



POLICY CS-02: Purchasing Policy

Corporate Services

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1. Purposes of this Policy

The purposes of this Policy are:

- 1.1 To outline the guiding principles of public procurement and the approach that Norfolk County (hereinafter "County") and its local boards will take when procuring goods, services and construction;
- 1.2 To clearly define the roles and responsibilities of those involved in the Procurement Process; and
- 1.3 To ensure that the County's procurement practices comply with applicable Trade Agreements.

1.1 Goals of this Policy

The goals of the County's procurement operations are:

- 1.1.1 To set out guidelines for the County to ensure that all purchases of materials, Supplies and Services provide the lowest costs and best value consistent with the required quality and service.
- 1.1.2 To maintain an open and honest process that is fair, impartial and transparent.
- 1.1.3 To promote and maintain the integrity of the purchasing process and protect Council, suppliers and staff involved in the process by providing clear direction and accountabilities.

- 1.1.4 To promote and incorporate the requirements of the Accessibility for Ontarians with Disabilities Act, 2005, S.O.2005, c. 11, as amended (the "AODA") in procurement activities of the County as well as any requirements contained in other legislation (either provincial or federal) which may impact the procurement activities of the County.

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2. **DEFINITIONS**

For the purposes of this Policy,

“Award” means the selection of the Bidder or Proponent as evidenced by Contract.

“Best Value” shall mean the consideration of purchase price, warranty, service costs, life cycle costs, time of completion/delivery, inventory carrying costs, operating and disposal costs to determine the lowest compliant bid from a responsive, responsible bidder.

“Bid” shall mean a submission from a prospective Supplier in response to a request for the purchase of Supplies or Services issued by the County.

“Bid Deposit” shall mean a financial guarantee to ensure the successful Bidder will enter into an agreement.

“Bid Request” shall mean a request for competitive Bids that may be, without limitation, in the form of an Invitational Request for Quotation (IRFQ), Request for Quotation (RFQ), Request for Tender (RFT), a Request for Proposal (RFP), or a Request for Pre-Qualification (RFPQ).

“Bidder” shall mean an arms-length party that submits a Bid.

“Blanket Order” shall mean an agreement with a Supplier that sets terms and conditions for procuring specific Supplies and/or Services over a period of time. The Blanket Order establishes an account with the Supplier whereby such Supplier agrees to supply the said items at specified prices. There is no guarantee of quantities or delivery time.

“Chief Administrative Officer” or “CAO” means the Chief Administrative Officer of the County or designate.

“Competitive Process” means either an Open Competition or an Invitational Competition.

“Conflict of Interest” shall mean:

(i) a conflict between one’s private interests and one’s public or fiduciary duties, including but not limited to any action, decision or recommendation by an agent or public official acting in an official capacity, the effect of which could be to the private pecuniary benefit or detriment of the person or person’s relative; or

(ii)(a) in relation to a bidding process, a Bidder has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having, or having access to, confidential information of the County in the preparation of its Bid that is not available to other Bidders; (ii) having been involved in the development of the Bid Request including having provided advice or

assistance in the development of the Bid Request; (iii) receiving advice or assistance in the preparation of its response from any individual or entity that was involved in the development of the Bid Request (iv) communicating with any person with a view to influencing preferred treatment in the bidding process (including but not limited to the lobbying of decision makers involved in the bidding process); or (v) engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive bidding process or render that process non-competitive or unfair; or

(ii) (b) in relation to the performance of its contractual obligations, a Supplier's other commitments, relationships, or financial interests: (i) could, or could be seen to, exercise an improper influence over the objective, unbiased, and impartial exercise of its independent judgement; or (ii) could, or could be seen to, compromise, impair, or be incompatible with the effective performance of its contractual obligations.

"Construction Service" shall mean a service that has as its objective the realization of civil or building works.

"Consulting Services" shall mean services of an advisory and/or technical nature required to support policy development, decision-making, administration, or management of a business or public entity; generally provided by individuals or organizations that possess specific knowledge, technical skills or unique abilities.

"Consultant" shall mean to work or serve in an advisory and/or technical capacity; a person or company that possesses unique qualifications which allow them to perform specialized advisory and technical services.

"Contract" shall mean a written agreement between the County and another party for the purchase of Supplies, Services, or Construction pursuant to this policy.

"Cooperative Purchasing" means a variety of arrangements whereby two or more public procurement entities combine their requirements in a single procurement process to obtain advantages of volume purchases from the same supplier(s) or contractor(s).

"Council" shall mean the Council of the Corporation of Norfolk County.

"County" means the Corporation of Norfolk County.

"Department" means any department of the County.

"Emergency Purchase" shall mean a purchase made in a crisis situation where immediate action is required to prevent the possible loss of life or property.

"General Manager" shall mean a head of a division operating within Norfolk County.

"Generic" shall mean that no specific brand or name shall be included as part of the specifications unless such a brand or name is required to identify the intent of a

purchase, an order, or a proposal.

“Goods” means tangible objects of all kinds, including but not limited to supplies, materials and equipment.

“Invitational Request for Tender” (IRFT) means an expedited, invitational competition between suppliers that have been included on a Request for Pre-Qualification for the selection of a supplier to provide the Deliverables as specified in the original Open Competition during the term of the roster.

“Invitational Request for Quotation” (IRFQ) means a competitive process in which an invitation to submit Bids is issued to at least three Suppliers.

“Litigation” means any unresolved dispute where either a legal proceeding has been commenced, or a threat of legal action has been made in writing.

“Performance Security” means a financial guarantee of the full completion of all work as required in a Bid Request.

“Purchasing Authority/Designate” shall mean the authority delegated to designated employees to initiate, to administer and/or to award the purchase of Supplies and Services (purchasing function) up to the prescribed thresholds in accordance with this Purchasing Policy – CS-02, with the Purchasing Procedures – CS-03, and with By-law No. 2021-19. The Purchasing Authority/Designate is the person responsible for ensuring that the appropriate purchasing process has taken place.

“Purchase Order” means a document generated by a requester authorizing the commencement of a purchasing transaction. Typically, it contains a description of the need, date, cost, account information, and signatures of the purchasing authority and the spending authority. The Purchase Order may be submitted via electronic copy (preferred) or hard copy.

“Request for Information” (RFI) means a request for information from the market for the purpose of compiling market research on what Goods and/or Services are available. This process is not intended to lead to an Award and does not create any contractual obligations.

“Request for Pre-Qualification” (RFPQ) means a process of screening potential suppliers in which such factors as financial capability, reputation and experience are considered in order to develop a list of qualified suppliers who may be allowed to submit bids or proposals, or who may be hired on a rotational basis to fulfill specific requirements or projects.

“Request for Proposal” (RFP) means a publicly advertised Bid where a need is identified, but the method by which it will be achieved is unknown at the outset. This process allows Suppliers to propose solutions or methods to arrive at the desired result and each proposal is evaluated based on defined criteria.

“Request for Quotation” (RFQ) means a publicly advertised Bid where the specifications are defined, and the lowest Compliant Bidder is recommended for an Award. The estimated value of the Procurement is greater than \$30,000.

“Request for Tender” (RFT) means a publicly advertised Bid for Supplies and/or Services in which the requirements are known at the outset and are listed in specifications contained in the Bid Request. Tenders are awarded based on the lowest priced compliant tender received.

“Services” shall mean intangible items such as, without limitation, telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal services, medical and related services, insurance, leases for grounds, buildings, office or other space required by the Corporation and the rental, repair or maintenance of equipment, machinery, or other personal and real property.

“Single Source Supply” is a method of procurement where there is more than one Supplier able to supply the required Goods or Services but for reason of function or service, one supplier is recommended for consideration, and the purchase will be made without a competitive bidding process.

“Sole Source Supply” is a method of procurement where there is only one available Supplier for the required goods or services.

“Specifications” means the precise requirements or characteristics of the Goods and/or Services to be acquired.

“Spending Authority” shall mean the authorization delegated to designated employees to spend on Supplies and Services up to the prescribed dollar thresholds in accordance with By-law 2021-162, To Delegate Spending Authority to Norfolk County Officers and Employees, or its successor by-law.

“Submission” means any and all offers, bids, or other responses to a Bid Request.

“Successful Bidder” shall mean the Bidder who has met or exceeded the minimum requirements of the Bid Request in its entirety as determined by the County in its absolute discretion and to whom an award is recommended.

“Supplier” means any individual or organization providing Supplies or Services to the County, including but not limited to, contractors, consultants, service organizations, etc.

“Supplies” shall mean tangible goods, wares, merchandise, material and equipment.

“Suspension” means restricting any contractual relationships with a Supplier for a set period of time.

“The Corporation of Norfolk County” herein is also referred to as the “County” or the “Corporation”.

“Unsolicited Proposals” shall mean submissions from any source whereby the originator believes that the proposal may be of benefit to the County and is not submitted to the County in response to a Bid request or other process initiated by the County.

3. AUTHORITIES, ROLES AND RESPONSIBILITIES

3.1 Expenditure Authorization

- 3.1.1 Council has the ultimate authority for all expenditures. Council delegates this authority to initiate procurement processes for Supplies, Services and Construction through the authorization of annual budgets, or by resolution or by-law. The Finance Department cannot pay for any item that has not been authorized by Council through budget appropriation or specific resolution. Reference FS-13 Financial Transactions Signing Authority and Separations of Duties Policy.
- 3.1.2 Authorization limits for payment are outlined in the Spending Authorization Policy CS-01 and applicable by-laws.
- 3.1.3 This authority also extends to signing all required purchasing documentation, including the signing of contracts and agreements for procured Supplies and Services when a bid is awarded, as per the Spending Authorization Policy CS-01.

3.2 General Manager Authorization and Responsibilities

- 3.2.1 Each General Manager is responsible for administering the purchasing function within his or her divisions as authorized and may assign authority for the purchasing function to a Director. Approval for this designation must be recorded and approved in writing by the Chief Administrative Officer and forwarded to Finance (Purchasing Authority Delegation, Form FO-145).
- 3.2.2 Each General Manager has authority to award Bid Requests up to the value of their prescribed spending authority when all the following conditions apply:
 - 3.2.2.1 It is the lowest Tender meeting specifications, or the Proposal meeting the price per point methodology, and
 - 3.2.2.2 The scope of the project has not changed from what was approved by Council, and
 - 3.2.2.3 The amount of the Bid, plus all related costs, is within the approved allocations, and
 - 3.2.2.4 The contract is not anticipated to be financed by debentures.

If any of these conditions is not met, the Bid must be referred to Council for approval.

3.2.3 If the value of the Bid Request exceeds the General Manager's prescribed spending authority, the CAO and Treasurer have the authority to award the Bid Request if all conditions in section 3.2.2 have been met.

3.2.4 The purchasing and spending functions cannot be authorized by the same individual for the same transaction.

3.3 Director Authorization and Responsibilities

A Director, to whom any authority has been assigned pursuant to section 3.2.1 herein, shall be authorized to administer the purchasing process assigned by the General Manager up to the value of their prescribed spending authority.

3.4 Purchasing Authority/Designate

A Director may further delegate responsibility for the purchasing process to a Purchasing Designate. Such appointment must be recorded in writing and approved by the General Manager (Form FO-145).

4. PLANNING FOR PROCUREMENT

4.1 General

The Issuing Department should, prior to initiating any Procurement process for Goods and/or Services:

- 4.1.1 Ensure that the Goods and/or Services are legitimately required for County purposes;
- 4.1.2 Consider short and long-term requirements with respect to quantity and supply duration, or total project cost considering the life span of the program or project;
- 4.1.3 Consider the cost of ongoing maintenance, support, and licensing, etc.;
- 4.1.4 Confirm availability of funding;
- 4.1.5 Allow sufficient time to complete the Procurement process, in accordance with the annual Bid Request Closing Schedule (Form FO-157) posted by Purchasing Services; and
- 4.1.6 Prepare detailed specifications, statements of work and quantity requirements with the underlying premise of encouraging full, open and fair competition.

Where similar Goods and/or Services are required in connection with one project, all of those Goods and/or Services, including all contemplated phases of the project, shall be included in determining the estimated value of the Procurement

Procurements shall not be divided to avoid the requirements of this Policy.

5. PURCHASING MECHANISMS

All Bid requests, including but not limited to Request for Tenders, Request for Proposals, Request for Pre-Qualifications, and Request for Information shall be advertised in accordance with the rules for Advertising as stated in this policy.

5.1 Co-operative Purchasing

- 5.1.1 The County may take advantage of any provincial or federal agreements, or other Competitive Procurement processes, where it is in the best interest of the County to do so.
- 5.1.2 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 County's obligations under applicable trade agreements and the County's procurement goals and objectives set out in this Policy.
- 5.1.3 A list of agencies that the County participates with will be maintained on the County's Procurement webpage.

5.2 Small Order

- 5.2.1 Small Order purchases may be used when:
 - 5.2.1.1 the purchase amount of the item is equal to or less than \$30,000.
 - 5.2.1.2 the item is not covered under a cooperative agreement, and
 - 5.2.1.3 the item is not available from County stock
- 5.2.2 A Director is authorized to make Small Order purchases within the expenditure range from such Suppliers and upon such terms and conditions as the Director deems appropriate.
- 5.2.3 Small Order purchases shall be paid by pCard whenever possible.

- 5.2.4 Staff are required to consider both cost and value when making Small Order purchases and are encouraged to seek competitive pricing.

5.3 Invitational Request for Quotation (IRFQ)

- 5.3.1 A Director shall be authorized to initiate purchases of Supplies and Services for estimated purchase amounts exceeding \$30,000 and less than \$130,000 for Goods and Services and \$300,000 for Construction upon such terms and conditions as the General Manager deems appropriate by conducting an Invitational Request for Quotation.

In an Invitational Request for Quotation, bids are solicited from a minimum of three (3) suppliers through the issuance of a Solicitation Document to the selected suppliers.

An Open Competition may be conducted in lieu of an Invitational Request for Quotation, where the Manager of Procurement or designate, in consultation with the Issuing Department, determines that it would be in the County's best interest.

Award selection for the Invitational Request for Quotation shall be made on the basis of the lowest compliant Quotation that meets minimum specifications.

- 5.3.2 The Independent Contractor Services Agreement, (Form FO-129) shall be completed and signed by both parties to finalize purchases made and services obtained for procurements made through an Invitational Request for Quotation.

5.4 Request for Quotation (RFQ)

A Director shall be authorized to initiate purchases of Supplies and Services for estimated purchase amounts exceeding \$30,000 and less than \$130,000 for Goods and Services and \$300,000 for Construction through an open competition upon such terms and conditions as the General Manager deems appropriate. Quotation requests and specifications (as applicable) will be issued and received electronically on a pre-determined date and time.

Award selection for the Quotation shall be made on the basis of the lowest compliant Quotation that meets minimum specifications.

- 5.4.1 The Independent Contractor Services Agreement, (Form FO-129) shall be completed and signed by both parties to finalize purchases made and services obtained for procurements made through a-Quotation.

5.5 Request for Tender (RFT)

- 5.5.1 A Director shall be authorized to initiate a Request for Tender for Supplies or Services for estimated purchase amounts equal to or exceeding \$130,000 for Goods and Services and \$300,000 for Construction by requesting and obtaining Bids through open competition for the Supplies or Services. A RFT shall be used to achieve an award selection made on the basis of the lowest compliant Bid that meets minimum specifications.

5.6 Request for Proposal (RFP)

- 5.6.1 A Director shall use a Request for Proposal (RFP) in place of a Tender where a need is identified but the method of achieving the need is unknown at the outset, as per the following:
- 5.6.1.1 the Supplies or Services cannot be specifically stipulated;
 - 5.6.1.2 alternative methods are sought to perform certain functions or services;
 - 5.6.1.3 innovative solutions are being sought; or
 - 5.6.1.4 achievement of Best Value is sought. The award selection will be made based on a fully disclosed evaluation method involving a combination of mandatory and desirable requirements.
- 5.6.2 The evaluation criteria and process shall be approved by the Director prior to the issuance of the Request for Proposal.
- 5.6.3 An open competition Two-Envelope process will be used for Requests for Proposal to determine the best price for the best value for the County.
- 5.6.4 A Price per Point methodology will be used for evaluation purposes. The Proposal with the lowest Price per Point in a cost RFP represents the greatest value and is the preferred Proposal. The Proposal with the highest Price per Point in a revenue generating RFP represents the greatest value and is the preferred Proposal. The preferred Proposal may not be the lowest or highest Proposal.
- 5.6.5 The names of all the Proponents and the total Bid amount of the awarded Proponent will be disclosed publicly. Where the awarded Proponent's Bid amount directly reflects unit pricing or hourly pricing, the total Bid amount will not be disclosed publicly. Any further public disclosure of information shall be made by the appropriate officer in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990*.

- 5.6.6 A modified RFP process (MRFP), which may include a modification to the evaluation process shall be reviewed and permitted with approval of the General Manager of the issuing departments and the Manager of Purchasing Services or designate.

5.7 Request for Pre-Qualification (RFPQ)

The purpose of prequalification is to ensure that each supplier intending to perform work on a County Contract can demonstrate its capability to provide the necessary expertise and resources to adequately complete the work required.

- 5.7.1 The Director may use a Request for Prequalification to short-list Suppliers, allowing those short-listed to participate in a subsequent method of procurement.
- 5.7.2 Suppliers may be pre-qualified by issuing a Request for Pre-Qualification document. Selection of pre-qualified Suppliers will be based on fully disclosed evaluation criteria.
- 5.7.3 As a result of prequalification, the County will only allow those who are pre-qualified to participate in the bidding process for scope of work and/or services as specified in the procurement document, while maintaining the competitive bidding process.
- 5.7.4 Pre-Qualification may be done on a project specific basis.

5.8 Request for Information (RFI)

A Director may use a Request for Information (RFI) prior to a Bid Request to seek information from interested parties for an upcoming solicitation. A Request for Information is a process whereby the County can acquire information and sometimes is known as a “fishing exercise”. Such process does not lead to a contract award.

5.9 Other Processes

5.9.1 Rosters

A “Roster” is the result of a competitive bidding process, which prequalifies Suppliers to be placed on a list where they will be provided an opportunity to perform work for the County as it becomes available on an invitational, rotational, low price or “best fit” basis.

5.9.2 Unsolicited Proposals

The County shall not ordinarily consider Unsolicited Proposals. However, if a legitimate need exists for the Goods and/or Services offered, then the County may commence a procurement process in accordance with this policy.

5.9.3 In-House Bids

The County does not solicit in-house bids in competition with outside Suppliers.

5.9.4 Single Source Supply

Single Source supply is a method of procurement where there is more than one Supplier able to supply the required Goods or Services but for reason of function or service, one supplier is recommended for consideration, and the purchase will be made without a competitive bidding process. All Single Source procurements must be authorized prior to the purchase through resolution of Council with the exclusion of small order purchases.

5.9.5 Sole Source Supply

Sole Source supply is a method of procurement where there is only one available Supplier for the required goods or services. All Sole Source procurements must be authorized prior to the purchase through resolution of Council with the exclusion of:

5.9.5.1 Purchase of replacement parts where the original equipment manufacturer (OEM) is the sole provider of that equipment (i.e. a transmission for Champion road grader)

5.9.6 Notwithstanding the above purchasing mechanisms, adherence to the purchasing policy is not required for a transaction specifically directed and authorized by Council to proceed outside the scope of this policy.

5.10 Pricing Index

A Director may incorporate a pricing index when procuring supplies or services for multi-year contracts or volatile markets where pricing may fluctuate on a routine basis, upon approval from the applicable General Manager and the General Manager, Corporate Services.

5.11 Conditional Bid Solicitation Prior to Capital Budget Adoption

A Director is authorized to request Bids for capital works/asset management or equipment replacement prior to the adoption of the capital budget by Council provided the Bid specifies that the acceptance and award is subject to budget approval by

Council and the scope and quantities within such Bid are subject to addition or deletion.

5.12 Point of Contact – Blackout Period

5.12.1 During the Blackout Period, Bidders/Proponents shall communicate only with a Procurement Representative identified in the Bid or Proposal Solicitation Documents, and shall not communicate with any other County employee, member of Council or any other third party involved in the Procurement process.

5.12.2 Any Bidder or Proponent that contravenes Section 5.12.1 may be disqualified from participating in the current Bid or Proposal Solicitation.

6. BID CLOSING AND OPENING

Purchasing procedures will establish appropriate review of Bid requests and Bid closing and opening procedures.

7. ADDENDA

A Bid request may be amended only by the issuance of an addendum in accordance with established Addenda procedures.

All Inquiries regarding Bid Requests will be processed in a manner that ensures corporate wide consistency and complies with applicable Trade Agreements.

8. CONDITIONS APPLICABLE TO ALL BID SUBMISSIONS

8.1 Conditions

8.1.1 These conditions apply to all bid submissions.

8.1.2 Bids must be submitted and received in the manner as specified in the Bid Request.

8.1.3 Bids submitted later than the specified closing date and time will not be accepted. No exemptions will be permitted.

8.1.4 A Bidder who has already submitted a Bid may submit a further Bid at any time up to the official closing time. The last Bid received will supersede and invalidate all Bids previously received from that Bidder.

8.1.5 All Bids will be subject to determination of award according to the purchasing mechanism used.

- 8.1.6 The disclosure of information received in response to Bid solicitation shall be treated in accordance with the *Municipal Freedom of Information & Privacy Act, R.S.O. 1990, as amended*.

8.2 Bid Rejections

The following Bids will be rejected:

- 8.2.1 A Bid that is received after the closing date and time as specified in the bid document, with no exceptions.
- 8.2.2 A Bid that does not comply with the requirements at time of closing as specified in the bid document.
- 8.2.3 A Bid that is incomplete, conditional, or which contains additions not called for, erasures, alterations or irregularities of any kind.
- 8.2.4 A Bid that does not meet specification requirements.
- 8.2.5 Failure to attend a mandatory site meeting as specified in the bid document.
- 8.2.6 In accordance with Schedule B, Bid Irregularities and Consequences, of the Purchasing Policy.

9. **BLANKET ORDERS**

A Blanket Order is an agreement with a Supplier that sets terms and conditions for procuring specific Supplies and/or Services over a period of time. A Blanket Order establishes an account with the Supplier whereby such Supplier agrees to supply the Supplies or Services at specified prices. There is no guarantee of quantities or delivery time.

A Blanket Order is available for use by all divisions and departments.

The General Manager, Corporate Services may issue and coordinate Blanket Orders following the award of Bids for all County divisions as applicable.

Staff are required to determine if a Blanket Order is available for any Supply or Service they require prior to making the purchase.

Blanket Orders shall be issued for a specific time period with all ordering divisions responsible for maintaining purchases within budget allocations.

10. **EMERGENCY PURCHASES**

10.1 **General**

Notwithstanding any other provisions of this policy, any Director shall be authorized to make emergency purchases of goods, services or construction without a competitive bidding process on an emergency basis if time does not permit the use of a standard procurement process and the purchase of such goods, services or construction is required to prevent, mitigate or alleviate any of the following situations or events, without limitation:

- 10.1.1 An imminent or actual danger to the life, health or safety of an official or an employee while acting on the County's behalf; or
- 10.1.2 An imminent or actual danger of injury to or destruction of real or personal property belonging to the County; or
- 10.1.3 An unexpected interruption of an essential public service; or
- 10.1.4 An emergency as defined by the *Emergency Management and Civil Protection Act, R.S.O. 1990*, Chapter E.9 and the emergency plan formulated there under by the County; or
- 10.1.5 A spill or pollutant as described by Part X of the *Environmental Protection Act, R.S.O. 1990*, Chapter E.19 and, 12.2.6 mandate of a non-compliance order.

If the value of the emergency purchase exceeds \$130,000, the Director shall obtain the prior approval of the Chief Administrative Officer.

As soon as possible after the emergency situation has been addressed, the Director shall present an Information Memo to Council explaining the circumstances of the emergency purchase.

Emergency purchases less than \$130,000 but greater than the small dollar threshold, shall be included in the quarterly procurement information report to Council.

Situations of urgency resulting from the failure to properly plan for a procurement do not constitute an emergency.

11. **PURCHASE BY NEGOTIATION**

11.1 **Conditions**

A General Manager, in consultation with the Manager of Purchasing or designate, may purchase by negotiation with one or more Suppliers without a Bid process under the

following conditions:

- 11.1.1 When market conditions are in short supply in the judgment of the Chief Administrative Officer and the General Manager, or
- 11.1.2 When no Responsive Submissions have been received and the County has concluded that it would be impractical to issue a further competitive Solicitation.

Any negotiated expenditure exceeding \$130,000 for Goods and Services and \$300,000 for Construction for a one-time purchase or over an annual basis must be reported to Council.

It is the responsibility of the General Manager to ensure that competitive bidding options have been considered prior to negotiation being utilized.

12. TIED BID

Where Bids are received from competing Bidders, such Bids are low and compliant, and such Bids are scored equally or have the same value or price for the County, tie breaking methods may be used as per the Purchasing Procedures CS-03.

The outcome of the tie breaking method is final.

13. EXCEPTIONS

A Director may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to Council. Such exemption may be granted by resolution.

14. EXCLUSIONS

14.1 Exclusions from Competitive Bids

Competitive bids shall not be required for Supplies or Services in accordance with Schedule 'A' of this policy

15. ADVERTISING

Where effective in the opinion of a Director, information regarding Bid Requests shall be advertised in the local newspaper and/or a digital strategy campaign through the Communications Department; and/or in applicable publications necessary to comply with all existing statutory regulations.

The advertising of all Bid Requests will be conducted in compliance with applicable trade agreements.

16. **BID DEPOSITS**

A Bid Deposit is a form of financial guarantee that ensures the successful bidder will enter into an agreement. The General Manager, Corporate Services or designate, in consultation with the user department will determine whether a bid deposit will be part of the bid submission requirements.

The amount of the bid deposit, if required will be reflective of the project budget while offering adequate protection to Norfolk County in case of default by the Bidder. Bid deposits will not be less than 5% of the estimated budget for goods, services or construction being purchased unless determined otherwise as authorized by the General Manager in consultation with the General Manager, Corporate Services.

16.1 **Bid Deposit Requirements**

- 16.1.1 The County does not pay interest on any Bid deposits.
- 16.1.2 The County is authorized to cash and deposit, without notice, any Bid deposit in the County's possession that is forfeited as a result of non-compliance with any of the terms, conditions and/or specifications of a Bid.
- 16.1.3 The County reserves the right to request that a Bid deposit may subsequently be used as a Performance Security by the successful Bidder as applicable to the Bid Request.

17. **FINANCIAL GUARANTEES**

Successful bidders must provide financial guarantee(s) as required in the Bid Request.

Financial guarantees will be reflective of the project budget while offering adequate protection to Norfolk County in case of default by the Bidder.

All financial guarantees must be original documents, signed with original signatures and sealed as applicable. No facsimiles or copies will be accepted.

The General Manager, Corporate Services or designate, in consultation with the user department will determine whether performance security and/or bonding will be part of the bid submission requirements.

17.1 **Performance Security**

- 17.1.1 Performance security is a form of guarantee for the full completion of all work as required in the Bid Request. Acceptable formats for performance security include: certified cheque, bank draft, money order or irrevocable letter of credit in a form satisfactory to the County.

17.1.2 Performance security is required for but not limited to construction, renovation, maintenance, demolition, service contracts (when working on County property), and supply and installation of equipment for a minimum of 5% of the estimated contract price.

17.1.3 A Bid deposit may subsequently be used as performance security when the amount required for both is the same and in an acceptable format.

17.2 Bonding Requirements

17.2.1 Bonding is a guarantee of the full completion of all work and/or all financial commitments as required in the Bid Request. Performance, Labour and Materials Payment and/or Maintenance Bonds must be for a minimum of 50% of the Bid amount for each bond. The applicable Director or designate shall determine the financial amounts of the bonds required.

18. INSURANCE

The County requires that suppliers carry adequate insurance coverage to transfer risk and protect the financial interests of the County. All bid requests and contracts shall include specific insurance policy requirements that must be met by the successful bidder.

A certificate of insurance (COI) is to be collected from the successful bidder prior to the commencement of any services by the successful bidder. The certificate of insurance must show an active date and detail all insurance requirements, for no less than the minimum amounts, as outlined in the bid request and contract. An updated certificate of insurance shall be collected from the supplier prior to each policy expiry date throughout the duration of the contract.

19. HOLDBACK

Payments to any contractor, holdbacks and their release shall be in full compliance with the provisions of the *Construction Act R.S.O. 1990*, c. C.30 and Norfolk County Policy FS-12, Holdback Procedures.

20. LITIGATION

20.1 No Contract Award

A contract may not be awarded to any Bidder who:

20.1.1 is a party to litigation with the County; or

20.1.2 directly or indirectly, including by common ownership or control or otherwise,

is related to a party to litigation with the County; or

- 20.1.3 intends to use a sub-contractor in respect of the specific project who is a party to litigation with the County, or, who, directly or indirectly, including by common ownership or control or otherwise, is related to a party to litigation with the County.

For the purposes of this section, the phrase “party to litigation with the County” includes cases in which the Bidder or prospective Bidder or any of the parties named above, have advised the County in writing of their intention to commence litigation, or have commenced or have advised the County of their intention to commence an arbitral proceeding against the County.

21. SUSPENSION OF BIDDERS DUE TO PERFORMANCE

In accordance with the Supplier Evaluation and Suspension Protocols, the General Manager, Corporate Services, in consultation with the appropriate Director and legal counsel for the County, may suspend the rights of any Supplier to Bid on any Bid Requests, in any case where the prior performance of the Supplier in response to a purchase order(s) or contract(s) has been documented to be unsatisfactory. Unsatisfactory performance shall include a failure to meet contract specifications, terms and conditions, as well as health and safety violations.

A Supplier whose right to Bid has been suspended may apply to Purchasing Services for reinstatement upon the completion of half of the original suspension period.

22. CONFLICT OF INTEREST

22.1 Internal Conflicts

It is the responsibility of all persons involved in bid solicitation or evaluation to disclose any inherent or potential conflict of interest to the applicable Director or General Manager, or in the case of a Member of Council, to the Chief Administrative Officer.

Any person disclosing a conflict of interest shall remove themselves from the procurement process associated with the conflict.

It is the responsibility of all members of Council to disclose any inherent or potential conflict of interest to Council at the time the matter is being considered by Council.

22.2 Supplier Code of Conduct

The County requires its Suppliers to act with integrity and conduct business in an ethical manner. The County may refuse to do business with any Supplier that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest or an unfair advantage, or fails to adhere to ethical business practices. Suppliers are responsible for ensuring that any employees, representatives, agents,

or subcontractors acting on their behalf conduct themselves in accordance with this Supplier Code of Conduct. The County may require the immediate removal and replacement of any individual or entity acting on behalf of a Supplier that conducts themselves in a manner inconsistent with this Supplier Code of Conduct. The County may refuse to do business with any Supplier that is unwilling or unable to comply with such requirement.

A. ILLEGAL OR UNETHICAL BIDDING PRACTICES

Illegal or unethical bidding practices include:

- (a) bid-rigging, price-fixing, bribery or collusion, or other behaviours or practices prohibited by federal or provincial statutes;
- (b) offering gifts or favours to the County's officers, employees, appointed or elected officials, or any other representative of the County;
- (c) engaging in any prohibited communications during a procurement process;
- (d) submitting inaccurate or misleading information in a procurement process; and
- (e) engaging in any other activity that compromises the County's ability to run a fair procurement process.

The County will report any suspected cases of collusion, bid-rigging, or other offences under the *Competition Act* to the Competition Bureau or to other relevant authorities.

B. DECLARING AND AVOIDING CONFLICTS OF INTEREST

All Suppliers participating in a procurement process must declare any perceived, possible, or actual Conflicts of Interest.

Where a Supplier is retained to participate in the development of a Bid Request or the specifications for inclusion in a Bid Request, or otherwise advises the County in relation to the preparation of a Bid Request or the administration of a bidding process, that Supplier will not be allowed to respond, directly or indirectly, to that solicitation.

C. ETHICAL BUSINESS PRACTICES

In providing goods or services (including but not limited to construction-related contracts), Suppliers are expected to adhere to ethical business practices, including:

- (a) performing all contracts in a professional and competent manner and in accordance with the terms and conditions of the contract and the duty of honest performance;

(b) complying with all applicable laws, including safety and labour codes (both domestic and international as may be applicable); and

(c) providing workplaces that are free from harassment and discrimination.

D. FALSE DECLARATIONS

If a Supplier includes false or misleading information in response to a Bid Request, the County may suspend that Supplier from participating in future procurement processes.

If a Supplier fails to disclose a conflict of interest in connection with a procurement process or during the performance of a contract with the County, and the County subsequently discovers that such a conflict of interest exists, the County may suspend that Supplier from participating in future procurement processes.

The following non-exclusive factors should weigh in favour of suspension:

(a) The Supplier knowingly made misrepresentations or failed to disclose a conflict of interest; and

(b) The misrepresentation or undisclosed conflict of interest resulted in the Supplier having an unfair advantage or otherwise compromised the integrity of the County's procurement process.

22.3 County Conflict Determination

Determinations in relation to conflict of interest under this policy shall be the responsibility of the General Manager, Corporate Services, in consultation with the appropriate Director and legal counsel (if required) for the County.

23. **NO LOCAL PREFERENCE**

In accordance with the *Discriminatory Business Practices Act, R.S.O. 1990*, chapter.D.12, there shall be no local preference given to any Bidder when awarding a Bid for purchase of Supplies and Services for the County.

24. **NO LOBBYING**

24.1 General

24.1.1 All prospective Bidders or potential Suppliers are prohibited from lobbying any elected or appointed official (including any member of Council), employee, or consultant of the County, as well as any appointed member or employee of any County Board, to attempt to influence the Award of a contract or the conduct of a Procurement. The County may reject any Bid by

a Bidder or Supplier that engages in such lobbying, without further consideration, and may terminate the said Bidder and/or Supplier's right to participate in the Procurement and/or provide Goods or Services to the County.

- 24.1.2 Without limiting the generality of Section 25.1.1, all prospective bidders are prohibited from communicating with any elected or appointed official (including any member of Council), employee, or consultant of the County, as well as any appointed member or employee of any County Board with respect to a Bid or Open Competition during the Blackout Period. The County reserves the right to reject any Bid by a Bidder or Supplier that engage in such lobbying, without further consideration, and may terminate that Bidder and/or Supplier's right to continue in the Procurement.

25. ACCESSIBILITY FOR ONTARIANS WITH DISABILITIES ACT, 2005 (AODA)

25.1 General

- 25.1.1 When purchasing goods, services and facilities it shall be required to incorporate accessibility design, criteria and features except where it is not practicable to do so. This is a requirement of the Integrated Accessibility Standard Regulation (O.Reg.191/11) under the Accessibility for Ontarians with Disabilities Act 2005.
- 25.1.2 When preparing the specifications, the user department shall be knowledgeable of the Accessibility for Ontarians with Disabilities Act 2005 and its regulations and the Corporate Accessibility Policy and apply those requirements with respect to procuring goods, services and/or facilities, and in the development of the specifications.

26. BID IRREGULARITIES

26.1 General

- 26.1.1 A bid irregularity is a variance between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response. Schedule 'B' Bid Irregularities and Consequences shall outline classifications for bid irregularities and the resulting consequence.
- 26.1.2 If, in the opinion of the County, any bidder has underestimated the value of the goods and/or services to be provided as reflected in its bid price/fee, the County may reject the bid as unbalanced (i.e. not representative of the scope of the supplies and/or services).

27. ADMINISTRATION**27.1 General**

- 27.1.1 In all purchases, specifications are to be generic or “as equivalent”. All factors influencing the purchasing decision are to be included in the specifications.
- 27.1.2 Notwithstanding the provisions of this procedure, the County shall have the right to reject the lowest or any Bid at its absolute discretion. The County also reserves the right to reissue the Bid Request in its original format or modified as best suits the requirements of the County.
- 27.1.3 For purchases up to \$30,000 a Purchase Order is not required if payment is made using the County’s pCard.

28. REPORTING TO COUNCIL**28.1 Reporting and Approvals**

- 28.1.1 The General Manager, Corporate Services shall submit to Council a quarterly information report, containing the details relevant to the authorizations for all purchasing activity that is equal to or greater than \$130,000 for Goods and Services and \$300,000 for Construction. The report will also include all Blanket Order renewals exceeding \$130,000, over the term of the contract as well as all non-compliant purchasing activity over \$30,000.
- 28.1.2 Each division or department shall supply to The General Manager, Corporate Services a report disclosing all procurements equal to or greater than \$130,000 for Goods and Services and \$300,000 for Construction in value, carried out under the authorized authority for all Bid methods outlined in this policy, for inclusion in the quarterly procurement information report to Council.
- 28.1.3 Despite any other provisions of this policy, the following procurements are subject to prior Council approval;
 - 28.1.3.1 Any contract requiring approval from the Ontario Land Tribunal;
 - 28.1.3.2 Any contract prescribed by statute to be approved by Council;
 - 28.1.3.3 Any contract over \$30,000 where the total acquisition cost is greater than the Council approved budget or where the expenditure would result in insufficient remaining funds in the project budget to complete the project as budgeted;
 - 28.1.3.4 Any acquisition of Supplies or Services that is not already approved

in the current year's budget, such as items requiring pre-budget approval or post-budget amendments, which must be reported to Council in order to have the expenditure authorized via resolution;

- 28.1.3.5 Any contract where the award is not being recommended to the lowest bidder, with the exception of Request for Proposals evaluated using a Price Per Point Methodology;
- 28.1.3.6 Any circumstances when authority to award has not been expressly delegated;
- 28.1.3.7 Any contract anticipated to be financed by debentures;
- 28.1.3.8 Any circumstances when the formal bid process did not follow all provisions outlined in Purchasing Policy No. CS-02 and Purchasing Procedures No. CS-03;
- 28.1.3.9 Any circumstances when the scope of a project has changed from that which was approved by Council in the budget.

29. **RETENTION OF DOCUMENTATION**

All background information, information submitted by Suppliers, purchase orders and other relevant information involved in obtaining prices for Supplies and Services exceeding \$30,000 shall be retained in the division or department for the current budget year and for seven (7) years thereafter in records retention, by legislation.

30. **PURCHASING PROCESS REVIEW**

The General Manager, Corporate Services or designate and/or the Manager, Purchasing Services may randomly review divisional purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence.

31. **PURCHASING PROCEDURES**

Purchasing procedures approved by the Senior Leadership Team are to be followed and used for information on purchasing Supplies and Services in compliance with this policy.

Schedule 'A' – Exemptions

The Procurement of the following Goods and/or Services is exempt from the requirements of this Procurement Policy.

Any Contract necessary to complete the Purchase shall be executed by the appropriate Spending Authority, up to the prescribed limits, provided that:

- a) Contract has been prepared in a form satisfactory to the Spending Authority;
- b) any financial securities and insurance required under the Contract are satisfactory to the Spending Authority; and
- c) funding is available in the Budget as per planned scope of service.

1. General Expenses

- a) Supplies or Services are provided by or for utilities;
- b) Government agencies, regulatory bodies, licensing agencies, other public authorities and non-for profit organizations to the Ontario government and municipalities to which the County is required to remit to or pay a fee. Includes archeological monitoring performed by Indigenous people;
- c) When any patent, copyright or exclusive license is applicable;
- c2) Licenses/Certificates (including hardware and software licenses);
- d) In-house services;
- e) Catering and catered functions;
- f) Goods or services, the supply of which is controlled by a statutory monopoly;
- g) 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;
- h) Goods purchased on a commodity market;
- i) Insurance premiums and damage claims;
- j) Debenture and Sinking fund payments;
- k) Banking, related fees and card programs;
- l) Election materials and equipment including any ancillary services;
- m) Short-term van/vehicle rentals;
- n) Bailiff or Collection agencies;
- o) Employee group benefits.

2. Professional and Special Services

- a) Medical Professional Services, including physician and dentist recruitment;
- b) Legal Services, including all fees and disbursements;
- c) Procurement of services that, in the Province of Ontario, may, by legislation or regulation, be provided only by any of the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, land surveyors, accountants, lawyers and notaries;
- d) Other professional services related to pending/on-going litigation, investigative matters or regulatory matters;
- e) Counselling services;
- f) Witness services;
- g) Arbitrators and mediators;
- h) Forensic auditors;
- i) Annual audit services;
- j) Appraisal services;
- k) Adjuster services;
- l) Funeral and burial services;
- m) Honorariums;
- n) Facilitators, instructors and speakers related to staff training, development and workshops;
- o) Services of financial analysts or the management of investments by organizations who have such functions as a primary purpose;
- p) Assessment Base Management services;
- q) Professional services related to hiring staff, including recruitment and talent search;
- r) Real Property, including lease, rent, purchase, sale, land, buildings, leasehold interest, easements, encroachments, appraisals and payment of real estate commissions.

3. Communications and Related Services

- a) Advertising services required by the County on or in, but not limited to radio, television, newspaper and magazines;
- b) Public relations services;
- c) Media and social media monitoring services;

- d) Social media services;
- e) Translation, interpretive services, Braille services, TTY.

4. Other

- a) When Supplies are in short supply due to market conditions;
- b) Used equipment related to operations, that is sold by other municipalities by private sale or public auction or sold through a Supplier licensed to sell used equipment that meets or exceeds the divisional equipment requirements;
- c) During emergency situations as set out in Section 10;
- d) Any Supplies or Services as approved by Council.

Schedule ‘B’ – Bid Irregularities and Consequences

Norfolk County acknowledges that bids submitted in response to solicitations may occasionally contain errors, not all of which will necessarily disqualify the submission. Bid Irregularity is defined as a difference between the requirements (terms, conditions, specifications, special instructions) outlined in a bid request and the information provided in a bid response.

The following list of irregularities is not exhaustive. Purchasing Services may reject a bid due to an irregularity not listed if it is deemed major. Alternatively, they may accept the bid or request that the bidder correct the deviation.

Bid irregularities are further classified as either “major irregularities” or “minor irregularities” and defined as follows:

Major Irregularity is a deviation from the bid request that impacts the price, quality, quantity, or delivery terms and is significant to the award decision. Allowing such a deviation could unfairly advantage the bidder over others. Therefore, the County is required to reject any bid containing a major irregularity without further consideration.

Minor Irregularity is a deviation from the bid request which affects form, rather than substance (non-monetary).

Major Irregularity

Irregularity	Consequence
Late Submission	Major Irregularity (Bidding system does not allow)
Bid Bond / Agreement to Bond – Bond is missing, the amount is less than the amount indicated in the bid document or the bonding company is not licensed to conduct business in Ontario, Canada.	Major Irregularity
Bid Bond – Bond is not electronically verifiable / enforceable (e-Bond) as indicated in the bid documents	Major Irregularity
Bid Form not signed	Major Irregularity (Bidding system does not allow)
Qualified Bid (Bid is restricted by a statement added to the Bid Document or covering letter or alterations to a form)	Major Irregularity (unless, in the opinion of Purchasing Services, the qualification or restriction is insignificant)

Bid submitted in other than the original Bid Form format	Major Irregularity
Bids received on documents other than those provided in the request	Major Irregularity
Incomplete Bids or all required sections of the bid document not completed	Major Irregularity
Addenda not acknowledged	Major Irregularity (Bidding system does not allow)
Method of deliver – Where the bid has been submitted via any other method other than through the Bidding system, where no such provision is allowed for in the bid.	Major Irregularity
Bidder did not attend a mandatory site meeting	Major Irregularity (Bidding system does not allow)
Suspended Supplier – Bid received by a Bidder who has been suspended from the bidding process.	Major Irregularity
Bid received by a Bidder who is in unresolved litigation with the Owner.	Major Irregularity
Part bids (all items not bid)	Major Irregularity (unless allowed for in the request)

Minor Irregularity

Irregularity	Consequence
Minor clerical errors	Minor Irregularity
Mathematical Errors, Bids containing errors in extensions, additions or computations	Minor Irregularity. The County has the right to correct mathematical errors

NOTE: All above noted should not be considered all-inclusive. The Manager of Purchasing Services or designate will review minor irregularities. The Manager of Purchasing Services may then accept the bid, or request that the Bidder rectify the deviation. In addition, some of these irregularities may not apply to Request for Pre-Qualification solicitation documents that contain a rectification clause.