

**THE CORPORATION OF THE TOWN OF COCHRANE**

**BY-LAW NUMBER 1312-2018**

**BEING A BY-LAW TO ADOPT A PROCUREMENT  
POLICY FOR THE TOWN OF COCHRANE**

**WHEREAS** under Section 8 of the Municipal Act, 2001, S.O. 2001, as amended, the powers of a municipality shall be interpreted broadly to enable it to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues;

**AND WHEREAS** under Section 9 of the Municipal Act, 2001, S.O. 2001, as amended, a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

**AND WHEREAS** under Section 10(1) of the Municipal Act, 2001, S.O. 2001, as amended, a single-tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

**AND WHEREAS** Section 270(1) 3 of the Municipal Act, 2001, S.O. 2001, as amended, provided that a municipality shall adopt and maintain policies with respect to the procurement of goods and services;

**AND WHEREAS** Council considered Administrative Report at the December 12<sup>th</sup>, 2017 Regular Council meeting and directed staff to prepare the necessary by-law for the adoption of a new Procurement Policy and repeal By-law No. 338-2004, for consideration at the Regular Council meeting;

**AND WHEREAS** this by-law establishes the authority and sets out the methods by which goods and services will be purchased for the purposes of the Town of Cochrane subject to certain exceptions set out herein;

**NOW THEREFORE** the Council of the Corporation of the Town of Cochrane hereby enacts as follows:

1. **THAT** The Council adopts Procurement Policies for the Town identified as Schedule "A", attached hereto and forming part of this by-law;
2. **THAT** By-law No. 338-2004 is hereby repealed upon adoption of this by-law;
3. **THAT** the Clerk of the Town of Cochrane is hereby authorized to make minor modifications or corrections of a grammatical or typographical nature to the By-law and schedule, after the passage of this By-law, where such modifications or corrections do not alter the intent of the By-law.
4. **THAT** this By-Law shall come into force and take effect on the date of its final passing.

**READ** a first and second time this 29<sup>th</sup> day of May, 2018

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**MAYOR**

\_\_\_\_\_  
**CLERK**

**READ** this third time and finally passed this 29<sup>th</sup> day of May, 2018

\_\_\_\_\_  
**MAYOR**

\_\_\_\_\_  
**CLERK**

Schedule "A" to

**By-law Number 1312-2018**

The Corporation of the Town of Cochrane

**Procurement Policy**

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**1.0 Mission**

To obtain the right goods and/or services when needed while achieving best value through a transparent, fair and competitive process with a high focus on Customer Service.

**2.0 Objective**

The objective of this policy is to establish and maintain a high level of confidence in the procurement process by ensuring that the Town of Cochrane's procurement of goods and services necessary to provide the programs and/or services of the municipality is carried out in an open, fair, consistent, efficient and competitive manner that strikes a balance between public accountability, competition, quality and innovation. Therefore, the Town of Cochrane is committed to:

- 2.1 Ensuring procurement decisions are consistent with this policy
- 2.2 Ensuring that the Town's requirements for goods and services are met through an open and fair process that provides the highest possible degree of competition and value to the Town;
- 2.3 Encouraging innovation in procurement whether it be through partnerships, purchasing co-operatives, joint contracts or any other mechanism that best meets the interest of the municipality while maintaining the integrity of this policy;
- 2.4 Ensuring that accessibility criteria and features are incorporated when procuring or acquiring goods, services or facilities, except where it is not practicable to do so, in accordance with the Integrated Accessibility Standard Regulation (2012) and its successors;
- 2.5 Ensuring that procurement decisions are free of any conflict of interest between suppliers and members of Council, officials or employees and members of their immediate families;
- 2.6 Ensuring that, all things being equal, the Town will seek to procure Canadian goods and services from local, regional, provincial or national sources; and
- 2.7 To receive goods and services in a timely and expeditious manner as required for daily operations and capital improvements.

### 3.0 General Provisions

No procurement of goods and/or services shall be authorized unless it is in compliance with this Policy. Goods and/or services that are obtained without following the provisions of this policy may not be accepted and any invoices received may not be processed for payment.

Wherever possible, it should be the intent of the department to procure goods and/or services of like nature as a combined effort in order to benefit from economies of scale.

This policy will be reviewed and revised on a periodic basis as required. It is anticipated that reviews will be conducted at least once every council term.

### 4.0 Definitions

In this by-law,

**"Award"** means authorization to proceed with the purchase of goods and/or services from a chosen supplier.

**"Best Value"** means evaluating bids not only on purchase price and life cycle cost considerations, but also taking into account items such as environmental and social considerations, delivery, servicing and the capacity of the supplier to meet other criteria as stated in the tender documents.

**"Bid"** means an offer or submission from a supplier in response to a Bid Solicitation which is subject to acceptance or rejection by the Town.

**"Bid Deposit"** means the form of security required by the terms and conditions of Bid Solicitations to guarantee that the successful supplier enters into a contract with the Town, as required by Section 10.5.6 of this By-law.

**"Budget"** means the budget or portion of the budget approved by Council.

**"Change Work Order"** means work that is added to or deleted from the original scope of work of a contract, which alters the original contract amount and/or completion date.

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

**"Chief Administrative Officer"** means the official appointed as the administrative manager of the Town of Cochrane or his/her designate.

**"Clerk"** means the Municipal Clerk of the Town or his/her designate.

**"Compliant Bid"** means a bid that meets the terms and conditions of the bid solicitation and this by-law.

**"Conflict of Interest"** means a situation where a personal, business or other interest of an elected or appointed official, officer or employee of the Town is or can be reasonably be perceived to be in conflict with the interest of the Town and includes but is not limited to:

- a) The giving or receiving of a direct or indirect personal gain or benefit or a direct or indirect advantage or privilege by any person or business that offers goods and/or services to the Town;
- b) A direct or indirect interest in any business that provides goods and/or services to the Town;
- c) A conflict of interest as defined in the Municipal Conflict of Interest Act; or
- d) A conflict of interest as defined in the Town's Code of Ethics/Conflict of Interest policy as may be amended.

**"Construction"** means a construction, reconstruction, demolition, repair or renovation of a building, structure or other engineering or architectural work and includes site preparation, excavation, drilling, soil or seismic investigation, the supply of products and materials and the supply of equipment and machinery incidental to the construction and the installation and repair of fixtures of a building, structure or other engineering or architectural work.

**"Contract"** means a binding agreement between two or more parties that creates an obligation to provide goods or perform services.

**"Cooperative Procurement"** means the participation of two or more municipalities, levels of governments or public agencies in a joint bid solicitation.

**"Council"** means the Council of The Corporation of the Town of Cochrane.

**"Department"** means an operational department with the Town of Cochrane.

**"Department Managers"** – means an employee who has been designated by the Town as one who directs or oversees a department and the employees within that department or his/her designate or any successor position thereto.

**"Director"** means an employee who has been designated by the Town as one who directs or oversees a department and the employees within that department or his/her designate or any successor position thereto.

**"Director of Corporate Services"** means the Treasurer for the Town or his/her designate.

**"Emergency"** means a situation where the procurement of goods and services requires immediate action to prevent or correct dangerous or potentially dangerous safety conditions, further damage, to restore minimum service or ensure the safety of the public.

**"Fair Market Value"** means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length who are fully informed and not under any compulsion to transact.

**"Goods"** means, in relation to procurement, moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property), including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.

**"Lowest Compliant Bid"** means the compliant bid that would provide the Town with the desired goods and/or services at the lowest cost.

**"Manager/Supervisor"** means an employee of the Town holding the position of manager/supervisor.

**"Negotiation"** means a purchasing method whereby the Town may negotiate directly with one or more suppliers with the intent to award a contract or extend an existing contract.

**"Point of Sale"** means the procurement of goods and/or services directly from a services supplier, retailer, wholesaler or by ordering through a catalogue or product guide.

**"Procurement"** means to acquire goods and/or services by purchase, rental, lease or trade.

**"Purchase Order"** means a written confirmation of the purchase of goods and/or services at a specific cost.

**"Quotation"** means a binding statement of price, terms of sale and description of goods and/or services offered by a supplier.

**"Request for Pre-Qualification" or "RFPQ"** means a public request by the Corporation seeking submissions outlining the experience, financial strength, education, background and significant personnel of potential suppliers who may, from time to time, qualify to supply Goods and / or Services to the Corporation;

**"Request for Proposal (RFP)"** means a competitive procurement process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.

**"Request for Quotation (RFQ)"** means a request for prices on specific goods and/or services from vendors where the comprehensive technical specifications can be developed.

**"Request for Tender (RFT)"** means a competitive procurement process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.



**"Services"** means intangible products that do not have a physical presence and includes Professional Services. No transfer of possession or ownership takes place when services are sold and they 1) cannot be stored or transported; 2) are instantly perishable; and 3) come into existence at the time they are bought and consumed.

**"Single Source"** means the non-competitive procurement process to acquire goods and/or services from a specific supplier even though there may be more than one supplier capable of delivery of the same goods and/or services.

**"Sole Source"** means there is only one source of the Goods and / or Services that meets the requirements of the Corporation;

**"Supplier"** means any individual or organization offering goods and/or services including but not limited to contractors, consultants, vendors or service organizations.

**"Tender"** means a written detailed offer from a supplier to supply goods and/or services to the Town.

## **5.0 Authorization**

No contract shall be entered into and no expenditure shall be authorized or incurred unless Council has provided for such purpose in the annual budgets or agreed to the provision of such funds.

Council may authorize any expenditure greater than the funds provided in its sole and absolute discretion.

## **6.0 Responsibilities**

### **6.1 Council**

- Approve and adopt this policy.
- Actively support the Procurement Policy.
- Approve amendments as required.

### **6.2 Chief Administrative Officer**

- Actively support the Procurement Policy.
- Maintain a general knowledge of legalities and legislation to which this policy is founded and administered.
- Ensuring no procurement activity or decision is contrary to this policy
- Ensure Directors and Department Heads comply with this policy and address any non-compliance as required
- Report to Council on compliance as required

### **6.3 Directors and Department Managers**

Be responsible for and ensure that all expenditures for their departments are in compliance with the purchasing and budget policies.

- Designate employees within their departments the authority to procure and ensuring staff involved in procurement receive appropriate training
- Actively support the Procurement Policy.
- Ensuring no procurement activity or decision is contrary to this policy
  
- Maintain a general knowledge of legalities and legislation to which this policy is founded and administered.

### **6.4 Director of Corporate Services**

- Recommend necessary amendments to this policy for the consideration of the Chief Administrative Officer and Council.
- Provide interpretations and recommendations to the Chief Administrative Officer and/or Council and Directors and Department Managers in regard to the interpretation and implementation of this policy.
- Ensuring no procurement activity or decision is contrary to this policy
- Ensuring any non-compliance is reported to the respective Director or Department Manager, or the CAO
- Actively support the Procurement Policy.
- Develop and implement procedures to enhance the efficiency of this policy.
- Maintain a general knowledge of legalities and legislation to which this policy is founded and administered.

### **6.5 Other Designated Staff**

- Procure goods and/or services in an efficient and cost-effective manner.
- Make all procurements on a competitive basis, in the best interest of the municipality consistent with quality, quantity, service and delivery except where a non-competitive commodity is required.
- Ensure the greatest value for the Town by exercising professional procurement practices, free from influence and interference, and encourage where practical, standardization and open and competitive bidding.
- Promote the procurement methods and tools outlined in this policy to allow staff to effectively and efficiently carry out their responsibilities and acquire goods on time.
- Maintain a general knowledge of legalities and legislation to which this policy is founded and administered.

## 7.0 **Approval Authority**

Any person with delegated approval authority pursuant to this policy ***shall ensure that an approved budget exists*** for the proposed procurement and that such procurement does not violate any Town policies or any applicable law. Any such procurement shall also satisfy any applicable audit and documentation requirements of the Town.

All applicable taxes, duties and shipping shall be included in determining the procurement limit of authorized delegates and the type of procurement process to be followed.

The following body and persons shall have the respective approval authority as set out below. All dollar values are based on transaction amounts and must be within the pre- approved budget limits.

### 7.1 **Council**

Council must approve by by-law or resolution the following:

- 7.1.1 RFQ, RFP, RFT greater than \$50,000
- 7.1.2 Sole source or single source greater than \$25,000
- 7.1.3 Change Work Orders, Contract Extensions or changes to Purchase Price greater than 10% of the previously Council approved contract or purchase price, and any greater than \$50,000

### 7.2 **Chief Administrative Officer**

Chief Administrative Officer may approve the following:

- 7.2.1 RFQ, RFP and RFT up to \$50,000
- 7.2.2 Sole source or single source up to \$25,000
- 7.2.3 Change Work Orders, Contract Extensions or changes to Purchase Price up to 10% of the previously Council approved contract or purchase price, up to \$50,000

### 7.3 **Directors**

Directors may approve the following:

- 7.3.1 RFQ, RFP, RFT up to \$25,000
- 7.3.2 Change Work Orders, Contract Extensions or changes to Purchase Price up to 5% of the previously Council approved contract or purchase price, up to \$25,000

#### **7.4 Director of Corporate Services**

The Director of Corporate Services is the Controller/Compliance Officer for the purpose of this policy and has:

- 7.4.1 Authority to approve all routine/repetitive invoices for goods and/or services as approved within annual budget estimates (ie. utility bills, CDSSAB, policing, etc.)
- 7.4.2 Authority to approve all invoices for goods and/or services as approved by Council agreement (by-law and/or resolution)

#### **7.5 Department Managers**

Department Managers may approve the following:

- 7.5.1 RFQ, RFP, RFT up to \$25,000
- 7.5.2 Change Work Orders, Contract Extensions or changes to Purchase Price up to 5% of the previously Council approved contract or purchase price, up to \$25,000

#### **7.6 Other Designated Staff**

Approval limits for other designated staff will be established by the Chief Administrative Officer as part of the Town's procurement procedures.

### **8.0 Statement of Ethics**

All employees who are authorized to procure goods and/or services on behalf of the Town are to adhere to the following:

- 8.1 Open and honest dealings with everyone who is involved in the procurement process. This includes all businesses with which the Town contracts or from which it procures goods and/or services.
- 8.2 Fair and impartial award recommendations for all contracts and tenders.
- 8.3 An irreproachable standard of personal integrity on the part of all those delegated as procurement representatives for the Town. Absolutely no gifts or favours are accepted by the procurement representatives of this Town in return for business or the consideration of business. Also, the procurement representatives of this Town do not publicly endorse one company in order to give that company an advantage over others.

- 8.4 An employee who fails to act in accordance with the provisions of this policy will be subject to appropriate disciplinary action consistent with the Town's Disciplinary Policy.

## **9.0 Conflict of Interest**

1. Personal purchases shall not be made for any elected or appointed officials, members of a board or commission, or for Corporation officers, employees or their families.
2. Every elected official, appointed officer, employee of the Corporation or member of an employee's family is expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any Purchase Order or Contract is, or might be awarded, any rebate, gift or money, except:
  - a) Gifts of a very small intrinsic value; or
  - b) Moderate hospitality during normal course of business that would not significantly exceed what the Corporation, through its Budget would likely provide in return and would not be perceived by others as influencing the making of a business decision.
3. All elected officials, officers or employees of the Corporation shall declare any Conflicts of Interest to the Director of Corporate Services and shall have no involvement in a purchasing process where a real or perceived Conflict of Interest has been found or deemed to exist, including but not limited to:
  - a) Requesting the Goods and / or Services, setting the parameters of the Purchase, evaluating Bids or recommending, deciding or making Awards;
  - b) Direct contact with those making those purchasing decisions.
4. Suppliers shall not be allowed to submit a Bid for any Bid Solicitation in which the supplier has participated in the preparation of the Bid Solicitation, and any such Bid submitted shall be disqualified.

## **10.0 Prohibitions**

### **10.1 Division of Contracts**

No employee of the Town shall divide a procurement or a contract to avoid the requirements of the tender, proposal, quotation or corporate business card procedures. Nor shall procurements be split in order to circumvent prescribed spending authority dollar limits.

## **10.2 Interference in the Procurement Process**

- a) Elected officials, appointed officers and employees shall not knowingly cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to the Town. This also includes a contract with any other municipality, local board or public body involved in the procurement of goods and/or services either jointly or in co-operation with the Town.
- b) Elected officials shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Elected officials should not see any documents or receive any information related to a particular procurement while the procurement process is ongoing. Elected officials who receive inquiries from suppliers related to any specific procurement shall immediately direct those inquiries to the Director in charge of the procurement.

## **10.3 Independent Contractor Status**

No contract for goods and/or services shall be awarded where the outcome of said contract would result in the establishment of an employee-employer relationship.

## **11.0 Procurements Methods**

The designated procurement staff shall determine the procurement process to be used to procure goods and/or services and they will ensure an open, fair and transparent process. A competitive process will invite qualified providers to compete by making a fair offer to the Town. The competitive process includes price inquiries, quotations, tenders, proposals and expressions of interest.

The procurement methods may be utilized individually or in combination with one another, as may be appropriate in the circumstances.

All methods of procurement, except for the exemptions in Item 12, shall be conducted through or reviewed by the Director.

### **11.1 Corporate Business Card**

Corporate Business Cards shall be used in the following circumstances:

- 11.1.1 Point of Sale procurements (POS)
- 11.1.2 Online procurements
- 11.1.3 Telephone/email procurements
- 11.1.4 In any circumstances where a Corporate Business Card is accepted. For procurements by staff within their applicable approval limits where:

- 11.1.5 The goods and/or services are readily available at retail outlets or from service providers
- 11.1.6 Are required on an item by item basis

## **11.2 Request for Pre-Qualification of Acceptable Suppliers**

1. The Corporation may conduct a Request for Pre-Qualification to develop a list of suppliers that may be eligible to submit a Bid on subsequent Bid Solicitations or to develop a roster of suppliers for Professional Services.
  2. Pre-Qualification may be considered in the following circumstances:
    - a) The work will require substantial project management by the Corporation and could result in substantial cost to the Corporation if the supplier is not appropriately experienced;
    - b) The Goods and / or Services to be purchased must meet national safety standards;
    - c) The work involves complex, multi-disciplinary activities, specialized expertise, equipment, materials or financial requirements;
    - d) Miscellaneous repairs and services as required by the Corporation such as plumbers, electricians, and drywall contractors;
      - 11.2.1 There could be substantial impact on the Corporation's operations if the work is not satisfactorily performed the first time; or
      - 11.2.2 Any other circumstances deemed appropriate by the CAO or departmental Director.
  3. An RFPQ shall be provided to the potential suppliers setting out the criteria for pre-qualification which may include, but are not limited to:
    - a) Experience on similar work (firm and staff assigned);
    - b) References provided from other customers for similar work;
    - c) Verification of applicable licences and certificates;
    - d) Health and safety policies and staff training; and
    - e) Financial capability.
  4. Supplier submissions will be evaluated and ranked and a short list of pre-qualified suppliers will be invited to participate in the second step of the two-step purchasing process being a Request for Proposal or a Request for Tender.
  5. An RFPQ is not a legal offer but only an invitation for suppliers to make offers to the Corporation.
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### **11.3 Request for Quotation (RFQ)**

Request for Quotation (RFQ) may be used when:

- 11.3.1 The estimated price is not greater than \$50,000
- 11.3.2 The requirements can be fully defined
- 11.3.3 The best value can be achieved by an award selection made on the basis of the lowest quotation that meets specifications

#### **i) Informal Quotations (under \$2,000)**

The Town shall obtain competitive pricing for procurement in an expeditious and cost effective manner through phone, vendor advertisements or catalogues and other similar communication methods.

Procurements under a \$2,000 dollar value do not require an RFQ, RFP, RFT or purchase order; however, obtaining competitive quotes is considered good business practice and should be obtained.

#### **ii) Informal Quotations (\$2,000 to \$15,000)**

The Town shall obtain written competitive pricing for procurement in an expeditious and cost effective manner through fax, email or mail from at least two (2) potential vendors.

Informal quotations are used when procuring goods and/or services for general operating expenditures.

#### **iii) Formal Quotations (\$15,001 to \$50,000)**

Formal quotations shall be used for higher value procurements and where a more detailed outline of the proposed goods and/or services is required to obtain the best value.

Designated staff will prepare the solicitation document and send it to at least three (3) potential vendors and evaluate the responses to the solicitation.

See Section 10.5 General Provisions for more details on the process required to be followed.

### **11.4 Request for Tenders (RFT)**

Request for Tender (RFT) may be used in the circumstances set out in Section 10.2 but shall be used when:



- 11.4.1 The estimated price is \$50,000 or greater
- 11.4.2 The requirements can be fully defined to permit the evaluation of tenders against clearly stated criteria
- 11.4.3 Best value can be achieved by an award selection made on the basis of the lowest tender that meets specifications

#### **11.5 Request for Proposal (RFP)**

Request for Proposal (RFP) may be used when:

- 11.5.1 One or more of the criteria for issuing a call for Tender or Quotation cannot be met
- 11.5.2 The requirements are best described in a general performance specification
- 11.5.3 Innovative solutions for a procurement are sought

#### **12.0 General Provisions**

Town of Cochrane personnel must not release any information made available as an employee that is not available to the public on request. Information made available to a potential supplier must be made available to all potential suppliers. During the competitive processes, personnel shall not release any information which may provide one supplier with an advantage over another.

Any and all information provided, with the exception of documents relating to a Public Tender Opening, by a potential supplier during these processes shall remain confidential pending analysis and award.

Directors, Department Managers or other designated staff shall be responsible to:

- i) Prepare solicitation document submissions which must be addressed to the attention of the Municipal Clerk and include the Quotation, Tender or Proposal number and designated closing date and time.
- ii) Where applicable, solicitation document instructions are to include as part of the terms and conditions the requirement that the bidder must furnish evidence of compliance with the requirements of the Workplace Safety and Insurance Board and Harmonized Sales Tax.
- iii) Where applicable, solicitation documents must clearly indicate insurance requirements to be provided by the successful bidder and must furnish the municipality with a Certificate of Insurance which provides for an additional insured clause naming the municipality under the general comprehensive liability insurance. For contractors with automobile liability insurance only, proof of insurance will be required.
- iv) Where applicable, all documents shall have provision for a document fee as approved in the Municipal Fees By-law.

- v) Where applicable, Bid Deposits for a specified amount shall be in the form of a bid bond, certified cheque, money order or letter of credit.
- vi) The municipality does not pay interest on bid deposits.
- vii) Bid deposits must be original documentation, signed and sealed as appropriate.
- viii) Competition ads and solicitation documents shall include a clause that reads *the lowest or any tender may not necessarily be accepted*.
- ix) A competitive process will be advertised in local media and on the Town website when the goods and/or services is valued over \$50,000 or when the value is under \$50,000 and it is necessary or practical to do so for fair notice of the competition and may be mailed to qualified service providers/suppliers.
- x) A copy of the solicitation document must be provided to the Municipal Clerk.
- xi) All submissions must be received by the Municipal Clerk and upon receipt the time and date shall be indicated on the envelopes.
- xii) Any changes or additional information shall be provided in writing to all parties who have supplied bid documents. This will ensure that no parties shall have an unfair advantage during the bid process.
- xiii) Disclosure of information received relevant to the issue of solicitation requests or award of contracts as a result of any solicitation shall be made to the Municipal Clerk in accordance with the provisions of the Municipal Freedom of Information and Protection to Privacy Act, as amended.
- xiv) The Municipal Clerk is responsible to maintain current insurance certificates and WSIB certificates or any other documentation as called for in the solicitation documents.
- xv) Original documents must remain with and will be retained by the Municipal Clerk.

#### **12.1 Submission of Bids**

Unless otherwise indicated in the competitive bid documents, bids shall be accepted in paper form at Town Hall prior to the time and date specified by the competitive bid.

The closing time shall be clearly stated in the competitive bid documents.

In the event of a requirement to change the closing date and/or time of a bid submission, all parties who have been provided with the bid documents shall be advised in writing of the change.

Bids received at Town Hall later than the specified closing time shall be returned unopened to the bidder. The official time is the time/date stamp.

A bidder who has already submitted a bid may submit a further bid at any time up to the official closing time and date specified by the competitive bid documents. The last bid received shall supersede and invalidate all bids previously submitted by the same bidder.

A bid may be withdrawn at any time up to the official closing time by letter on original letterhead bearing the same signature as in the bid submission.

## **12.2 Bid Opening**

The opening of bids shall commence shortly after the bid closing time, unless the Clerk or designate postpones the start to some later time, but the opening shall continue once started until the last bid is opened.

In the event of unforeseen circumstances and the need for postponement of the competition opening, the Town shall make every endeavor to notify all proponents at the earliest possible opportunity when circumstances become known.

The Clerk shall first before reading the submitted name, consult with the "Ineligible to Bid" list. Should the proponents name appear on such list, the Clerk shall declare the proponent to be ineligible to bid and the submission returned to the proponent unopened.

The Clerk shall read aloud the proponents name and final bid price, along with the statement "all offered prices are offers only and subject to scrutiny". All proponents whether successful or not will be notified of results, in writing at a later date.

## **12.3 Evaluation of Bids**

### **i) No Acceptable or Equal Bids**

Where bids are received that exceed budget, are not responsive to the requirement or do not represent fair market value, a revised competitive request shall be issued in an effort to obtain an acceptable bid unless the section below applies.

The Town Chief Administrative Officer and Director jointly may waive the need for a revised competitive request and enter into negotiations with the lowest responsive bidder or a highest responsive bidder for a revenue-generating bid selection emanating from a competitive bid, under the following circumstances:

12.3.1 The total cost of the lowest responsive bid is in excess of the funds appropriated by Council for the project or the highest responsive bid revenue is less than that made in appropriate accounts in Council approved divisional estimates; and

12.3.2 The Town Chief Administrative Officer and Director agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the competitive bid.

The method of negotiation shall be those accepted as standard negotiating procedures that employ ethical public procurement practices in consultation with the Director.

The Town reserves the right in its absolute and sole discretion to cease negotiations and reject any offer.

In the unlikely event that two (2) or more compliant equal bids are submitted during a competitive bid process, the bid with the earliest official date/time stamp as indicated on the bid envelope will be considered the first bid received.

ii) **Only One (1) Bid Received**

In the event only one (1) bid is received in response to a competitive bid, the Director may return the unopened bid to the bidder when, in the opinion of the Chief Administrative Officer and Director, using criteria based on the number of bids which might reasonably be expected on a given type of bid, additional bids could be secured. In returning the unopened bid, the Director shall inform the bidder that the Town may be re-issuing the competitive bid at a later date.

Or, in the event that only one (1) bid is received in response to a request for competitive bid, the bid may be opened and evaluated in accordance with the Town's usual procedures when, in the opinion of the Chief Administrative Officer and Director, the bid should be considered by the Town. If, after evaluation the bid is found not to be acceptable, the procedures as indicated in the above paragraph may be followed with some modifications.

In the event that the bid received is found acceptable, it will be awarded.

Fair and impartial award recommendations for all contracts and tenders. This means that no preferential treatment is extended to any supplier, including local companies. Not only is it against the law, it is not good business practice since it limits fair and open competition for all potential suppliers and is therefore a detriment to obtaining the best possible value for each tax dollar.

**iii) Supplier Barring Protocol**

In order to ensure that the Town of Cochrane (the "Town") is receiving quality goods and services and value for public money and in the interests of increasing the efficiency of the procurement process, the Town may disqualify suppliers from eligibility to compete for or be awarded Town contracts for prescribed time periods for the following reasons:

- a) The supplier brought frivolous or vexatious litigation proceedings against the Town.
- b) The supplier failed to honour a proposal submitted in response to a Town procurement opportunity.
- c) The supplier failed to disclose conflicts of interest in connection with Town procurement opportunities.
- d) The supplier was convicted of bid-rigging, price-fixing or collusion or other statutory offenses.
- e) The supplier engaged in unethical business practices.
- f) The supplier had significant performance issues on a prior contract with the Town.
- g) The supplier has current unresolved litigation with other proponents.

The analysis and factors to be considered by the Town in making a decision to disqualify a supplier are set out in greater detail in Appendix D to this policy. Generally, a decision to bar a supplier from submitting proposals or from being eligible from contract award must be exercised cautiously. The decision must be applied fairly, supported by evidence, exercised in accordance with the factors set out in this policy and appropriately approved. While a decision to place a supplier on the disqualification list is discretionary, such a decision must be exercised consistently and fairly.

**12.4 Award**

**i) Contractual Agreement**

The award of a contract may be made in writing to the successful proponent by way of an Agreement (By-law), Resolution or Purchase Order.

A Purchase Order or Resolution of Council is to be used when the resulting contract is straightforward and will contain the Town's standard terms and conditions, eg. Procurement of materials, goods and services.

An Agreement (By-law) is to be used when the resulting contract is complex and will contain terms and conditions other than the Town's standard terms and conditions eg. Construction Projects.

It shall be the responsibility of the Chief Administrative Officer and Director or Department Manager to determine if it is in the best interest of the Town to establish an agreement with suppliers.

Where an agreement is required, as a result of the award of a contract by delegated approval authority, the Mayor and Municipal Clerk shall execute the agreement in the name of the Town upon Council approval.

A purchase order is not required to be issued if an agreement (by-law) or resolution is passed, however may be issued if requested by the supplier.

Where a formal agreement (by-law) is not required, the authorized personnel shall issue an authorized Purchase Order incorporating the terms and conditions relevant to the award of the contract.

ii) **Contract Amendments or Change Work Orders**

- a) No amendment to a contract shall be made unless the amendment is in the best interest of the Town.
- b) No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirements or scope of work.
- c) Amendments to contracts are subject to the identification and availability of sufficient funds within Council approved budgets including authorized amendments.
- d) The Chief Administrative Officer may authorize amendments up to a maximum of 10% of the contract value provided that the total amended value of the contract is within the approved budget limit.
- e) Directors and Department Managers may authorize amendments up to a maximum of 5% of the contract value provided that the total amended value of the contract is within the approved budget limit.

- f) Where expenditures for the proposed amendment combined with the price of the original contract exceeds the Council approved budget for the project, a memo or report shall be submitted to Council recommending the amendment and the proposed source of financing.
- g) Council must approve all change work orders over the Chief Administrative Officer's approval % limit and the Director's or Department Manager's approval % limit.
- h) All contract extensions or change work orders within the approval limit of the Chief Administrative Officer or Director or Department Manager shall be reported to Council at the conclusion of the project.
- i) All contract extensions and change work orders must be communicated to the Director of Corporate Services for presentation as part of the financial reporting.

iii) **Execution and Custody of Documents**

The Mayor and Municipal Clerk are authorized to execute formal agreements in the name of the Town for which the award was made by delegated authority.

The Chief Administrative Officer, Director, Department Manager and/or other authorized personnel shall have the authority to execute Purchase Orders issued in accordance with this Policy.

The Municipal Clerk shall be responsible for the safeguarding of all original procurement and contract documents/records for the contracting of goods, services or construction for which the award is made by delegated authority.

iv) **Performance Evaluation**

At the outset of a project, The Director or Department Manager shall institute a performance evaluation process in contracts where the Chief Administrative Officer and/or Director determine that a performance evaluation would be appropriate.

The performance evaluation shall rate the supplier, contractor or consultant on standard criteria adopted from time to time (ie. failure to meet contract specifications, terms and conditions, health and safety violations, etc.). A copy of the award letter and performance evaluations shall be provided to the supplier, contractor or consultant in advance of the contract and shall remain constant for the duration of the contract. Performance issues must be noted in writing with a copy to the supplier, Director/Department Manager and a copy to the project file.

On completion of the project the Director or Department Manager will review the evaluation. All supporting documents pertaining to any substandard performance and comments must be attached to the evaluation document. The Director or Department Manager will forward a copy of the completed evaluation to the supplier, contractor or consultant for their records. The supplier, contractor or consultant may request a meeting with the Director or Department Manager to discuss the evaluation.

## **12.5 Non-Competitive Procurements**

### **i) Emergency Procurements**

Where an Emergency exists requiring the immediate procurements of goods, services or construction, a Director or Department Manager may procure the required goods, services or construction by the most expedient and economical means, notwithstanding any other provision of this By-law. As soon as practicable thereafter, the Director shall comply with this By-law.

For all emergency procurements made by a manager/supervisor, the manager/supervisor shall as soon after the procurement as reasonably possible, notify the Director with a written report detailing the circumstances of the emergency along with the signed purchase requisition.

In all circumstances where the emergency procurement exceeds \$25,000, the Director or Department Manager shall prepare a report to the Chief Administrative Officer.

### **ii) Single/Sole Source Purchases**

Bid Solicitations are not required for Single Source Purchases, provided that any of the following conditions apply:

- a) A Sole Source is being recommended by the Director or Department Manager.
- b) The compatibility of a Purchase with existing equipment, product standards, facilities or service is a paramount consideration;
- c) A Good is purchased for testing or trial use;
- d) There is an absence of competition for technical reasons and the Goods and / or Services can only be supplied by a particular supplier;
- e) An unforeseeable situation of urgency exists and the Goods and / or Services cannot be obtained in time by means of open procurement procedures;
- f) The Corporation has a rental contract with a purchase option and such purchase option is beneficial to the Corporation;



- g) For matters involving security, police matters or confidential issues, in which case a purchase may be made in a manner that protects the confidentiality of the supplier or the Corporation;
- h) There are no bids in response to a Bid Solicitation;
- i) A roster for Professional Services has been developed.

## **12.6 Blanket Purchase Order**

A Blanket Purchase Order is established when the number of purchase orders issued for the same type of product becomes significant, eg. Office Supplies.

The following conditions will apply to a Blanket Purchase Order:

- 12.6.1 For a specified period of time, not exceeding one (1) calendar year;
- 12.6.2 Must be with the current budget year;
- 12.6.3 Must be for specific, identified items; and
- 12.6.4 A formal quotation process is required to the issuance of a blanket purchase order.

More than one supplier may be selected where it is in the best interest of the Town and the Bid Solicitation allows for more than one.

The expected quantity of the specified goods, services or construction to be procured over the time period of the agreement will be as accurate an estimate as practical and be based, to the greatest extent possible, on previous usage adjusted for any known factors.

## **12.7 Co-operative Procurement**

The Town may where it is in the best interest of the taxpayers, be a member of a co- operative purchasing group made up of several public agencies. This group pools its expertise and resources in order to practice good value analysis and to purchase goods and/or services in volume to save tax dollars. The individual policies of the government agencies or public authorities participating in the co-operative competitive bid are to be the accepted by-law for that particular competitive bid.

The decision to participate in a co-operative procurement agreement will be made by the Director for Council consideration and approval.

## **13. Exercise of Contract Renewal Options**

1. Where a contract contains an option for renewal, the Council may authorize the Department Director or Manager to exercise such option provided that:
  - a) The supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract;

- b) Council and the Department Director or Manager agree that the exercise of the option is in the best interest of the Corporation; and
  - c) Funds are available in appropriate accounts within Council approved budget including authorized revisions to meet the proposed expenditure.
2. The request to Council to exercise the contract renewal options shall include a written explanation as to why the renewal is in the best interest of the Corporation, including comments on the market situation and trends, and the report shall be approved by resolution of Council.

#### **14.0 Complaint Resolution**

The Town of Cochrane encourages the most open, competitive bid process for the procurement of goods and/or services procured utilizing available procurement methods with the objective of equitable treatment of all vendors.

To maintain the integrity of the process, suppliers who believe that they have been treated unfairly shall submit an objection to the Chief Administrative Officer providing sufficient detail regarding the complaint.

The Chief Administrative Officer shall arrange a debriefing with the supplier to explain the evaluation process that led to the selection of the successful supplier.

The Chief Administrative Officer shall investigate the complaint and make a recommendation to the Director or Department Manager initiating the procurement, or Council, as appropriate.

To ensure that the complaint process is seen to be fair and impartial, elected officials shall not advocate on behalf of suppliers who have submitted an objection.

**Bid Irregularities**

	<b>Irregularity</b>	<b>Response</b>
1	Late Bids	Automatic Rejection Returned unopened to the bidder (if known)
2	Unsealed Envelopes	Automatic Rejection
3	Insufficient Financial Security	
	a) No bid deposit, uncertified cheque or financial security not an original (photocopy or facsimile of a financial security)	Automatic Rejection
	b) Amount of Financial Security is insufficient:	Automatic Rejection
	i) Amount of security is expressed as a percentage of total sum	Automatic Rejection; unless in the opinion of the Director or Chief Administrative Officer, the insufficiency in the financial security is trivial or insignificant
	ii) Amount of security is expressed as a dollar figure	Automatic Rejection
	c) Name or signature of supplier or bonding company are missing or incomplete	Automatic Rejection
	d) Failure to provide letter of agreement to bond (if required)	Automatic Rejection
4	Bid Document – Execution	
	a) Bids completed in erasable medium	Automatic Rejection
	b) Signature of Representative	
	i) Signature of representative authorized to bind the supplier missing or incomplete on bid document	Automatic Rejection
	ii) Electronic signature of representative authorized to bind the supplier shown on Form of Submission	Two (2) working days* to obtain original signature
	c) Form of Proposal or Quotation missing or incomplete	Two (2) working days* to correction to the satisfaction of the Director, otherwise automatic rejection
	d) Form of Tender missing or incomplete	Automatic Rejection
	e) Signature of witness, if required, missing or incomplete	Two (2) working days* to correct, otherwise automatic rejection
	f) Date of Bid missing or incomplete	Two (2) working days* to correct, otherwise automatic rejection, or if stated in the Bid Solicitation, automatic rejection
5	Incomplete, illegible or obscure Bid or Bids which contain information not called for, erasures, overwriting or strike outs (not initialed)	Two (2) working days* to correct to the satisfaction of the Director, otherwise automatic rejection

6	Document, in which all necessary Addenda have not been acknowledged	Two (2) working days* to confirm Bid to the satisfaction of the Director or if stated in the Bid Solicitation, automatic rejection
7	Failure to attend mandatory site visit (if required)	Automatic Rejection
8	Bid received on documents other than those provided in the Bid Solicitation	Automatic Rejection unless allowed for in the bid Solicitation
9	Failure to insert the bidder's business name in the space provided in the Bid Solicitation Form	Automatic Rejection unless in the opinion of the Director, the incomplete nature is trivial or insignificant
10	Mathematical Errors	Two (2) working days* to initial the correction as made by the Corporation. Unless otherwise stated in the Bid, the unit price shall prevail and the total Bid price shall be adjusted accordingly. The Corporation reserves the right to waive initialing and accept the Bid as corrected
11	Qualified Bids (Bids qualified or restricted by an attached statement)	Automatic Rejection
12	Bids containing minor obvious clerical errors	Two (2) working days* to confirm Bid to the satisfaction of the Director
13	Any other irregularities	The Director or designate shall have the authority to waive other irregularities or grant two (2) working days to initial such other irregularities considered to be minor.
* Where "working days" is specified, this is from the hour the Bidder is notified by municipal staff of the irregularity.		

**Procurement Thresholds and Methods**

Town of Cochrane  
Procurement Policy - Appendix 02  
Procurement and Approval Thresholds and Methods

PROCUREMENT PROCESS				APPROVAL PROCESS	
Procurement Threshold	Procurement Method	Process	Policy Section	Threshold	Approval Authority
\$0 - \$2,000	Open Procurement	No written quotations required, competitive quotes are encouraged to be sought	10.2	\$0 - \$2,000	Director/Department Manager or designate
\$2,000 - \$15,000	Informal Quotation ( may choose Formal Quotation method)	Two ( 2; or more competitive written quotations	10.2	\$2,000 - \$15,000	Director/Department Manager or designate
\$15,001 - \$50,000	Formal Quotation via RFQ or RFP or RFT	Prepare solicitation documentation, send to at least three (3) potential vendors, evaluate responses	10.2,19.3,10.4	\$0 - \$25,000	Director/Department Manager or designate
Greater than \$50,000	RFP or RFT	Formal Process - Prepare solicitation documentation, send to at least three (3) potential vendors, evaluate responses	10.3 and 10.4	\$25,001 - \$50,000	CAO
				Greater than \$50,000	Council
Special Items		Reporting Process	Policy Section	Approval Process	
Changes to Purchases or Contracts - previously approved by Council		Email to CAO and Treasurer	10.9 ii)	Up to 5% of Total Purchase Price or Contract Amount, up to \$25,000	Director or Department Manager
		Email to CAO and Treasurer, CAO to provide approval		Up to 10% of Total Purchase Price or Contract Amount, up to \$50,000	CAO
		Report to Council		Greater than 10% of Total Purchase Price or Contract Amount, or over \$50,000	Council
Single/Sole Source		Email to CAO and Treasurer, CAO to provide approval	10.10 ii)	\$2,000-\$25,000	CAO
		Report to Council		Greater than \$25,000	Council
Emergency Procurements		Report to CAO and compliance with provisions of this bylaw as soon as practical thereafter	10.10 i)	\$0 - \$25,000	Director
		As per above, CAO to provide approval		Greater than \$25,000	CAO

### **Purchasing Method Exemptions**

The purchasing methods described in this policy do not apply to the following goods and services

#### **Training and Education**

- Registration and tuition fees for conferences, conventions, courses and seminars
- Magazines, books and periodical unless the purchase of such magazines, books and periodicals are subject to value-added services
- Memberships

#### **Refundable Council/Employee Expenses**

- As per Municipal Business, Travel and Expense Policy
- As per Collective Agreement
- Examples include advances, meal allowances, travel and entertainment.  
Miscellaneous – non travel

#### **Employer General Expenses**

- Payroll deduction remittances
- Insurance Premiums (Health, Liability)
- Postal Services
- Courier Services
- Licences (communication, vehicle, amusement devices, etc.)
- Debenture payments
- grants
- Damage claims
- Payments for employment
- Petty cash replenishments
- Tax remittances
- Other government agencies (federal, provincial, municipal)

#### **Utilities**

- Hydro
- Natural Gas
- Telephone
- Cell Phone
- Hot Water Tank Rentals
- Internet

**Advertising**

- Radio
- Television
- Newspaper
- Magazine

**Professional And Other Services**

- Medical services
- Expert witnesses
- Municipal solicitor
- Municipal auditor
- Collection agency
- Appraisers
- Banking services
- Committee fees
- Medical and laboratory services
- Honorariums
- Ongoing maintenance and software licensing and support agreements for equipment such as computer hardware and software, telecommunications equipment, elevators and HVAC equipment.

## **Supplier Barring Protocol**

### **1.0 Reasons for Disqualification**

The Town may disqualify a supplier for one of the following five categories of reasons:

#### **1.1 Litigation**

If a supplier engages in litigation against the Town, the Town may consider whether or not such litigation should disqualify that supplier from participating in future procurement opportunities with the Town. Note that litigation brought by the Town against a supplier is addressed in Section 1.5.

A supplier who engages in litigation against the Town should only be disqualified in connection with the litigation proceedings if there are valid commercial or business reasons for doing so. Disqualification should not be exercised as retaliation against a supplier for bringing a legitimate lawsuit against the Town. In evaluating whether a litigious supplier should be disqualified, the Town should consider the following qualitative factors in its analysis:

- Is there a connection between the type of work being procured and the current procurement opportunity?
- Is there a history of litigious conduct with the supplier and has that history resulted in increased costs to the Town?
- What was the outcome of the litigation? For example, was it frivolous/vexatious or were damages awarded in favour of the supplier?
- Does the supplier's litigation with the Town call into question the supplier's ability to provide the work or services that are the subject of the current procurement opportunity?

#### **1.2 Failure to Honour a Proposal**

If a supplier submits a proposal or submission in response to a Town procurement opportunity and that supplier subsequently refuses to honour its submission or the pricing included in that submission, the Town may consider disqualifying that supplier from participating in future procurement opportunities with the Town. However, a supplier should not be disqualified if its failure to honour a proposal or submission was a legitimate withdrawal of that submission. Accordingly, the reason why a proponent did not honour its submission must be analyzed and considered in making a decision to disqualify that supplier. Factors that the Town may consider in such analysis include, but should not be limited to, the following:



- If the Town and the highest-ranked supplier in a procurement opportunity attempt to negotiate an agreement and for valid business reasons are unable to come to an agreement, that supplier should not be disqualified.
- If a proponent fails to honour its submitted pricing because of a change in market conditions, the Town should consider whether pricing fluctuations are common in the industry. If price increases are common, the Town should consider whether the proponent should have factored this into their submitted pricing. For example, could the market conditions have been reasonably predicted within the industry?
- If a proponent does not honour its submission because it is too busy on other contracts at the time of award and the procurement opportunity was awarded according to the published timetable, the Town should consider disqualifying that proponent because proponents should only submit proposals if they are capable of delivering the services.
- Other reasons for a proponent's failure to honour a submission or pricing should be reviewed contextually and fairly.

### **1.3 Failure to Disclose a Conflict of Interest in Connection with a Town Procurement Opportunity**

If a proponent fails to disclose a conflict of interest during a Town procurement opportunity or during the performance of a contract with the Town and the Town subsequently discovers that such a conflict of interest exists, the Town may disqualify that supplier from participating in future procurement opportunities after conducting an analysis based on the following factors:

- The nature of the conflict of interest, including whether it is a perceived or an actual conflict of interest and the materiality of the advantage that such a conflict may have given the supplier.
- Whether the supplier knowingly failed to disclose such a conflict of interest.
- The impact such a failure to disclose the conflict of interest had or may have on the Town, including its reputation and the impact on its obligation to conduct a fair competitive procurement process.

### **1.4 Participation in Bidding Practices that are Sanctioned by Statute, including the Criminal Code or the Competition Act**

If the Town has reason to suspect that a proponent or proponents are engaged in bid-rigging, price-fixing, bribery or collusion or other behaviours or practices sanctioned by federal or provincial statutes in connection with a Town procurement opportunity, the Town should contact the appropriate authorities and provide such assistance as is required to support a subsequent investigation and, if applicable, prosecution.

If a supplier is convicted of bid-rigging, price-fixing or collusion or other behaviours or practices sanctioned by federal and provincial statutes in connection with a Town procurement or in connection with other public sector procurements, the Town may disqualify that proponent for a minimum period of one year.

### **1.5 Unethical Bidding Practices**

A proponent may engage in unethical bidding practices that do not amount to a criminal or statutory offense, but such practices may still warrant disqualification from bidding on the Town procurement opportunities. Examples of such unethical bidding practices include inappropriate offers of gifts to Town employees from potential suppliers, misrepresentations in proposals and inappropriate in-process lobbying of or communications with Town employees by proponents during a procurement process. The Town must conduct a full review of the unethical practice in question and perform a contextual analysis to determine whether or not the proponent or supplier in question should be disqualified, including consideration as to the impact the unethical bidding practice had on the Town's ability to run a fair procurement process.

### **1.6 Poor Performance**

If a supplier performs poorly on an existing contract with the Town, the Town may consider disqualifying that supplier in the following circumstances:

- The contract was terminated for performance issues prior to expiry.
- There were un-rectified performance issues on a contract that resulted in extra costs to the Town.
- The goods were defective and were not replaced or repaired or required multiple repairs.
- The Town felt it was necessary to engage in litigation against the supplier in connection with issues related to the contract.
- The supplier received a performance rating of less than 50% on a contract with the Town.
- The supplier received an average performance rating of less than 80% on three contracts with the Town.

In order to disqualify a supplier for one of the contract performance-related issues set out above, the contract in question must have been effectively managed by the appropriate Town staff. Effective management includes giving written notification to the supplier of performance issues and documenting the escalation of such performance issues. Further, the department must have conducted a performance evaluation at the end of the contract in accordance with the form and content prescribed by Finance. Such performance evaluations will rate factors such as adherence to the terms of the contract, quality of goods or services and responsiveness to Town requests.

Each supplier must be given a performance rating out of 100 points. Performance ratings of less than 80 points must be supported by appropriate communications and correspondence to the supplier outlining performance issues.

## **2.0 Disqualification Process**

- 2.1** A proposal to disqualify a supplier must be supported by a written business case that contains all details connected with the analysis using the factors set out in Section 1.0 above.
- 2.2** The business case should also include the proposed length of the disqualification. A supplier may be disqualified for a period of up to five (5) years. The length of the disqualification period should be fair and proportional to the reasons for the disqualification and the full five-year suspension should only be applied in the most serious of disqualifications. A disqualification can either be a blanket disqualification or a disqualification to provide specific goods or services and the business case should clearly set out the scope of the disqualification.
- 2.3** All decisions to disqualify a supplier must be approved by the Chief Administrative Officer, unless the Chief Administrative Officer was involved with the specific contract at issue, in which case the business case should be approved by the Director of Corporate Services. The decision-maker must consider the written business case, together with all documentation associated with the business case and the specific facts leading up to the proposed disqualification. The decision-maker should consider seeking external advice when appropriate. In addition, the decision-maker should consider seeking written representations from the supplier in question and factoring such written representations into the decision-making process where the documentation supporting the business case is unclear or where it is important to consider the suppliers' perspective on the particular matter.
- 2.4** If the disqualification business case has been approved, the Municipal Clerk should write to the supplier in question informing that supplier that it is disqualified from submitting proposals or responses in respect of the Town procurement opportunities for the prescribed time period. The notification letter should contain:
  - Full details as to the reasons for the disqualification, including copies of any documents or correspondence to support such a disqualification.
  - The length of the disqualification period and the scope, if applicable.
  - The supplier's right to re-apply for eligibility within the prescribed time period and the process for requesting such a re-application.

### **3.0 Review of Disqualification**

A disqualified supplier may apply to be re-eligible to submit proposals or submissions to the Town procurement opportunities upon the completion of half of the original disqualification period. For example, if the original disqualification period was two (2) years, the supplier may apply for review of the disqualification after one year. In order to apply to be re-eligible, the supplier must submit a written case for re-instatement, including supporting documentation if necessary, that provides reasons why the original reason for the disqualification would no longer prove a risk for the Town.

Applications for review of eligibility are to be reviewed by the Chief Administrative Officer. If the Chief Administrative Officer is convinced that the reasons for the original disqualification will no longer present risk for the Town should it do business again with the supplier in questions, then the Chief Administrative Officer may re-instate the supplier.

### **4.0 Disqualification List**

The Town Clerk's department shall maintain a list of all disqualified suppliers. The list should contain the full name of the supplier, the reasons for the suspension, the file number where the business case for the disqualification is filed, the length of the disqualification period and the date of the expiry of the disqualification period. Review of the disqualification list against a list of proponents or respondents should be conducted for each procurement to ensure that disqualified suppliers are not allowed to continue in the process.