



**Subject: Procurement**

**Policy No.: F-2**

**Approval Date:**

**Authority: By-law 2024-**

**Revised Date:**

## 1. PURPOSE

- 1.1. This Policy expresses the Township's principles and objectives in relation to its procurement program. Procurement is the process by which the Township acquires goods, services and construction. Effective procurement is a critical support function for local governments as they responsibly manage public funds. The objective of this Policy is to ensure that the Township conducts procurement processes that conform to the following principles:
- (a) Compliance with all applicable laws, regulations, by-laws, policies and trade treaties as further set out in Appendix 1 to this Policy;
  - (b) Consistency with other Municipal by-laws, policies and procedures;
  - (c) Open, fair and transparent procurement that affords equal access to all qualified suppliers;
  - (d) Reciprocal non-discrimination and geographic neutrality with respect to Ontario's trading partners and avoidance of preference for local suppliers;
  - (e) Achieving best value for the Township for the expenditure of public funds through consideration of the full range of procurement formats and the adoption of commercially reasonable business practices;
  - (f) Effective balance between accountability and efficiency; and
  - (g) Ensuring adherence to the highest standards of ethical conduct, including compliance with any applicable policies relating to ethics and/or Code of Conduct.

## 2. SCOPE

- 2.1. This Policy complies with the requirements of Section 270 (1) of the *Municipal Act*, S.O., 2001, as amended from time to time.
- 2.2. This Policy applies to the purchase of all goods, services and construction with the exception of those items set out in Appendix 2.
- 2.3. To ensure that Procurement Projects are conducted in accordance with this Policy, it is important to accurately estimate the value of the Procurement Project. The value of a Procurement Project should include all costs to the Township, including acquisition, maintenance, replacement, disposal, and training, delivery,

installation and extension options, but should exclude applicable sales taxes.

- 2.4. Subdividing, splitting or otherwise structuring procurement requirements or contracts to reduce the procurement value or in any way circumvent the requirements or intent of this By-law is not permissible.
- 2.5. The CAO and/or Treasurer are authorized to implement detailed procurement procedures and protocols that are consistent with this Policy and to supplement and amend those procedures and protocols as and when deemed necessary to meet the present and future needs of the Township. Departments should confer with the Treasurer or designate to ensure that they have all the necessary, up-to-date tools for each stage of a Procurement Project.
- 2.6. The Township may participate with other levels of government or public sector entities in cooperative purchasing ventures or joint contracts when it is in the best interests of the Township to do so. The co-operative purchasing process may be conducted in accordance with the procurement policies and procedures of the entity that is responsible for coordinating and leading the process, provided that those policies and procedures are consistent with the Township's obligations under applicable trade agreements and the principles set out in this Policy.

### 3. DEFINITIONS

In this policy,

- 3.1. **Bid** means a submission in response to a Solicitation Document.
- 3.2. **Bidder** means a supplier that submits a Bid.
- 3.3. **Chief Administrative Officer (CAO)** means the Township's administrator or his or her designate.
- 3.4. **Competitive Process** means either an Open Competition or an Invitational Competition.
- 3.5. **Competitive Procurement Project** means a Procurement Project conducted through a Competitive Process.
- 3.6. **Competitive Procurement Procedures** means the Township's procedures for conducting Competitive Procurement Projects, as developed, maintained and updated by Treasurer or designate.
- 3.7. **Council** means the Council of the Corporation of the Township of Lanark Highlands.
- 3.8. **Department** means one of the Township's business units, departments or divisions.

- 3.9. **Department Head** means the head of any Municipal Department (or his or her designate) and includes a manager or administrator.
- 3.10. **Direct Award (a.k.a. 'single source' or 'sole source' awards) means a contract award** outside of a Competitive Process.
- 3.11. **Treasurer** means the head of the Township's Finance Department, who has been delegated the authority to legally bind the corporation.
- 3.12. **Emergency Purchase** means a situation where the purchase of goods, services or construction was necessary because of an immediate risk to the safety or health of Municipal employees or the general public or because of the possibility of serious damage to Municipal or private property.
- 3.13. **Invitational Competition means a process initiated by way of an invitation to at least three** suppliers to submit Bids.
- 3.14. **Limited Competition** means a Procurement Project whose value would otherwise require an Open Competition, but the circumstances permit the solicitation of Bids from a limited number of suppliers.
- 3.15. **Low-Cost Purchase** means the purchase of goods, services or construction with a procurement value of less than \$25,000.
- 3.16. **Low-Cost Purchase Procedures** means the Township's procedures for making Low-Cost Purchases, as developed, maintained and updated by the Treasurer or designate.
- 3.17. **Master Framework Agreement** means a master agreement entered into between the Township and the pre-qualified suppliers that have been included on a Qualified Supplier Roster.
- 3.18. **Township** means The Corporation of the Township of Lanark Highlands.
- 3.19. **Open Competition** means a process initiated by way of a publicly posted Solicitation Document.
- 3.20. **Personal Purchases** means purchases by an employee or elected official of the Township, which are not for the benefit of the Township, but for the benefit and use of the requesting party.
- 3.21. **Procurement Project** means any purchase of goods, services or construction by one of the Township's Departments, including Competitive Procurement Projects and Direct Awards.
- 3.22. **Qualified Supplier Roster** means a list of suppliers that have participated in and

successfully met the requirements of a Request for Supplier Qualifications (RFSQ), and have been pre-qualified to compete for discrete work assignments involving the delivery of a particular type of goods, services or construction that may be required during the term of the roster.

- 3.23. **Roster Competition** means an expedited form of competition between suppliers that have been included on a Qualified Supplier Roster.
- 3.24. **Solicitation Document** means the document used to solicit Bids from Bidders, including a Request for Tender (RFT)/Invitation to Tender (ITT); a Request for Proposals (RFP); a Request of Quotations (RFQ); and a Request for Supplier Qualification (RFSQ).
- 3.25. **Standing Offer** means a contractual commitment for a defined term between the Township and a selected supplier for the supply of particular goods or basic services, as requested through an ordering process, at a predetermined price or discount.
- 3.26. **Supply Arrangement** means an established arrangement with suppliers that have been pre-qualified to provide particular goods, services or construction to the Township during a specified period of time. Such arrangements include Standing Offers and Master Framework Agreements.

#### 4. ROLES AND RESPONSIBILITIES

- 4.1. In accordance with best practices in municipal procurement, Council recognizes the need for a clear separation of political and administrative functions in relation to the Township's procurement operations. It is the role of Council to establish policy and to approve expenditures through the Township's budget approval process. Through this Policy, Council delegates to the Township's officers and employees the authority to incur expenditures in accordance with approved budgets through the procurement of goods, services and construction in accordance with the rules and processes set out in this Policy.
- 4.2. To facilitate Council's oversight role in respect of significant projects, Council may require Departments to obtain Council's authority to initiate specific procurements by identifying procurement projects of interest, such as procurements that are of a high value or involve significant risk, security concerns or significant community interest.
- 4.3. To avoid the potential appearance of bias or political influence in procurement contract award decisions, members of Council will have no involvement in competitive procurement processes from the time those procurement processes have been initiated through the advertisement or issuance of the solicitation document until a contract has been entered into with the successful bidder, except where Council is required to approve the contract award in accordance

with Section 5.36 of this Policy.

- 4.4. The Department Head or designate is responsible for:
- (h) Identifying the need or requirement to be satisfied through a Procurement Project;
  - (i) Building a Procurement Project and obtaining appropriate approval prior to proceeding to market;
  - (j) Developing or identifying an approved funding source;
  - (k) Determining first if there are internal sources of supply or existing supply arrangements through consultation with the Treasurer or designate;
  - (l) Researching and understanding external market conditions and potential sources of supply;
  - (m) Authorizing purchases that are within their delegated authority as set out in this Policy;
  - (n) Ensuring employees involved in Procurement Projects have appropriate training;
  - (o) Ensuring Department compliance with all procurement policies guidelines, applicable laws; trade agreements and regulations; and
  - (p) Supporting the promotion of compliance with this Policy and of sound procurement practices and supporting the provision of appropriate education and training to employees involved in Procurement Projects.
- 4.5. The Treasurer or designate is responsible for:
- (a) Researching, developing, updating and communicating corporate purchasing policies, procedures, guidelines and standards;
  - (b) Providing a quarterly report to Council that includes the itemization of all purchases in excess of \$100,000 with a description of each purchase inclusive of actual cost and budget, if not previously approved by Council;
  - (c) Advising Municipal staff on policies, regulations and legislation affecting procurement;
  - (d) Providing appropriate orientation, training and tools to employees involved in public procurement activities;
  - (e) Advising on Competitive Procurement Projects;
  - (f) Monitoring compliance across the organization and reporting on performance to the CAO and Management team;
  - (g) Continually analyzing the Township's business requirements and identifying opportunities for cost savings or more strategic sourcing;
  - (h) Authorize spending approval limits of up to \$10,000 for positions that are not expressly named in this Policy; and
  - (i) Ensuring proper internal controls including segregation of duties.
- 4.6. The Finance Department is responsible for:
- (a) Maintain Purchasing Card controls;
  - (b) Processing of all payments to vendors; and
  - (c) Monitoring established internal controls for the purchasing process.
- 4.7. The CAO or designate is responsible for:

- (a) Approving purchases per the delegation of authority; and
- (b) Providing oversight of the purchasing process.

4.8. Council is responsible for approving purchases which exceed the approval limits of delegated procurement authorities as set out in Appendix 4 of this Policy.

## **5. SPECIFIC DIRECTIVES**

### Township's Conduct and Internal Conflict of Interest

- 5.1. The Township shall ensure that the management of all Procurement Projects is free from actual or apparent internal conflicts of interest. All participants in the Procurement Project (including all procurement staff, all involved members of the Department, all members of the evaluation team) shall ensure that there are no undeclared actual or apparent internal conflicts of interest. Elected officials within the Township shall not have any direct or indirect involvement in any Procurement Project or decision outside of the required approvals set out in this Policy.
- 5.2. Personal Purchases are prohibited. No employee or immediate family member (including spouse, children or any family member residing under the same roof) may submit a Bid in response to a Solicitation Document.
- 5.3. Municipal employees shall review Municipal Policies and ensure that all purchasing decisions and Procurement Projects are managed in accordance with this Policy and the highest standards of business ethics, as contained in the Code of Purchasing Ethics, published by the National Institute of Government Purchasing and the Purchasing Management Association of Canada.

### Suppliers' Conduct and External Conflicts of Interest

- 5.4. Procurement Projects shall be free of external conflicts of interest. All suppliers shall declare, as part of their Bid in a procurement process, that there are no conflicts of interest or provide details of any actual or apparent conflicts of interest. The Township shall ensure that all procurement templates include appropriate conflict of interest language and declarations.
- 5.5. Where a supplier is retained to participate in the development of a Solicitation Document or the specifications for inclusion in a Solicitation Document, that supplier shall not submit a Bid or directly or indirectly participate in the submission of any Bid in response to that Solicitation Document. While this restriction shall be deemed to apply to all Municipal Procurement Projects, it should be disclosed in the initial procurement process by which the supplier is retained.
- 5.6. The Township expects suppliers to act with integrity and may refuse to do business with any supplier that:
  - (a) has an actual or potential conflict of interest;

- (b) has an unfair advantage in the procurement process; or
- (c) has engaged in illegal or unethical bidding practices.

5.7. Illegal or unethical bidding practices include:

- (a) bid-rigging, price-fixing, bribery or collusion or other behaviors or practices prohibited by federal or provincial statutes;
- (b) attempting to gain favour or advantage by offering gifts or incentives to Municipal officers and employees, members of Council or any other representative of the Township;
- (c) lobbying members of Council or Municipal officers and employees or engaging in any prohibited communications during a procurement process;
- (d) submitting inaccurate or misleading information in response to a procurement opportunity; and
- (e) engaging in any other activity that compromises the Township's ability to run a fair procurement process.

Low-Cost Purchase

- 5.8. Departments may acquire goods, services or construction with a procurement value of less than \$25,000, in accordance with this Section and the Township's Low-Cost Purchase Procedure. The Department Head may authorize specific individuals within the Department to make Low-Cost Purchases and may assign specific spending authority limits with the approval of the Treasurer. The Department Head is responsible and accountable for Low-Cost Purchases.
- 5.9. The Township operates a P-Card (Purchasing Card) program that provides Municipal employees with corporate credit cards that may be used to purchase goods and services on behalf of the Township up to their designated transaction and monthly limits as approved by the Department Head and the Treasurer. Any low-cost purchase made using a P-card is subject to the P-card policies and *P-Card Employee Acknowledgement* signed by all employees who are given P-cards.
- 5.10. A competitive process is not required for purchases under \$5,000. However, comparison pricing should be done where practical. Employees making low value purchases shall do so within the principles set out in section 1.2 of this Policy. Documented quotations are not mandatory.
- 5.11. For the purchase of goods, services or construction with a procurement value over \$5,000 but under \$25,000, the Department shall obtain at least three (3) documented quotations from qualified suppliers. Quotations may be solicited by telephone, fax or email. If less than three quotes are available, a record of attempts to obtain three quotes shall be maintained by the Department.

### Supply Arrangement

- 5.12. The Township may enter into Supply Arrangements with one or more supplier(s) for the supply of particular goods, services or construction.
- 5.13. It is the responsibility of the Department to determine, through consultation with the Treasurer or designate, if there is an existing Supply Arrangement for the required goods or services before making a purchase.
- 5.14. If the required goods or services are available under an existing Standing Offer, typically in the form of an annual purchase order or other form of agreement, the Department should purchase the goods or services through the established ordering process.
- 5.15. If a Qualified Supplier Roster has been established for the required goods or services, the goods or services purchases through a Roster Competition conducted in accordance with the process set out in the Master Framework Agreement.
- 5.16. The Township may consider establishing a Supply Arrangement for goods or services that are required on a regular or repetitive basis by one or more Departments.
- 5.17. If a Department anticipates making multiple purchases of the same goods or services and the total value of those purchases may exceed \$25,000, the Department shall contact the Treasurer to discuss the possibility of establishing a Standing Offer or a Qualified Supplier Roster with Master Framework Agreements.
- 5.18. Supply Arrangements are established through a Competitive Process managed by the Township and conducted in accordance with the Township's Competitive Procurement Procedures.

### Competitive Process

- 5.19. Goods, services or construction with a procurement value at or over \$25,000 shall be purchased through a Competitive Process managed by the Township and conducted in accordance with the Township's Competitive Procurement Procedures. Competitive Procurement Projects involve a multi-stage procurement cycle and the roles and responsibilities of those involved in the various stages of a Procurement Project are described in detail in the Township's Competitive Procurement Procedures.



### Invitational Competition

- 5.20. For the purchase of goods, services or construction at or over \$25,000 but under \$50,000, the Township may conduct an Invitational Competition by issuing a Solicitation Document to at least three (3) qualified suppliers.
- 5.21. Where the Procurement Project is particularly complex or the market conditions warrant it, the Township may determine that an Open Competition should be conducted.

### Open Competition

- 5.22. For the purchase of goods, services or construction at or over \$50,000, the Township shall conduct an Open Competition that involves the public posting of a Solicitation Document on the Township's prescribed electronic tendering site and/or other forms of media deemed appropriate by the Township.

### Non-Standard Procurement

- 5.23. A non-standard procurement is the acquisition of goods, services or construction through a process or method other than the process and method normally required for the type and value of the required goods, services or construction. Non-standard procurement processes include:

#### Direct Awards

- 5.24. Goods, services or construction are acquired directly from a particular supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required.

#### Limited Competitions

- 5.25. Bids are solicited from a limited number of suppliers when an Open Competition would normally be required.
- 5.26. The use of a non-standard procurement process is only permitted under the specific circumstances set out in Appendix 3 of this Policy. All non-standard procurement processes shall be approved in accordance with this Policy and any applicable procedures and protocols. In seeking approval for a non-standard procurement, the Department shall provide full details to explain why the Procurement Project fits into one or more of the circumstances under Appendix 3.
- 5.27. A written report shall be prepared for each contract awarded through a Non-Standard Procurement, including the value and kind of goods or services procured and a statement indicating the circumstances and conditions that justified the use of a Non- Standard Procurement. The report and any supporting

documentation shall be maintained for a minimum of three (3) years from the contract award date.

### In-House Bids

5.28. The acceptance and award of in-house bids requires the prior approval of Council and only be permitted where private sector suppliers have also been given an opportunity to submit bids.

### Unsolicited Proposals

5.29. All unsolicited proposals, including any offers for presentations or product/service trials submitted to the Township with the expectation on the part of the submitter of obtaining consideration for an ensuing contract or purchase by the Township, shall be directed to the CAO for review and approval for acceptance.

5.30. In the event that an actual goods/services product presentation or demonstration would be required in advance of a purchase decision, such presentation or demonstration should be included as part of the formal competitive bid process.

5.31. Any procurement resulting from the receipt of an unsolicited bid shall comply with the provisions of this Procurement Policy.

5.32. In the absence of a competitive process, a contract may only be awarded in respect of an unsolicited proposal if a Non-Standard Procurement is permitted in accordance with this Policy and all applicable procedures and protocols.

### Approvals and Delegated Authorities

5.33. Delegated authorities to initiate procurement and approve a contract award are based on the approval limits set out in Appendix 4 of this Policy.

5.34. The Reeve, CAO, Clerk and Treasurer have the authority to bind the corporation as a statutory officer and are authorized to commit the Township to a contract through the execution of a legal agreement.

5.35. The delegated procurement authorities are subject to the following conditions:

- (a) No contract award may be approved unless funded within the Council approved budget and the procurement process was conducted in accordance with this Policy and all applicable procedures and protocols.
- (b) No contract may be entered into unless within the approved Council budget in an amount sufficient to cover the procurement value is available and the contract award has been approved in accordance with this Policy and all applicable procedures and protocols.

5.36. Council approval for the award of a contact is required if:

- (a) the procurement value exceeds the approval limits of delegated procurement authorities set out in Appendix 4 of this Policy; or 5.36 of this Policy, have not been met; or
- (b) there is an irregularity or unresolved challenge in connection with the Procurement Project and, in the opinion of the CAO, the award of the contract is likely to expose the Township to significant legal, financial or reputational risk.

Emergency Purchases

5.37. Notwithstanding any other provisions of this Policy, goods, services or construction may be purchased on an emergency basis if time does not permit the use of a standard procurement process due to an unforeseeable situation or event that is a threat to any of the following:

- (a) Public health and/or safety;
- (b) The maintenance of essential Municipal services or to prevent the disruption of essential Municipal services;
- (c) The welfare of persons or of public property; or
- (d) The security of the Township’s interests

5.38. Emergency Purchases shall be approved as follows:

<b>Emergency Purchase</b>	<b>Approval Level</b>
During business hours	CAO
Outside business hours	Department Head

5.39. As soon as possible after the emergency situation has been addressed, the Department Head shall prepare a report setting out the circumstances giving rise to the Emergency Purchase, the total value of the Emergency Purchase and the supplier selected to provide the necessary goods, services or construction and shall submit a report setting out the business case as follows:

<b>Emergency Purchase</b>	<b>Report</b>
Procurement value of \$10,000 up to \$50,000	Submit report to CAO
Procurement value in excess of \$50,000	Submit report to Council

Supplier Relations and Contract Management

5.40. Promptly following the award of a contract in a Competitive Process, each Department is responsible for sending out notification letters to unsuccessful

Bidders informing them that they were not selected.

5.41. Within 72 days of the contract award, each Department is responsible for posting the notice of award on the Municipal website. The notice shall remain readily accessible for a reasonable period of time and shall include the following information:

- (a) the name and address of the Township;
- (b) the name and address of the successful supplier;
- (c) a description of the goods or services procured;
- (d) the value of the successful bid or the highest and lowest offers taken into account in the award of the contract;
- (e) the date of award;
- (f) the type of procurement method used; and
- (g) in the case of a Non-Standard Procurement, the conditions or circumstances that justified the use of a Non-Standard Procurement.

#### Debriefings

5.42. Unsuccessful Bidders may request a debriefing. If a debriefing is requested, it should be scheduled with and conducted by the originating Department Head in accordance with the protocols established by the Township. Bidders are entitled to an explanation of the reasons why its bid was not selected and the relative advantages of the successful Bidder's Bid; however, care will be taken not to provide information that might prejudice fair competition between suppliers.

#### Bid Protest Procedure

5.43. Unsuccessful Bidders may also formally protest the outcome of a Procurement Project. In order to avail itself of the Township's bid protest procedure, the Bidder shall first request and receive a debriefing. If the Bidder still wishes to challenge the outcome of the Procurement Project, they may formally protest the outcome in writing. The Department shall respond in a timely fashion to any bid protest and shall respond with a schedule to address the Bidder's concerns. The appropriate Department representative and the CAO shall attend any bid protest meeting.

#### Contract Management

5.44. The following principles shall be followed with respect to the management of all Municipal contracts:

#### Scope Management

5.45. The scope of each contract shall be appropriately managed to ensure that all deliverables are properly received, payments are appropriately made, all timelines are met and any extension options are appropriately exercised.

### Payments to Suppliers

5.46. Departments are responsible for ensuring that all payments are made in accordance with the contract and for reviewing and approving supplier invoices.

### Scope Changes and Contract Amendments

5.47. Scope changes and contract amendments are to be managed prudently when unforeseen events arise when a project is underway:

- (a) The supplier shall submit a change order request including rationale, cost and timing implications;
- (b) The change shall be approved by the Township prior to commencement of the work;
- (c) The change shall be funded within an approved budget;
- (d) The amendment of the contract shall be approved in accordance with the approval limits set out in Appendix 4 of this By-law; and
- (e) If the amendment results in an increase of greater than 10% of the original contract value, the amendment shall require the additional approval of the CAO.

### Contract Disputes

5.48. All potential contract disputes with suppliers shall be managed in accordance with the dispute resolution mechanisms outlined in the contract. Where a contract is silent on dispute resolution, Departments should ensure that potential disputes are proactively managed and appropriately escalated. Written copies of all communications and correspondence with suppliers concerning a contract dispute shall be maintained by the Department.

### Performance Tracking

5.49. Departments shall ensure that the performance of all suppliers is appropriately monitored and recorded. Departments shall maintain written records of any performance issues, including correspondence or notifications to suppliers. Ensuring that performance problems are addressed quickly and effectively and that a written record is kept of all matters connected with performance tracking is essential to proper contract management. Further, Departments shall conduct a performance evaluation as per the vendor performance procedure after the expiration or termination of every contract in accordance with the criteria and forms prescribed by the Township.

### Termination

5.50. A contract can only be terminated prior to its expiry date with the involvement of CAO, Clerk and/or Treasurer. Where necessary, the Township will retain external legal services to provide advice on any legal risks connected with terminating the agreement.

Supplier Barring

5.51. Problematic suppliers may be barred from future contracts with the Township in accordance with the Township's Supplier Barring Protocol, as maintained by the Treasurer.

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## Records Retention

- 5.52. Proper documentation should be maintained for all stages of the Procurement Project and should follow the Township's Records Management Program Policy.
- 5.53. Documentation and reports regarding procurement processes and contract awards (including Non-Standard Procurements) and data necessary to trace the process conducted electronically shall be maintained for at least three (3) years from the contract award date.
- 5.54. Departments are responsible for ensuring that all documentation relating to the Procurement Project is properly filed in the Procurement Project file, regardless of the Procurement Project value. The following are the minimum requirements of what should be kept in each Procurement Project file:
- (a) Internal drafts of all Solicitation Documents, including internal correspondence concerning same;
  - (b) Original copies of all final Solicitation Documents;
  - (c) Copies of the Procurement Project plan, together with evidence of all necessary conditional approvals;
  - (d) If using an Invitational Process, evidence of quotations obtained from suppliers (e.g., copies of emails, written submissions);
  - (e) Records of any communications with Bidders or potential Bidders;
  - (f) Copies of all addenda;
  - (g) Original copies of all Bids received from Bidders (including amendments to Bids);
  - (h) All records of evaluation processes, including evaluator notes and final scores;
  - (i) Copy of the final recommendation memo together with all required approvals;
  - (j) Copies of debriefing or bid protest procedure requests and outcomes; and
  - (k) Council Resolutions if required.

## Confidentiality

- 5.55. The Township shall ensure that Bidder and supplier information submitted in confidence as part of a Procurement Project is adequately protected. Departments shall ensure that all Bids and contracts are kept in a secure location and only accessible by those individuals directly involved with the Procurement Project.

## Access to Information

- 5.56. The Township is subject to the *Municipal Freedom of Information and Protection of Privacy Act* and shall ensure the proper maintenance, release and management of all procurement records. Departments should consult with the CAO, Clerk and/or Treasurer for any requests for access to procurement-related documents.

### Commitment to Accessibility

5.57. When procuring goods, services and facilities, the Township will incorporate accessibility criteria and features. Where applicable, procurement documents will specify the desired accessibility criteria to be met and provide guidelines for the evaluation of proposals in respect to those criteria. Where impractical for the Township to incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities, the Township will provide a written explanation, upon request.

### Procurement Training

5.58. The Township will provide orientation and training as required to Municipal employees involved in procurement activities. Departments are to ensure that employees involved in procurement activities have the appropriate training and notify the Treasurer or designate when new employees are hired or there are changes in duties affecting current staff.

### Monitoring, Reporting and Non-Compliance

5.59. Municipal employees shall adhere to the Township's procurement policies. Department Managers are responsible for ensuring compliance. The Treasurer is responsible for monitoring compliance across the organization, including conducting spot audits of Procurement Projects managed directly by Departments, and reporting on performance to the CAO.

### Review of Purchasing By-law, Policies and Procedures

5.60. The Township shall review and undertake a comprehensive review of this Policy every five (5) years and report to Council accordingly. The review of purchasing policies and procedures shall be conducted on an ongoing basis.



## Appendix 1 - Applicable Laws, Trade Agreements and Regulations

1. Procurement activities at the Township of Lanark Highlands shall be conducted in accordance with all laws, regulations and standards, including, but not limited to:
  - i. *Income Tax Act* and Regulations
  - ii. *Excise Tax Act* and Regulations
  - iii. *Occupational Health and Safety Act* and Regulations
  - iv. *Worker's Compensation Act* and Regulations
  - v. *Municipal Freedom of Information and Protection of Privacy Act* and Regulations
  - vi. *Municipal Act* and Regulations
  - vii. *Competition Act* and Regulations
  - viii. *Accessibility for Ontarians with Disabilities Act* and Regulations
  - ix. Township of Lanark Highlands by-laws and all Council and administrative policies, procedures and protocols
  - x. Discriminatory Business Practices Act
  
2. Procurement activities at the Township of Lanark Highlands shall comply with all applicable trade agreements, including:
  - i. Canadian Free Trade Agreement (CFTA) – all Provinces & Territories;
  - ii. Ontario and Quebec Trade Cooperation Agreement – Ontario and Quebec;
  - iii. Canadian-European Union Comprehensive Economic Trade Agreement (CETA); and
  - iv. any future trade agreements that are applicable to the Township.

## Appendix 2 – Exceptions

### 1. This Policy does not apply to the acquisition of the following goods and services:

- (a) Goods or services the supply of which is controlled by a statutory monopoly
- (b) Work to be performed on property under the provisions of a lease, warranty or guarantee held in respect of the property or the original work
- (c) Goods purchased on a commodity market
- (d) Goods or services purchased from:
  - government entities or public bodies
  - philanthropic institutions
  - persons with disabilities
- (e) Goods and services related to training and education, including:
  - conferences, conventions, courses and seminars
  - newspapers, magazines, books and periodicals
  - memberships
  - computer software for educational purposes
- (f) Services that may only be provided by the following licensed professionals:
  - medical doctors
  - dentists
  - nurses
  - pharmacists
  - lawyers
  - notaries
- (g) The following specialized goods and services
  - health services and social services, including payment to social agencies for purchased services
  - financial, banking and underwriting services
  - expert witnesses
  - arbitrators
  - external auditors
  - utility relocates by a public utility
  - railway crossings
  - postage
  - original artwork
  - goods intended for resale to the public

**2. This Policy does not apply to payment of the Township's general expenses, such as:**

- Refundable employee expenses (advances, meal allowances, travel, miscellaneous)
- Payroll deduction remittances
- Workplace Safety Insurance Board payments
- Health benefits
- Tax remittances
- Debenture payments
- Insurance premiums
- Damage claims
- Legal settlements
- Arbitration awards
- Petty cash replenishment
- Charges to and from Area Municipalities and other government bodies
- Council approved grants
- Refunds (such as property tax refunds, building permit refunds and refunds for cancelled services, programs or events)
- Committee Fees
- Licenses fees, including vehicles, etc.
- Utility's (such as water and sewer, hydro, natural gas, telecommunications and cable television)

### Appendix 3 – Circumstances for Non-Standard Procurement

Goods, services and construction may only be acquired through a non-standard procurement process under the circumstances describe below.

#### 1. For all Procurement Projects with a procurement value of \$100,000 or greater:

- (a) Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through a Competitive Process could reasonably be expected to compromise confidentiality, cause economic disruption or otherwise be contrary to the public interest.
- (b) Where no Bids are received in response to a Competitive Process conducted in accordance with this Policy.
- (c) To ensure compatibility with existing goods and products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights or to maintain specialized products that must be maintained by the manufacturer or its representative.
- (d) Where there is an absence of competition for technical reasons and the goods or services can only be supplied by one particular supplier and no alternative or substitute exists.
- (e) The procurement is 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:
  - **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**
  - would cause significant inconvenience or substantial duplication of costs for the Township.
- (f) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
- (g) For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- (h) For a contract to be awarded to the winner of a design contest, provided that the contest was organized in a fair and transparent manner and was advertised by publicly posted notice and participants were judged by an independent jury.

- (i) The procurement is otherwise exempt from Open Competition requirements under all applicable trade agreements and it is in the best interests of the Township to proceed with a Non-Standard Procurement.

**2. For Procurement Projects with a procurement value of less than \$ 100,000:**

- (a) Under any of the circumstances described above.
- (b) For procurement of goods and services related to cultural or artistic fields.
- (c) For procurement from non-profit organizations.
- (d) For additional deliveries by the original supplier of goods or services that were not included in the initial procurement where a change of supplier for such additional goods or services would cause significant inconvenience or substantial duplication of costs for the procuring entity, provided that the total value of all recurring contracts for the same goods or services do not exceed \$100,000 in a twelve-month period.

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**Appendix 4 – Delegated Approval and Commitment Authorities**

<b>Department</b>	<b>Position</b>	<b>Approval Limit</b>
<b>Public Works</b>	Manager of Public Works	\$50,000
	Public Works Technologist/Supervisor	\$25,000
	Lead Hands	\$5,000
	Administrative Assistant	\$1,000
<b>Fire/Emergency Services</b>	Fire Chief	\$50,000
	Deputy Fire Chief	\$25,000
	Volunteer Station Captains	\$1,000
	Administrative Assistant	\$1,000
<b>Development Services</b>	Manager of Planning Building/CBO	\$50,000
	Administrative Assistant	\$1,000
<b>Administration</b>	CAO	\$100,000
	Clerk	\$50,000
	Administrative Assistant	\$1,000
	Treasurer	\$100,000
	Deputy Treasurer	\$5,000
	Accounts Payable/HR Payroll Clerk	\$1,000
	Accounts Receivable/Tax Clerk	\$1,000
<b>Parks and Recreation</b>	Manager of Facilities and Community Affairs	\$50,000
	Lead Hand	\$5,000
	Administrative Assistant	\$1,000

**Appendix 4 – Delegated Approval and Commitment Authorities**

1. The CAO, Clerk, and Treasurer have authority to bind the corporation as statutory officers.
2. The Treasurer has unlimited authority to release bi-weekly employee payrolls and legislated payments.
3. \*\* Administrative Assistant

<b>Purpose</b>	<b>Amount</b>	<b>Notes</b>
Postage Refill	\$ 10,000	Requires sign off by Treasurer or Clerk prior to transaction
Training/Room Bookings	\$ 5,000	As directed by Supervisor
Office Supplies	\$ 1,000	May exceed amount if large order; shall be approved by Supervisor if exceeds

**Guidelines to Delegation of Authority Matrix**

1. The authority is granted based on the need of each position.
2. Approvals limits are on a per transaction basis.
3. Limits are the maximum value of a transaction.
4. The authority to initiate a procurement process is based on the estimated procurement value. The authority to approve a contract award is based on the actual procurement value that includes all fees and taxes.
5. Authority can only be exercised within the scope of the position. i.e. the incumbent cannot approve transaction in another department.
6. Transactions can only be approved within the Council approved budget.