suppliers only lump sum prices will be revealed. Requests for unit prices should be directed to Clerks and will be subject to a Freedom of Information request.

## Management Directive

- 1.11 Staff shall ensure that suppliers are signed up with electronic funds transfer, for invoice payment. No suppliers will be paid via any other method without the express approval of Treasury.
- 1.12 Staff will not insert a reference to use a specific supplier or brand in a procurement document, without evidence that:
  - a. a previous competition has been issued or that there is already a current contract in place;
  - b. the wording “or equivalent” is used to set a standard; or
  - c. a single/sole source has been approved in accordance with the table of authority as provided in Appendix A of this Management Directive.
- 1.13 Staff will not allow for bid repair by permitting a supplier to change their pricing or provide alternate specifications, after a competitive process has closed.  
Examples:

Scenario	Answer
A low bid submission has a statement added by the supplier which changes the intent of the procurement. Is this bid repair?	Yes. In a low bid process, the evaluation is only on the price, nothing added by the supplier will be taken into consideration during the evaluation. Suppliers that refuse to enter into a contract based the specifications as written or their submitted price, will be considered in forfeit of the award and may be banned from bidding.
After the bids have closed, an error in pricing has been discovered. Can I award based on the revised pricing?	No. Once the bidding has closed, there is no opportunity for a supplier to change their pricing no matter the reason.

- 1.14 Be responsible for monitoring, documenting and reporting evidence of unsatisfactory supplier performance through the Vendor Management Program. Such evidence will be sent to the Procurement Division for approval and inclusion in the supplier’s file.

# Management Directive

## 2.0 Procurement Responsibilities

- a. Provide training for staff that procure goods and services for the City;
- b. Notify staff of any amendments and/or changes to the policy or management directive;
- c. Monitor and audit delegated procurement activities (POs, request for quotations, etc.) to ensure compliance to the procurement policy and management directive;
- d. Provide opportunity for suppliers interested in doing business with the City to register or prequalify for future opportunities;
- e. Ensure that no contracts where the establishment of an employee-employer relationship are executed;

## 3.0 Considerations for Requirements

Designs, specifications and/or requirements of a purchase contract for goods or service will consider:

- 3.1 a commitment to the procurement with due regard to the preservation of the natural environment and the promotion of waste reduction, recycling of waste materials and sustainability for the community in accordance with the City's Sustainable Procurement Policy or other applicable Policies or Resolutions;
- 3.2 innovation and the use of technology, which meet City specifications and industry standards and best practices, to ensure efficient and effective processes and practices;
- 3.3 goods and services in support of the City's Strategic Plan supporting the community, the environment and strength of the services performed for the public; and
- 3.4 accessibility criteria and features.

## 4.0 Procurement Risk

Risk will be minimized whenever possible by the following:

- 4.1 Sureties for contracts at \$500,000 or under will be determined on an individual basis, where the risk and cost to the City will be high for delays, poor or non-performance of the work or project or non-payment for labor or materials or a potential defaulted warranty on workmanship;
- 4.2 Sureties for contracts over \$500,000, where there may be risk to the City, will have a minimum of 50% to a maximum of 100% for labor and material and/or performance applied;

## Management Directive

- 4.3 Insurance specific to the type of service being requested will be determined in consultation with the Insurance Risk Management Coordinator (i.e. Professional Liability, Errors and Omissions and Environmental Insurance, etc.);
- 4.4 All suppliers will be in good standing with the Workplace Safety and Insurance Board (WSIB). Contractors with no staff, will be required to provide proof of their Independent Operator status with WSIB;
- 4.5 Police background checks or driver abstracts may be requested for specific contracts;
- 4.6 Suppliers who assist in developing specifications will not be eligible to bid, whether or not a fee is paid to the supplier for the services, unless otherwise authorized by the (CSD); and
- 4.7 Submissions that are restricted by a statement added to any portion of the submission or a covering letter that alters the intent of the procurement (counter offer) will be rejected.
- 4.8 Staff and Council will ensure that the *Discriminatory Business Practices Act* is upheld by preventing discrimination based on race, creed, color, nationality, ancestry, place of origin, sex or geographical location of persons employed in or engaging in business.

### 5.0 Conflict of Interest

- 5.1 All employees or consultants that evaluate competitive procurement process submission(s) or purchase on behalf of the City will declare that they have no known or perceived conflict of interest to the Procurement Division in writing (e.g. friend, relative, etc.).
- 5.2 All vendors, including consultants, retained by the City shall disclose to the City prior to accepting an assignment, any potential conflict of interest or pecuniary interest.
- 5.3 If a conflict of interest does exist, the CAO or the CSD may choose not to award or may withhold the assignment from the supplier or employee until the matter is resolved.
- 5.4 If a supplier is retained by another client, giving rise to a potential conflict of interest, the supplier shall inform the CAO or the CSD in writing of the potential conflict of interest (i.e. developer retains a client that is already retained by the City).

# Management Directive

## 6.0 Financial Considerations

6.1 In advance of releasing a procurement document, budgets must be approved by Council. The use of future operating budgets must be requested for each future year and monitored by the Department. Any overages on the annual surplus deficit will be reported to Council.

Procurement awards for contracts must further be approved by Council if:

- a) It contains a change in scope and the Treasurer has indicated that it requires Council approval;
- b) It has an irregular result as per Section 6.2;
- c) The recommendation is of an operating nature and the term is more than 5 years; or
- d) It is a Single or Sole Source and over the Table of Authority thresholds.

## 6.2 Irregular Results

Irregular results of a competitive procurement process require supplier selection award must be approved by Council. The results of a competitive procurement process are considered to be irregular when any of the following occurs:

- a) all submissions exceed the budget by more than what is allowed in the Capital and Special Project Policy; or
- b) An award of the contract to the top ranked or low bid supplier is considered to not be in the best interest of the City;

## 6.3 Change to a PO

Change order occurs when additional work is added to the contract, where that work was already specified in the procurement document (i.e. additional gravel on a road already named in original document).

- a) When a change order or change in scope is being added, a new line must be created and the change order/change in scope form is uploaded to the PO.
- b) Change orders shall be approved according to the Table of Authority, prior to work being completed.
- c) Cumulative total of all change orders, for capital POs, including the original purchase amount, is automatically checked by JDE.

## Management Directive

- d) If no PO exists, an amending agreement is created. When considering a change order, the type of work and original price schedule still applies. Alterations through an amending agreement must ensure that the integrity of the original purchase is maintained.
- e) For changes that exceed the approved budget, refer to Section 3.2 of the Capital and Special Projects Policy.
- f) A change in scope must follow the Capital and Special Projects Policy Section 3.1.

### 6.4 Contract Term and Renewals

Contract terms must take into consideration: number of years; predicted financial market; predicted cost of living index and most importantly City's fiscal budget and cost that the tax or user rate base can bear. Approvals for contract amounts shall follow the Table of Authority for the aggregate number of years of the contract including all renewals.

Procurements managed by the Departments will not allow for renewal terms as they may exceed the thresholds. Please contact your buyer if you want to include any optional years.

Renewals for formal processes will be handled by the Procurement Division, Departments are to refrain from communicating directly with the supplier as this may cause confusion on who is managing the process and what information is being provided.

Procurements that encumber future operating budgets, the term will be capped at 5 years, including renewals, or must be reported to Council at time of award. Procuring Departments will include funds in future operating budgets.

Renewals may be considered if:

- a. They were included in the original procurement document.
- b. The aggregate spend is in accordance with the Table of Authority.
- c. The supplier's performance is considered to have met or exceeded the requirements of the contract;

In the absence of a renewal clause or all renewals have been exhausted, the requesting party may provide the Treasurer, a written explanation of why the renewal is in the best interest of the City. The two shall agree and the contract may be extended through a single source to a maximum of 2 years.

## Management Directive

### 6.5 Contingency Management

- a) Contingencies for projects will be standardized at 15% or less. No considerations will be given for larger contingency amounts.
- b) Contingencies will not be added for consulting projects. As this is in the design and creation of specifications, there should be nothing unforeseen.
- c) Contingencies shall not be used to expand the scope of a project or to fund an item excluded at time of the original award, unless the intent is to lower the contingency line to accommodate a change in scope.
- d) A summary report should be uploaded to the contingency line on the PO, to show what the contingency has been used for.
- e) Requests for amounts to be applied to the contingency PO may be subject to a Capital review process by the Treasury Department or Auditor.

### 7.0 Procurement Processes

Dollar values noted in the Table of Authority (Appendix A) are for separate project budgets (child, 01, 02, 03 etc.), not the anticipated spend (i.e. Budget is \$130,000, but it is anticipated that the quotes will come in under \$100,000). Electronic Procurement Request (EPR) forms must be completed when the budget exceeds the Table of Authority thresholds.

PO audits will be performed quarterly by the Supervisor of Procurement, to ensure compliance to the Policy and Directive. Directors will be notified if staff are found to be in contravention and corrective actions will be implemented and include further training provided by the Procurement Division. Repeat offences may result in staff having their procurement privileges suspended.

Staff are to use the informal procurement documents housed in the Purchasing Workgroup in SharePoint. If an RFP process is required, they must request approval from Procurement.



# Management Directive

## 7.1 Emergency Procurement

Any emergency that exceeds \$10,000 must have an emergency type PO (OI) created **within 5 days** after an event occurs, where the immediate purchase of goods or services is essential to prevent:

- serious delays;
- incremental costs
- damage or injury;
- to restore minimum service; or
- to ensure the health and safety of any person, including City staff or residents of the City.

**The work may continue to ensure the safety of the project.**

Emergency POs will be approved according to Appendix A – Table of Authority.

## 7.2 Single/Sole Source (See Appendix C)

A single/sole source (OS) type PO must be created when aggregate value is over \$10,000 Appendix B lays out parameters that can be utilize when considering a single/sole source. These limitations are reiterated in the Trade Agreements.

Single/sole source POs will be approved according to Appendix A - Table of Authority. Further clarification could be required, and the single/sole source may be denied if found not in compliance. Single sources over the Table of Authority thresholds must be approved by Council.

Awards for single/sole sources for more than 2 years may be considered, provided that the Supervisor of Procurement approves the term.

## 7.3 Visa Purchases – Visas (Pcards) are issued to employees by the Treasury Division for purchase of goods under \$5,000. Pcards cannot be used for capital purchases and services where invoices are issued, these must be paid through Accounts Payable unless authorized by the Treasurer. Visa purchases are subject to the Employee Expense Policy and request form must be approved by Director. Repeat unauthorized usage may result in staff having their Corporate Visa revoked. Considerations may be given to higher purchases, provided they have the Treasurer's approval.

# Management Directive

## 7.4 Formal Procurement Processes

All formal procurement processes should allow for a minimum number of days to complete a procurement process from receipt of the EPR to start of the contract. The timelines listed below show each stage of a procurement process. Up to 20 additional working days could be added to each process to account for Council approval.

The Capital budget process will prioritize the timing of City projects to help form the procurement plan. Projects that have not been prioritized through the Capital Budget Process will be scheduled as time permits, but will not take precedence over the prioritized work.

Task	Quote Working Days	RFP Working Days
EPR Received and all specifications/ drawings are attached. If no specs attached Buyer rejects and timelines start over	3	3
Document is drafted and sent to Department for review.	9	10
Document finalized including all specifications, drawings, evaluation forms and evaluation meetings	3	4
Upload to Bids & Tenders	3	3
Document advertising period. May be longer depending on the dollar value and complexity	15	25
Submissions are evaluated.	5	15
Agreement and report, if applicable , developed	4	5
Awarded vendor responds with required documents	5	5
Final Award Letter with Agreement and PO	3	5
Total number of days	50	75

These timelines are estimates, some projects could take longer than others, but the overall total number of days is accurate based on historical timelines.

Procurement will complete projects in the shortest amount of time possible, so long as all the information is provided in a timely fashion.

# Management Directive

## 7.5 Construction Projects

Large construction projects must take into consideration the author of the specifications, who will be handling the project management, etc. These aspects must be clearly defined before EPR is completed or the Buyer may delay the release of the project to ensure the proper procurement document is being used.

If contract administration (CA) and inspection is to be performed by the consultant that was awarded the design. The design document being posted must include that CA and Inspection will be added to the project at time of construction. If not included in the original design procurement document, it will be considered a single source and Council approval may be required.

## 7.6 Rosters

Roster authority level shall not exceed \$150,000 per contract. Allowances for higher roster values may be considered, but must have the Procurement Supervisor's approval. A Roster list will be used to pre-approve suppliers. Department staff must still obtain second stage informal quotes when there are multiple suppliers that can provide the service. This ensures that a competitive price is being obtained.

Considerations may be given to eliminating the second stage process provided that the Department can ensure that all suppliers on the list will obtain equal amount of work. Rosters must be done through Procurement.

## 7.7 City Wide Procurements

Procurement will initiate the EPR (i.e. Grass cutting, Snow Plowing etc.). Procurement will request that one staff from each participating department is appointed and responsible to review the document before advertising and be on the evaluation committee if required. Prior to award, each participating department's Director will be given the opportunity to review the recommended award and make comment. Once all approvals have been obtained, Procurement will continue with the award process.

## 7.8 Group Procurement

The City may participate in cooperative or group Procurements (i.e. Supply Chain, LAS, Canoe, etc.). A list of the cooperatives or groups will be listed on the City's Website and will be updated annually. Participation must ensure that the process is compliant with all legislation and this Procurement Policy

# Management Directive

## 8.0 Procurement of Creative Services

Procurement of creative services, including but not limited to services listed below, must involve Communications, Advertising and Marketing (CAM) Manager at initial stage of process.

- Marketing and advertising strategy or planning
- Graphic design
- Photo or video production
- Public relations
- Printing

This will provide CAM with an understanding of the project scope to determine the degree of involvement needed. Involvement may include drafting sections of the procurement document and/or being on the evaluation committee. The CAM Division may decide not to be involved, however, the initial discussion must take place with the CAM Division. At that time, any required CAM Division support in future stages of the project will be discussed

## 9.0 References

Departments should request references for informal awards when the vendor is not on the Preferred Vendor List.

Formal procurements will require companies to have a minimum of three (3) years' experience, but may be adjusted depending on project risk. References not meeting the minimum requirement may not be considered for award.

The City will work with suppliers who lack the required experience and place them on the Preferred Vendor List. This will allow the supplier to work with various Departments and gain the required experience to bid on larger procurements.

## 10.0 Provisionals

Provisionals will be added to procurement documents when there may be uncertainty that there is sufficient budget for a particular project. When there are no provisionals listed in a procurement document, if the budget has been exceeded more than the allowable in the Capital and Special Project Policy you can:

- Request the additional funds through a Council report; or
- Cancel the process. If the process is cancelled, it can only be reissued if the project has been re-scoped to bring it within budget, or three months has passed.

# Management Directive

## 11.0 Debrief of Submissions

For proposal (RFP) procurement processes done within the Procurement Division. If requested, the Procurement Division will provide debriefs, so long as the supplier has requested within 60 days of notification of award. Requests after 60 days will require a *Freedom of Information Request* made with the Clerk's Department. Debriefs will not be provided where award is based on low bid only.

## 12.0 Evaluation Committees

An Evaluation Committee is required for any RFPs or High Score Quotations to review and score submissions based on set criteria. This applies to both formal and informal processes. For the RFP process, the committee must be comprised of no less than three people, two from Department issuing the procurement, and one from an outside source (another Department or member from the consulting team). Only in rare circumstances will Directors be allowed to be on the evaluation committee, this allows staff to perform unbiased evaluations.

If using a high score RFQ, at least two staff people should be reviewing the submissions, but the scoring will be less formal.

The function of Procurement is a mediator during the meeting, they do the initial review to ensure submissions are compliant with the procurement request, but they do not evaluate the submissions.

## 13.0 Project Management During Contract Term

Department staff are the Project Managers. They will be responsible to ensure the smooth operation of the project, that invoicing is correct prior to sending to accounts payable for payment and that invoices are submitted within 28 days. Any changes to the contract (i.e. adding or removing work or locations) must be completed through Procurement via an amending agreement, change order or change in scope.

## 14.0 Posting of Results

Unofficial results will be posted to the bidding platform after closing. Final results will be updated after the award has been finalized.

## 15.0 Electronic Signatures

Procurement will follow the City's Corporate Policy with regards to Electronic Signatures.

# Management Directive

## 16.0 Reports

Reports that require Council approval will be done according to the table below.

Scenario	Responsible
Department managed the process the award is within the approved budget, but the award exceeds the threshold in the Table of Authority.	Consult with Procurement. Department creates a Procurement Summary Report and uploads to the PO.
Department managed the process but the award exceeds the budget by the allowances in the Capital and Special Project Policy.	Consult with Procurement and Treasury. Department writes Council Report with the Buyer and Treasury added as consultation.
Department issues a low bid quotation and receives 3 quotes, the award is under their threshold but they are choosing not to go with the low bid.	Irregular. Department writes the report to Council explaining why they are choosing the higher bid.
Department is doing a single source over the Table of Authority thresholds.	Procurement writes the report to Council with the Department added as consultation.
Procurement manages the complete process.	Procurement writes the appropriate report with the Department added as consultation.

Procurements that do not close before the template deadline as noted on the Council Meeting dates must be pushed to the following Council meeting.

# Management Directive

## 17.0 Vendor Management Program

The Procurement Division will maintain a Preferred Vendor List for Department internal use when requesting quotations according to the Table of Authority thresholds. The information requested by procurement is only to ensure that a supplier has the required documentation to work for the City (WSIB, Insurance and references). Departments shall request a current WSIB eClearance and insurance certificates relevant to the work for each project. The insurance certificate shall name the Corporation of the City of Kawartha Lakes as an additional insured and reference the name of the project on the certificate.

Departments will issue a Performance Report and send to the Procurement Division at the completion of each project for inclusion in the supplier's file. Only if there is documented proof, through the Vendor Management Program, can a supplier be banned from bidding on future projects. However, they can be put on probation for a period of time through the Performance Report.

### Procurement Agreements

A PO will be issued by the procuring department to place orders using standard terms and conditions of a purchase or to commit funds. The PO will be executed according to the Table of Authority.

When it is in the best interest of the City to have a purchase agreement, it will be executed according to the Table of Authority and the original shall be filed with Clerk's. Any amending agreements will be forwarded to Clerk's to be incorporated into the original agreement.

In the absence of an agreement, the PO must be signed by the supplier, returned to the originating department and uploaded to the PO. This will serve as the formal agreement between the City and the supplier.

Procurement may recommend that complicated supplier agreements be reviewed by the City Solicitor prior to signing.

## 18.0 Black Out Period

The blackout period is the time immediately following the release of a procurement document until final award of the bid. Suppliers that are found to be communicating with anyone but the individual named in the procurement document, will result in the supplier being disqualified from the process.

## Management Directive

### 19.0 Forfeit of an Award

If a selected supplier withdraws their offer before an award is made, or fails to enter into a contract, they may be banned from participating in any future City procurement processes for a period of time. If the award has been finalized, the rules of the procurement document will apply including, but not limited to termination or breach. The surety may be called on to complete the work.

### 20.0 Lobbying

A supplier will be disqualified from a process if found to be engaging in lobbying with any elected official or City staff member for such purposes as to sway the results of an award of a procurement process.

### 21.0 Supplier Communications

Informal procurement processes will allow for a question and answer period. Suppliers may ask questions in writing during this time, and only this time, and only with the individual noted in the procurement document. Should the supplier's questions result in the need to amend the procurement document, this will be addressed by the procuring Department in the form of an addendum to all competitors. Questions posed after the question deadline may not be answered.

Formal procurement processes will be handled through Bids & Tenders only, questions asked outside of this platform will not be answered, but directed to the Bids & Tenders platform.

### 22.0 Lane Duck

In the case of Restricted Acts (Lane Duck), as it applies within Section 275 of the Municipal Act 2001, as amended, delegation of Council's purchasing authority will be given to the CAO. The CAO will report, to the new Council, purchases authorized during this delegated authority.

### 23.0 Coin Toss

In the event that there is a tie between supplier submissions, an electronic coin toss will be implemented. Suppliers will be made aware of the coin toss, and allowed to attend if desired. The coin toss will be done between the Treasurer and the City Solicitor or their delegates.



## Management Directive

### 24.0 Standardization of Equipment

The City will endeavor to standardize goods and services through a competitive process whenever possible and must be in compliance with legislation/free trade agreements. The Procurement Division will work with the procuring Department to determine the best procurement process for standardization.

Departments that see merit to standardize, must work with the Procurement Division to develop a procurement document that will allow multiple suppliers to submit their specifications. The evaluation committee will review each submission, which may include testing to fully determine which one meets the City's requirements.

Policies that include standardization wording, must ensure that the process run to determine what the standard is going to be, is in compliance with the trade agreements with regards to limited tendering and the City's fair, open and transparent mandates.

### 25.0 Major or Minor Irregularity

A submission could have either a major or minor irregularity:

- a. A "major irregularity" is a deviation from the competitive procurement process that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the person could gain an advantage over competitors. The Procurement Division will reject any offer submitted, which contains a major irregularity.
- b. A "minor irregularity" is a deviation from the competitive procurement process request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the supplier would not gain an unfair advantage over competitors. The Procurement Division may permit the supplier to correct a minor irregularity to make the submission compliant.

If the Procurement Division determines that a supplier's submission is not compliant, a formal letter will be issued to the supplier including the reason for the disqualification as soon as possible.

# Management Directive

## 26.0 Surplus Equipment and Disposal of Assets

Asset Type	Surplus Declaration Form (Building and Property)	Advertised in SP for other departments	Offer to Staff	Re-Use Centre	Straight to landfill
Furniture	Yes	Yes	Yes	Yes	Yes if damaged
Electronic items containing personal info (computers, laptops, tablets etc.)	IT to dispose of as appropriate				
IT Monitors, keyboards, etc.	Yes	Yes	Yes	Yes	Yes if damaged
Non-Emergency Fleet and Equipment	Fleet Division and Procurement to be consulted for non-emergency fleet and equipment.				
Specialty / Emergency Services Fleet and Equipment (medical equipment, ambulances, etc.)	Procurement to be consulted				
<p>Disposal method is determined jointly by Department and Procurement. Methods include:</p> <ul style="list-style-type: none"> <li>• Sale by Tender</li> <li>• Auction House</li> <li>• Not for profit donation</li> <li>• Government Auction</li> </ul> <p>Employees and elected officials of the City may bid on items, provided:</p> <ul style="list-style-type: none"> <li>• They do not possess nor try to ascertain relevant insider information that would influence their offer;</li> <li>• They remove themselves from submitting an offer on items that may be construed as a conflict of interest; or</li> <li>• They comply with all the requirements of the public sale.</li> </ul>					

# Management Directive

## 27.0 Compliance with the Accessibility for Ontarians with Disabilities Act, 2005 (AODA)

The City is committed to the highest possible standard for accessibility. Suppliers must be capable to recommend and deliver, as appropriate for each requirement, Accessible services consistent with the *Ontario Human Rights Code (OHRC)*, and in accordance with the Accessibility for Ontarians with Disabilities Act 2005, S.O. 2005, c. 11. (AODA and with O. Reg. 191/11: Integrated Accessibility Standards enacted under the AODA to ensure that public stakeholders can participate and contribute equally. Suppliers are required to comply with all relevant/applicable and any future additions or modification to legislation as they become enacted to Accessibility standards and regulations.

Accessible Documents - Unless determined by the City to not be practicable, supplier shall ensure that any information, products, deliverables and/or communication (as defined in the Integrated Regulation) produced pursuant to a Contract shall be in conformity with the World Wide Web Consortium Web Content Accessibility Guidelines (WCAG) 2.0 Level AA and shall be provided in accessible format upon request. Studies, Reports, and/or Plans that result from this request must be created and provided to the City in an accessible format compatible to Adobe Acrobat XI (11), or Microsoft Office 2010, or higher.

Built Environment - The Design of Public Spaces Standards under the integrated

Accessibility Standards Regulation and the [Accessibility Design Standards for City facilities and outdoor spaces](#) must be included in the design and build process by contracted professionals when building or renovating, regardless of project size for all City owned, operated or leased facilities and outdoor spaces.

## 28.0 Audit Requirements

Each Department is responsible for the proper storage of their own procurement documentation as per Records Management. Copies of any information, quotations, invoices, emails, etc. are to be kept for audit purposes within the Department. Procurement does not retain this information unless they have run the process.

### Revision History:

Revision	Date	Description of changes	Requested By

# Management Directive

## Appendix A – Table of Authority

Type of Acquisition	Approver	Approval Amount	Procurement Process	JDE Requirements
Informal Process	Department Staff	Budget of Up to \$10,000	<ul style="list-style-type: none"> <li>• Staff encouraged to obtain quotes to ensure best price for the good or service.</li> <li>• No report required.</li> <li>• If the pricing is thought to be close to \$10,000, quotes should be obtained and PO created in event that additional costs increase purchase over \$10,000.</li> <li>• Staff must obtain WSIB and Insurance. References (if applicable) should also be obtained and checked for each project to mitigate risk to the City.</li> <li>• If there is an agreement it will be signed by the Supervisor, Manager or Director of the Department</li> </ul>	<ul style="list-style-type: none"> <li>• PO created by Department and issued if required, to the supplier, to place an order (Attach City's Terms &amp; Conditions).</li> <li>• If PO created, quote(s) should be attached.</li> <li>• If no agreement, PO must be signed by supplier to form the agreement between City and supplier. Signed PO is uploaded to PO to comply with audit requirements.</li> </ul>

## Management Directive

Type of Acquisition	Approver	Approval Amount	Procurement Process	JDE Requirements
Informal Process	Manager and/or Supervisor (if applicable), Director, Treasury if Capital	Budget of \$10,001 - \$121,000	<ul style="list-style-type: none"> <li>• Must use Informal Quotation Template located in Purchasing Workgroup on SharePoint. Contact Buyer for use of RFP (evaluation committee of 3 required) or High Score RFQs (informal committee of 2).</li> <li>• 3 quotes required. May utilize the Preferred Vendor List on SharePoint. If supplier is not on list, references should be requested. See Section 9.</li> <li>• POs exceeding \$121,000 will be reviewed by Procurement. If over the limits allowed in the Capital and Special Project Policy, a report to Council is required, Department writes the report.</li> <li>• May release lump sum pricing to suppliers if requested. If request is for unit or hourly rates, a Freedom of Information request must be done with Clerks.</li> <li>• Communications with Suppliers must be done through addendum to keep process, fair, open and transparent.</li> <li>• Recommended awards that are irregular, Council approval will be required.</li> <li>• Supervisor approves and signs the agreements up to \$50,000.</li> </ul>	<ul style="list-style-type: none"> <li>• PO (either Operating (OP) or Capital (OC) type) is created by Department.</li> <li>• Procurement summary to be uploaded to PO.</li> <li>• If Department manages process and price unexpectedly exceeds \$121,000, PO is reviewed by Procurement. If over budget, Department writes the Council report in coordination with Treasury.</li> <li>• If PO is forming the agreement, it must be signed by the Supplier and returned to the Department.</li> <li>• For a single/sole source or emergency please follow process below.</li> </ul>

## Management Directive

Type of Acquisition	Approver	Approval Amount	Procurement Process	JDE Requirements
			<ul style="list-style-type: none"> <li>• Manager approves and signs the agreements from \$50,001 to \$75,000.</li> <li>• Director will approve and sign the agreements over \$75,001.</li> </ul>	

Type of Acquisition	Approver	Approval Amount	Procurement Process	JDE Requirements
Formal Process Within Budget	Manager and/or Supervisor, Director, Treasury if Capital, Reviewed by Procurement	Budget of \$121,001 and over Aggregate spend including renewals	<ul style="list-style-type: none"> <li>• EPR form submitted.</li> <li>• Low bid processes to allow for 50 working days from issuance of EPR to project start. High score procurement processes may require 75 working days to account for evaluations and negotiations. Requests that do not allow for this, may have the completion date extended if there are delays in getting specifications.</li> <li>• Procurement process determined between the Department and the Buyer.</li> <li>• EPR's received with missing information (specifications, GL codes, etc.) will be rejected, unless prior arrangements have been made, and will be sent within 48 hours. If the specifications are not received within 48 hours, the EPR will be rejected.</li> </ul>	<ul style="list-style-type: none"> <li>• PO created by Department.</li> <li>• Procurement summary uploaded to PO.</li> <li>• Agreements, if required, must be signed by the Director and filed with Clerks.</li> <li>• If a PO is forming the agreement, it must be signed by the supplier and returned to the Department.</li> <li>• Splitting invoices to avoid the formal procurement process is in violation of this Management Directive and the Trade Agreements.</li> </ul>

## Management Directive

Type of Acquisition	Approver	Approval Amount	Procurement Process	JDE Requirements
Single/ Sole Source	Supervisor and/or Manager, Director, Treasury and Reviewed by Procurement	Budget of \$10,001 and over	<ul style="list-style-type: none"> <li>• Quote obtained from supplier.</li> <li>• Single/Sole Source form completed with rationale and financial information.</li> <li>• Appropriate reason for single or sole source is checked on form (see Appendix C).</li> <li>• Procurement may reject if insufficient evidence supporting the single source (i.e. more than one supplier that can provide work/material).</li> <li>• Single/sole source over \$121,000 must be approved by Council.</li> <li>• Agreements, if required, signed by Director and filed with Clerks</li> </ul>	<ul style="list-style-type: none"> <li>• Single/sole source PO created by Department.</li> <li>• The single/sole source form and quote uploaded to PO.</li> <li>• If sole source, a letter from the Manufacturer attached indicating only one supplier/distributor for City's geographic area.</li> </ul>

## Management Directive

Type of Acquisition	Approver	Approval Amount	Procurement Process	JDE Requirements
Emergency	Supervisor and/or Manager, Director, Treasury and Procurement	Anticipated cost of \$10,001 and over	<ul style="list-style-type: none"> <li>• Work continues during PO approval process.</li> <li>• A procurement process may be used to provide a permanent solution once the emergency has been secured.</li> <li>• Emergency Procurements reported to Council through Treasury's Capital and Special Project Close Report.</li> <li>• Failure to allow sufficient time for a procurement process does not constitute an emergency and may be rejected.</li> </ul>	<ul style="list-style-type: none"> <li>• Department creates emergency type PO (OI) within 5 days of event. An operating contracted services account is used.</li> <li>• Treasury reviews and either approves or rejects PO.</li> <li>• If rejected, Treasury provides account number that is to be used. Department cancels line(s) and creates new line(s) with corrected GL from Treasury.</li> <li>• PO goes through the balance of the approval process.</li> </ul>



## Management Directive

Type of Acquisition	Approver	Approval Amount	Procurement Process	JDE Requirements
<p>Over budget</p> <p>Irregular results</p> <p>Single/Sole Source</p>	<p>Council</p>	<p>Irregular Results</p>	<ul style="list-style-type: none"> <li>• Process has resulted in an irregular result or is a single/sole source over \$121,000.</li> <li>• For Formal procurements, the Buyer drafts and submits the report to Council in consultation with the department.</li> <li>• For Informal procurements the Department must write the report to Council.</li> <li>• Agreements, if required, must be signed by the Director and filed with Clerks.</li> </ul>	<ul style="list-style-type: none"> <li>• PO is created by the Department.</li> <li>• Approved by Supervisor, Manager or Director, reviewed by Treasury (if capital) and is held by Procurement until Council approval.</li> </ul>
<p>Exempted Procurement</p>	<p>Director</p>	<p>Any</p>	<ul style="list-style-type: none"> <li>• No competitive process required. Staff may go direct to a supplier for the need.</li> </ul>	<ul style="list-style-type: none"> <li>• POs may be issued.</li> <li>• POs over \$121,000 will require Procurement's approval through JDE.</li> </ul>

# Management Directive

## Appendix B – Exemption Clarifications

The following are exemption clarifications:

26.1 “Employment Requirements” include:

- a) Recruitment;
- b) Collaborating with neighboring communities or Suppliers to accommodate staffing considerations;
- c) Income;
- d) Benefit payments;
- e) Premiums;
- f) Disability;
- g) Workers compensation; and
- h) Professional licensed services (Dr., Lawyer, etc.)

26.2 Attachments for equipment the City already owns will be exempt (i.e. already have a John Deere loader 204L, only compatible attachments for that specific piece of equipment will be exempt.)

26.3 “License and Maintenance costs” is only applicable for currently, in use software and systems and includes:

- a) Upgrades (not including new systems being installed); and
- b) Renewals

26.4 Financial and economist services that have already been hired to do a service during the last term of Council, where the integrity of the process must be maintained, may be utilized as an exemption. Where it is a new project, there must be a competitive process issued.

# Management Directive

## Appendix C – Single or Sole Source

A detailed Single/Sole Source form is uploaded to the PO. The following provides rationale as to why a Single/Sole Source would be recommended:

- If no responses were submitted or no suppliers requested participation to a procurement process;
- If no responses conform to the essential requirements of the procurement document;
- If no suppliers satisfied the conditions of the procurement document;
- If the goods or services can only be supplied by a particular supplier and no reasonable alternative or substitute good or service exists for any of the following reasons:
  - i. the requirement is for a work of art;
  - ii. the protection of patents, copyrights, or other exclusive rights;
  - iii. due to an absence of competition for technical reasons (i.e. compatibility with other equipment, proof must be provided);
  - iv. the supply of goods or services is controlled by a supplier that has a statutory monopoly (i.e. Distributor for a particular area, letter from Manufacturer stating such is required);
- For goods that must be maintained by the manufacturer of those goods or its representative;
- work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor;
- the procurement is for subscriptions to newspapers, magazines, or other periodicals
- For additional deliveries by the original supplier of goods or services that were not included in the initial procurement, if a change of supplier for such additional goods or services:
  - i. cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and
  - ii. would cause significant inconvenience or substantial duplication of costs for the City (Both (i) and (ii) must apply);

## Management Directive

- If strictly necessary, and for reasons of urgency brought about by events unforeseeable by the City, the goods or services could not be obtained in time using open tendering (A failure to plan and allow sufficient time for a competitive procurement does not constitute an unforeseeable situation or urgency);
- For goods purchased on a commodity market;
- Prototype or a first good or service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;
- For purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers;
- If a contract is awarded to a winner of a design contest provided that:
  - i. the contest has been organized in a manner that is consistent with the principles of the Trade Agreements, in particular relating to the publication of a tender notice; and
  - ii. the participants are judged by an independent jury with a view to a design contract being awarded to a winner.
- If goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest.

In any of the above cases, the exception is only available, provided the requirements of the original procurement document are not substantially modified.

# Management Directive

## Appendix d – Affiliated Forms

- Change Order/Change in Scope Form
- Electronic Procurement Form
- Single Source Form
- Emergency Form
- Procurement Summary Form
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