

ADMINISTRATION

Chapter 261 PROCUREMENT

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Article 1 INTERPRETATION AND APPLICATION

261.1.1 Defined Terms

Terms used in this by-law are defined in the Glossary of Terms (Schedule A).

261.1.2 Application

This by-law applies to all departments of the City and affiliated boards and commissions of the City.

This By-law applies to the procurement of all deliverables with the exception of the exclusions set out in Schedule B of this By-law. Procurement includes the acquisition of deliverables by purchase, rental, or lease.

This By-law does not apply to:

- (a) Contracts or agreements relating to hiring of employees or employee compensation or reimbursement of employee expenses; or
- (b) Contracts or agreements for the sale, purchase, lease or license of land or existing buildings.

261.1.3 Authorization Schedule

The Authorization Schedule (Schedule D) sets out the authorities for:

- (a) initiating a procurement;
- (b) conducting a procurement process and approving the award of a contract;
- (c) issuing purchase orders and signing contracts on behalf of the City; and
- (d) approving amendments to existing contracts.

261.1.4 Procurement Protocols and Procedures

Procurement Services is responsible for developing and maintaining detailed protocols and procedures to support this by-law. All procurements covered by this by-law must be conducted in accordance with all applicable protocols and procedures found in the Procurement Manual.

261.1.5 Emergency Purchases

- a) Notwithstanding any other provisions of this by-law, where an emergency exists and prior approval of the Procurement Services cannot be obtained, a Department Head, or their designate, may authorize any officer or employee to acquire required deliverables in an expedited manner.

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- b) If the emergency purchase exceeds \$100,000, the Department Head must obtain the prior approval of the CAO and inform Council as soon as possible through a memo in the Council Information Package. Should the purchase exceed the approved budget, a report to Council must be submitted in a timely manner to secure additional funding.
- c) For the purposes of this by-law, an emergency exists when an unforeseeable situation or event occurs that is a threat to any of the following:
 - i. public health and/or safety;
 - ii. the maintenance of essential services;
 - iii. the welfare of persons or public property; or
 - iv. the security of the City's interests.

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

261.1.6 Co-operative Purchasing and Buying Groups

- a) The City may participate in co-operative or joint purchasing initiatives with other entities where such initiatives are determined to be in the best interests of the City. If the City participates in such co-operative or joint purchasing initiatives, the City may adhere to the policies of the entity conducting the purchasing process, provided that such policies comply in spirit with this by-law. If the City is leading a co-operative or joint purchasing initiative, this by-law will be followed.
- b) The City may participate as a member of buying groups which administer procurements for its members when determined to be in the best interest of the City. If the City is a member of a buying group, the City may procure deliverables through the buying group provided that the procurement process is conducted in a manner consistent with the City's obligations under applicable trade agreements.

Article 2

PURPOSE AND PRINCIPLES

261.2.1 Purpose

The purpose of this by-law is to detail the principles, procedures, roles, and responsibilities for the City's procurement operations.

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261.2.2 Principles

The City is committed to conducting its procurement operations in accordance with the following principles:

- (a) compliance and consistency with applicable legislation, trade agreements, policies, and procedures;
- (b) open, fair, and transparent processes that afford equal access to all qualified suppliers;
- (c) reciprocal non-discrimination and geographic neutrality with respect to its trading partners in accordance with trade treaty obligations;
- (d) achieving best value through consideration of the full range of procurement formats and the adoption of commercially reasonable business practices;
- (e) effective balance between accountability and efficiency;
- (f) ensuring adherence to the highest standards of ethical conduct;
- (g) have regard for the accessibility of persons with disabilities in consideration of the goods and services purchased by the City in accordance with the City's policies in respect of accessibility.

Article 3

ETHICAL CONDUCT AND CONFLICTS OF INTEREST

261.3.1 Conduct and Conflicts of Interest

- (a) The City's procurement activities must be conducted with integrity, and all individuals involved in the City's procurement activities must act in a manner that is consistent with the principles and objectives of this by-law and in accordance with Chapter 27 of the City's Municipal Code - Code of Conduct - Members of Council , Committees and Local Boards and the City's Accountability and Transparency Policy, (1.13.1.1 of the City of Orillia Policy Manual).
- (b) No purchase will be processed for personal items of direct benefit to officers or employees of the City or any member of Council except when permitted by by-law or with prior approval from the CAO.
- (c) All participants in a procurement process, including any outside consultants or other service providers participating on behalf of the City, must declare any perceived, possible, or actual conflicts of interest.
- (d) "Conflict of interest," when applied to the activities of the City and its consultants or service providers, means a conflict or tension between one's private interests and one's public or fiduciary duties.

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261.3.2 Supplier Conduct and Conflicts of Interest

- (a) The City requires its suppliers to act with integrity and conduct business in an ethical manner.
- (b) All suppliers participating in a procurement process or providing Deliverables to the City must declare any perceived, possible, or actual conflicts of interest and must conduct themselves in accordance with the Supplier Code of Conduct in Schedule E.
- (c) The City 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.

Article 4

ROLES AND RESPONSIBILITIES

261.4.1 Role and Responsibilities of Council

- (a) In accordance with best practices in municipal procurement, Council recognizes the need for a clear separation of political and administrative functions in relation to the City's procurement operations.
- (b) It is the role of Council to establish policy and approve expenditures through the City's budget-approval process. Council delegates to the City's officers and employees the authority to incur expenditures in accordance with approved budgets through the procurement of deliverables in accordance with the rules and processes set out in this by-law and applicable protocols and procedures.
- (c) To facilitate Council's oversight role in respect of significant projects, Council may provide strategic direction and guidance on major projects prior to the commencement of the procurement process; however, Council will not generally be involved in the day-to-day procurement operations or individual procurement processes, except to the extent that the approval of Council is required under this by-law or in the event that an exception to this by-law is required.

261.4.2 Roles and Responsibilities of Officers and Employees

Specific responsibilities pertaining to all stages of a procurement process, from the initial identification of requirements through to the management of contracts with suppliers, are detailed in this by-law and applicable protocols and procedures. In addition to those specific responsibilities, the general roles and responsibilities delegated to the City's officers and employees are set out below.

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261.4.2.1 Procurement Services

It is the role of Procurement Services to lead the City's procurement operations. In fulfilling this role, the Procurement Services, or designate, is responsible for:

- (a) ensuring the consistent application of this by-law and the provision of procurement services to the Departments efficiently and diligently;
- (b) developing procurement strategies and continually analyzing business requirements and spending patterns to identify opportunities for more strategic sourcing;
- (c) researching, developing, maintaining, updating, and communicating procurement protocols, procedures, and templates;
- (d) addressing any issues or concerns that arise in respect of a procurement process and seeking guidance, support, and advice of Legal Services, as required; and
- (e) providing appropriate orientation, training, and tools to employees involved in procurement activities.

261.4.2.2 Department Heads

- (a) It is the role of the Departments to ensure that their requirements for deliverables are met in accordance with the principles and objectives of this by-law. In fulfilling this role, Department Heads are responsible for ensuring that their department complies with this by-law and all applicable protocols and procedures, encouraging sound procurement practices and ensuring the provision of appropriate education and training to employees involved in procurement activities.
- (b) Department Heads will be held accountable for any decision to proceed with a procurement process or transaction that is not conducted in accordance with this by-law or does not have the approval of Procurement Services.

261.4.2.3 All Employees

All City employees are responsible for complying with this by-law. Employees involved in procurement activities must understand their obligations and responsibilities under this by-law and all applicable protocols and procedures, and they should consult with Procurement Services in respect of any questions regarding the application or interpretation of this by-law or any relevant procedures.

261.4.2.4 Chief Administrative Officer (CAO)

It is the role of the CAO to oversee the conduct and activities of the City's employees in carrying out procurement roles. In fulfilling this role, the CAO is responsible for approving procedures and protocols as developed and recommended by the CFO/City Treasurer, providing support to the Procurement Review Committee (PRC) and

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ensuring compliance with this by-law, reporting serious incidents of non-compliance to Council as warranted.

261.4.2.5 Chief Financial Officer (CFO)/Treasurer

It is the role of the CFO/City Treasurer to oversee Purchasing Services and provide support to and guidance as required.

261.4.2.6 Legal Services

It is the role of Legal Services to provide legal advice and assistance on the City's procurement activities and its relationships with Suppliers. In fulfilling this role, Legal Services is responsible for:

- (a) advising the Procurement Services as required on legal issues arising from procurement activities and reviewing and approving specific solicitation documents and related documentation referred for legal review by the Procurement Services;
- (b) providing advice on the finalization of contracts and agreements and reviewing and advising on proposed changes to the City's standard terms and conditions, legal agreements, and solicitation document templates; and
- (c) providing legal advice and counsel to the City in the event of a Contract dispute or legal challenge flowing from a procurement process.

261.4.3 Procurement Review Committee

- (a) The City will establish a Procurement Review Committee (PRC) for the purpose of making determinations under:
 - i. the Procurement Protest Protocol; and,
 - ii. the Supplier Suspension Protocol; and,
 - iii. for considering and providing input on other procurement matters that may be referred to it by the Procurement Services.
- (b) The PRC will include Procurement Services and at least two other senior-level officers or employees of the City. Legal Services will provide guidance and advice to the PRC, as required.

Article 5

ESTABLISHMENT OF SUPPLY ARRANGEMENTS

261.5.1 Recurring Requirements

Before initiating a procurement, Departments must consider the availability of existing supply arrangements. If the deliverables will be required on a frequent or regularly recurring basis, and there is no existing supply arrangement, the Department must

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consult with Procurement Services about the possibility of establishing a standing offer or qualified supplier roster.

261.5.2 Standing Offers

- (a) Standing offers may be established for standardized deliverables to be purchased by all Departments, where:
 - i. The requirements for deliverables are recurring and predictable over an extended period of time;
 - ii. The requirements are standard and clearly defined at the time of establishment of the standing offer; and
 - iii. It is possible to fix pricing for the deliverables for the duration of the standing offer.
- (b) The establishment of a standing offer does not create a contractual commitment to procure deliverables from the supplier. The commitment to purchase against a standing offer is formed at the time a specific order is placed through the issuance of a purchase order to the supplier.
- (c) Procurement Services is authorized to establish standing offers through an open competition. The open competition will be managed by Procurement Services, with the co-operation and involvement of subject-matter experts from the relevant department(s). If multiple standing offers are established for the same goods or services, clear ranking methodologies and call-up procedures must be specified.

261.5.3 Qualified Supplier Rosters

- (a) Qualified supplier rosters may be established to prequalify suppliers that will be eligible to compete for discrete work assignments involving the delivery of a particular type of deliverables, as and when required.
- (b) The establishment of a qualified supplier roster does not create a contractual commitment to procure deliverables from any of the suppliers. When deliverables are required, a roster competition will be conducted for the purposes awarding a contract to one of the qualified suppliers.
- (c) Procurement Services is authorized to conduct open framework competitions to establish qualified supplier rosters. The open framework competition will be managed by Procurement Services, with the co-operation and involvement of the department(s), in accordance with the qualified supplier roster protocol within the Procurement Manual.

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Article 6

PROCUREMENT OF DELIVERABLES

261.6.1 Procurement Planning

Effective procurement planning is essential to ensuring an effective result and to limiting risk to the City. Departments must ensure that they leave sufficient time to plan for a procurement, including time for:

- (a) developing proper specifications and business requirements;
- (b) obtaining internal reviews;
- (c) conducting a competitive process, as required; and
- (d) obtaining necessary approvals.

Departments must follow the Procurement Planning Protocol within the Procurement Manual.

261.6.2 Market Research

Where the Department is uncertain about the deliverables required or where there is insufficient internal knowledge about the market, the department must consult with Procurement Services about conducting a Request for Information RFI process. An RFI process must be openly posted in order to gather market research from prospective bidders. It must not be used as a prequalification tool.

261.6.3 Procurement Value

It is important to accurately estimate the value of the procurement to determine the appropriate procurement method and ensure compliance with the requirements of this by-law. Departments must refer to the Procurement Planning Protocol within the Procurement Manual for additional guidance on determining the procurement value.

261.6.4 Contract-Splitting

Subdividing, splitting or otherwise structuring procurement requirements or contracts in order to reduce the value of the procurement or in any way circumvent the requirements or intent of this by-law is not permitted.

261.6.5 Initiating Procurement

Unless specifically permitted under this by-law or the procurement protocols or procedures, Departments are not permitted to procure deliverables or engage with potential suppliers regarding the procurement of deliverables without the involvement of Procurement Services. All procurements must be initiated in accordance with the Procurement Planning Protocol within the Procurement Manual.

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261.6.6 Procurement Authorization

Before any Procurement process begins, authorization of the procurement and delegation of authority to procure must be obtained in accordance with the authorization schedule (Schedule D).

261.6.7 Standard Procurement Methods

Depending on the nature, value, and circumstances of the procurement, the City may procure deliverables through the following standard procurement methods. The various thresholds are set out in Schedule C of this by-law.

1. Existing Supply Arrangement

a) Ordering from Standing Offer

When a standing offer is available, its use is mandatory for all departments. To purchase from the standing offer, the Division will complete a purchase order referencing the standing offer and reflecting the pre-negotiated prices and terms and conditions of the standing offer and issued to the supplier.

2. Roster Competition

If the deliverables are available under an existing qualified supplier roster within the Procurement Manual, they must be acquired through a roster competition.

Roster Competitions will be managed by Procurement Services, with the co-operation and involvement of the department, in accordance with the Qualified Supplier Roster Protocol within the Procurement Manual.

3. Low-Value Procurement

- (a) Where the procurement value is below the low-value procurement threshold and the deliverables are not covered under an existing standing offer or qualified supplier roster, departments may make low-value procurements without the involvement of Procurement Services.
- (b) It is the responsibility of the department to determine if there is an existing standing offer or qualified supplier roster for the required deliverables before making a purchase. When available, the deliverables must be purchased in accordance with the terms of the standing offer or in accordance with the qualified supplier roster protocol.
- (c) For low-value procurements, the department is only required to obtain one quote and may acquire the deliverables using petty cash or a corporate purchasing card or by submitting a purchase order requisition to Procurement Services.
- (d) Where practical, departments are encouraged to obtain multiple quotes to ensure they are obtaining best value. Quotes may be obtained through

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advertisements or supplier catalogues or by contacting the potential supplier(s) by telephone or email.

- (e) The Department Head is responsible and accountable for low-value procurements and may authorize specific individuals within the department to make low-value procurements and may assign specific spending authority limits.
- (f) If a department anticipates making multiple low-value procurements of the same deliverables and the total value of those purchases may exceed the applicable low-value procurement threshold, the department must contact Procurement Services to discuss the possibility of setting up a standing offer or qualified supplier roster.
- (g) Procurement Services is available to assist departments with low-value procurements, and departments may request that Procurement Services conduct an invitational competition for any low-value procurement.

4 Invitational Competition

- (a) An invitational competition, in which bids are solicited from a minimum of three suppliers, is the standard method of procurement when the procurement value is between the low-value procurement threshold and the open competition threshold.
- (b) Invitational competitions will be managed by Procurement Services, with the co-operation and involvement of the Department, in accordance with the Invitational Competition Protocol within the Procurement Manual.
- (c) Procurement Services may delegate the authority to conduct an invitational competition to a department, on either a standing basis or a case-by-case basis. Where a department has delegated authority to conduct an invitational competition, the Department Head is responsible and accountable for ensuring that the process is conducted in accordance with the invitational competition protocol.
- (d) Open competition may be conducted in lieu of an invitational competition, where Procurement Services, in consultation with the department, determines that it would be in the City's best interest.

5 Open Competition

- (a) An open competition, in which bids are solicited from all interested suppliers through a publicly posted solicitation document, is the standard method of procurement when the procurement value equals or exceeds the open competition thresholds (schedule C).
- (b) Open competitions must also be used to establish standing offers.

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- (c) Open competitions may include two-stage procurement processes in which a prequalification process is conducted by soliciting and evaluating submissions from all interested suppliers in order to establish a short list of prequalified suppliers that will be eligible to submit a Bid in response to a second-stage solicitation document. A two-stage procurement process may be used whenever determined appropriate by the Procurement Services, in consultation with the department.
- (d) Open competitions will be managed by Procurement Services, with the cooperation and involvement of the department, in accordance with the open competition protocol.

261.6.8 Non-Standard Procurement

- (a) Non-standard procurement means the acquisition of deliverables through a method other than the standard method for the type and value of the deliverables, as set out above under Section 6.7.
- (b) Non-standard procurement methods include:
 - i. acquiring deliverables directly from a particular Supplier without conducting a competitive process when an invitational competition or an open competition would normally be required; and
 - ii. soliciting bids from a limited number of suppliers without conducting an open prequalification process when an open competition would normally be required.
- (c) The use of a non-standard procurement process is permitted only under the specific circumstances set out in the non-standard procurement protocol within the Procurement Manual.
- (d) Under no circumstances will a non-standard procurement be used for the purpose of avoiding competition among suppliers or in a manner that discriminates against or advantages suppliers based on geographic location.

261.6.9 Unsolicited Proposals

- (a) All unsolicited proposals, including any offers for presentations or product/service trials submitted to the City with the expectation on the part of the submitter of obtaining consideration for an ensuing contract or procurement by the City, must be directed to the Manager of Procurement Services for review.
- (b) Any product presentation or demonstration should only be held as part of a formal request for information process or competitive process.

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- (c) Any procurement resulting from the receipt of an unsolicited proposal must comply with the provisions of this by-law.
- (d) In the absence of a competitive process, a contract may only be awarded in respect of an unsolicited proposal if a non-standard procurement is permitted in accordance with this by-law and all applicable procedures.

261.6.10 Contract Award and Finalization

- (a) Contracts must be awarded in accordance with this by-law and the applicable protocol(s) governing the procurement process and must be authorized in accordance with the Authorization Schedule (schedule D).
- (b) A contract may be entered into through the execution of a legal agreement and/or the issuance of a purchase order evidencing the contract. The contract must be entered into prior to the delivery or provision of the deliverables.
- (c) Procurement Services has delegated authority to issue purchase orders on behalf of the City. Agreements must be signed in accordance with the Authorization Schedule (schedule D)..
- (d) No contract may be entered into, either through the issuance of a purchase order or the execution of an agreement, unless:
 - i. approved funding in an amount sufficient to cover the procurement value is available;
 - ii. the procurement process was conducted in accordance with this by-law; and
 - iii. applicable protocols and all required authorizations have been obtained.

Article 7

SUPPLIER RELATIONS AND CONTRACT MANAGEMENT

261.7.1 Debriefings

Where the City has conducted an open competition, unsuccessful suppliers may request a debriefing. Debriefings must be conducted in accordance with the bidder debriefing protocol within the Procurement Manual.

261.7.2 Procurement Protests

Suppliers may formally protest the outcome of a procurement process. Procurement protests must be managed and responded to in accordance with the Procurement Protest Protocol within the Procurement Manual.

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261.7.3 Contract Management

All contracts for deliverables must be managed by the department in accordance with the Contract Management Protocol within the Procurement Manual. Master Framework Agreements will be managed by Procurement Services in accordance with the Qualified Supplier Rosters Protocol within the Procurement Manual.

261.7.4 Contract Extensions or Amendments

- (a) Contract extensions and amendments must not be used to expand a contract beyond what was contemplated under the terms of the Contract and the original procurement process or to circumvent the need to procure additional deliverables through a competitive process in accordance with this by-law.
- (b) If a contract amendment results in a net increase to the contract value previously approved, the amendment must be approved in accordance with the Contract Management Protocol within the Procurement Manual and the Authorization Schedule (Schedule D).

261.7.5 Supplier Performance

The performance of a Supplier under contract must be monitored and tracked in accordance with the Supplier Performance Evaluation Protocol within the Procurement Manual

261.7.6 Supplier Suspension

Suppliers can be suspended from participating in future procurement processes in accordance with the Supplier Suspension Protocol within the Procurement Manual.

Article 8

PROCUREMENT RECORD-KEEPING

261.8.1 Supplier Information

The City must ensure that supplier information submitted in confidence in connection with a procurement process or contract is adequately protected. Procurement Services and the departments must ensure that all bids and contracts are kept in a secure location and are only accessible by those individuals directly involved with the procurement or management of the contract. Confidentiality of bids and suppliers' proprietary information shall be maintained in accordance with the *Municipal Freedom of Information and Protection of Privacy Act*, and in accordance with all other legal obligations that may apply to confidential supplier information.

261.8.2 Procurement Records

- (a) The maintenance, release, and management of all procurement records must be in accordance with the City's policies and procedures on document management and access to information.

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- (b) Procurement Services is responsible for ensuring that all documentation relating to a procurement is properly filed and maintained in a procurement project file. Documentation and reports regarding procurement processes and contract awards (including non-standard procurements) and data necessary to trace the process conducted electronically must be maintained for six years from the award date as required under the City's document management policy.

Article 9

COMPLIANCE MONITORING AND REPORTING

261.9.1 Compliance Monitoring

- (a) Non-compliance with this by-law may expose the City to the risk of supplier complaints, reputational damage, Bid disputes, and legal challenges.
- (b) Department Heads are required to observe and address non-compliance with this by-law within their departments. Where instances of non-compliance are identified, the Department Head is expected to notify the Procurement Services and obtain advice with respect to mitigating potential risks to the City arising from the non-compliance.
- (c) The Procurement Services is responsible for monitoring compliance across the organization. Based on the results of compliance monitoring, reports outlining instances of non-compliance may be issued by the Procurement Services to the relevant Department Head. The Department Head must address the identified compliance concerns and submit a written confirmation of actions taken to the Procurement Services. Ongoing concerns with respect to compliance will be subject to internal audit.

261.9.2 Audit

All procurement activities will be subject to audit by Procurement Services.

261.9.3 Reporting

Procurement Services will maintain annual regular reporting to the City's Senior Leadership Team.

Article 10

DISPOSAL OF SURPLUS AND OBSOLETE GOODS

261.10.1 Disposal of Surplus and Obsolete Goods

- (a) The department shall notify Procurement Services of any item that has been deemed surplus or obsolete for disposal or sale. If the estimated residual value is greater than \$20,000, the division shall obtain the approval of the Department Head prior to sale.

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- (b) Procurement Services will circulate a list of surplus items, other than intended trade-ins, to all departments prior to the sale or disposal of such items and offer the items to departments free of charge. Trade-ins and other disposal of fleet assets shall follow the process set out in the City's fleet management policy.
- (c) Surplus or obsolete items not required by any other Department shall be sold or disposed of by a Department via formal auction, internet auction, publicly advertised request for offers or trade-in. Any remaining surplus items shall be given to a non-profit entity at the discretion of the Manager of Procurement Services.
- (d) The disposition shall be documented and revenue generated from the sale of surplus items shall be credited to the appropriate account as determined by the Deputy Treasurer or delegate.

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SCHEDULE “A” - GLOSSARY OF TERMS

“**Bid**” means a submission in response to a solicitation document, and includes proposals, quotations, or responses.

“**Bidder**” means a supplier that submits a bid, and includes proponents and respondents.

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

“**City**” means the Corporation of the City of Orillia.

“**Competitive Process**” means the solicitation of bids from multiple suppliers.

“**Contract**” means a commitment by the City for the procurement of deliverables from a supplier, which may be evidenced by an agreement executed by the supplier and the City, or a purchase order issued by the City to the supplier.

“**Contract Administrator**” means an employee assigned to the management of a contract.

“**Council**” means the elected governing body of the City.

“**Deliverables**” means any goods, services, or construction, or combination thereof.

“**Department**” means a division of the City dealing with a specific subject.

“**Department Head**” means the Director or General Manager responsible for a Department.

“**Division**” means a branch or unit of a City Department.

“**Division Head**” means an individual officer or employee who is responsible for a specific Division.

“**Division Manager**” means the division employee assigned primary responsibility for a procurement.

“**Invitational Competition**” means a competitive process in which an invitation to submit Bids is issued to at least three suppliers.

“**Legal Services**” means the officers or employees responsible for the provision of legal advise and oversight.

“**Low-Value Procurement**” means any procurement of deliverables with a value below the low-value procurement threshold set out in Schedule C, except where the procurement is made through an existing standing offer or qualified supplier roster.

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“Low-Value Procurement Threshold” means the maximum value for a procurement of deliverables that the City may procure without proceeding with an open competition.

“Master Framework Agreement” means a master agreement entered into between the City and the prequalified suppliers that have been included on a qualified supplier roster.

“Open Competition” means the solicitation of bids through a publicly posted solicitation document.

“Open Competition Threshold” means the minimum value for a procurement of that the City must procure using an open competition.

“Open Framework Competition” means the competitive process used to establish a qualified supplier roster and provide for an ongoing application process during the term of the qualified supplier roster, as further described in the qualified supplier rosters protocol.

“Performance Evaluation Report” means a report evaluating a supplier’s performance in accordance with the supplier performance evaluation protocol, and includes both interim and final performance evaluation reports.

“Procurement” means the acquisition of deliverables by purchase, rental, or lease.

“Procurement Plan” means the plan developed by a department at the outset of an invitational competition or open competition in accordance with the competitive procurement planning protocol.

“Procurement Review Committee” (PRC) means a committee established by the City for the purposes of considering and making determinations on procurement-related matters, including determinations under the non-standard procurement protocol, the procurement protest protocol, and the supplier suspension protocol.

“Procurement Services” means the individual officer or employee who is responsible for purchasing deliverables for the City.

“Procurement Value” means the maximum total value of the deliverables being procured, and it must include all costs to the City, including, as applicable, acquisition, maintenance, replacement, and disposal; training, delivery, and installation; and extension options, less applicable rebates or discounts and exclusive of sales taxes.

“Project Lead” means the individual officer or employee who is responsible for the management of a project.

“Purchase Order” means the City’s written document issued by a duly authorized employee of the City to a supplier formalizing all the terms and conditions of the purchase and supply of the deliverables identified on the face of the purchase order.

PROCUREMENT

“Purchasing Card” means a credit card provided by the City to employees for use as a payment method to purchase directly from suppliers and in accordance with any cardholder agreement and applicable procedures.

“Qualified Supplier Roster” means a list of suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (RFSQ) and have therefore been prequalified to perform discrete work assignments involving the delivery of a particular type of deliverable. The suppliers that qualify for inclusion on the qualified supplier roster will enter into a master framework agreement and will be eligible to participate in roster competitions, as and when the goods or services are required.

“Request for Information” (RFI) means a market research initiative for the collection of data for the purposes of future procurement planning.

“Roster Competition” means an expedited, invitational competition between suppliers that have been included on a qualified supplier roster for the selection of a supplier to perform a discrete work assignment during the term of the roster.

“Solicitation Document” means the document issued by the City to solicit bids from bidders.

“Standing Offer” means a written offer from a pre-approved supplier to supply deliverables to the City, upon request, through the use of an ordering process during a particular period of time, at a predetermined price or discount, generally within a predefined dollar limit. A standing offer does not create a contractual commitment from either party for a defined volume of business. The commitment to purchase against a standing offer is formed at the time a specific order is placed through the issuance of a purchase order to the supplier.

“Supplier” means a person or entity carrying on the business of providing deliverables.

“Total Cumulative Increase” means the total value of all increases to the original procurement value, including the value of all previously approved amendments and the value of the proposed amendment.

PROCUREMENT

SCHEDULE "B" - EXCLUSIONS

The following acquisitions and expenditures are excluded from the application of the Procurement By-law:

1. Employer Expenses

- a) Staff recognition expenses.
- b) Staff expenses, education, memberships and licensing expenses, and related subscriptions to newspapers, professional magazines, books or other periodicals.
- c) Employment contracts or agreements relating to hiring of employees or employee compensation or accompanying expenses, and includes reimbursable employee expenses such as travel, meals, mileage and accommodation expenses, and recreation program facilitators, whether operating under an employment contract or other.

2. General and Operating Expenses

- a) Payment to government or public sector entities, subsidiaries, shareholdings, regulatory authorities or entities founded by other government or public sector entities (e.g. TSSA, ESA, AMO, Canada Post, Hydro One, OMERS, tax remittance, property tax, water and wastewater charges, utility fees), or where specific funds provided by other government or public sector entities or their subsidiaries has been directed to flow through to a specified third party entity.
- b) Financial services respecting the management of financial assets (investments) and liabilities (sale, redemption and distribution of public debt, including loans and government bonds, notes and other securities).
- c) Legal services, insurance settlements, and expenses respecting the management of claims, litigation or potential litigation (e.g. damage claims, court fees, arbitration, legal advice and representation, health services, witness fees).
- d) Any form of assistance that the City provides, including cooperative (e.g. inter-municipal) agreements, contributions respecting development (e.g. local municipal servicing and parkland), grants, donations, loans, equity infusions, guarantees, fiscal incentives, rebates, ratepayers or customers reimbursement or refunds.
- e) Council, Board, Commission and Committee Appointments and accompanying expenses, which have the meaning set out in the *Municipal Act*.

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3. Special Services

- a) Purchase, lease or disposition of real property (land, existing buildings or other immovable property or the rights thereon), accompanying fees, facility use agreements, naming rights, sponsorship, etc.
- b) Commemorative Naming, which has the meaning set out in the City's Commemorative Naming Policy.
- c) Radio, digital and newsprint communication which has a demographic or geographic consideration (e.g. content intended for a particular population of residents).
- d) Works of Art.
- e) Goods purchased on a commodity market.

PROCUREMENT

SCHEDULE "C" - PROCUREMENT THRESHOLDS

Table 1 – Low-Value Procurement Thresholds

Goods, Construction	Services, Below \$25,000
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Table 2 – Invitational Competition Thresholds

Goods, Construction	Services, \$25,000 to \$100,000
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Table 3 – Open Competition Thresholds

Goods, Construction	Services, Above \$100,000
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PROCUREMENT

SCHEDULE “D” - AUTHORIZATION SCHEDULE

A. STANDARD PROCUREMENT

Table 1 - Table of Authority

Procurement Method	Prepares Procurement Authorization Form and Receives Delegated Authority to Procure	Authorize Procurement and Delegates Authority to Procure
Order from Existing Standing Offer <\$100,000	<\$25K Supervisor <\$50K Manager	Division Head
Order from Existing Standing Offer \$100K - \$500K	Division Head and Procurement Services	Department Head
Order from Existing Standing Offer > \$500K	Division and Department Head	CAO
Roster Competition < \$100K	<\$25K Supervisor <\$50K Manager	Division Head
Roster Competition \$100K- \$500K	Division Head and Procurement Services	Department Head
Roster Competition >\$500K	Division and Department Head	CAO
Low-Value Procurement < \$10K	Division Manager or Supervisor	Division Head
Low-Value Procurement \$10K - \$25K	Division Manager	Division Head
Invitational Competition	Division Manager	Division Head
Open Competition \$100K- 500K	Division Head and Procurement Services	Department Head
Open Competition ≥ \$500K	Division and Department Head	CAO

1. Open Competition Authorization Process

- (a) The Division Head and Procurement Services completes the Procurement Authorization Form and submits it to the Department Head.

PROCUREMENT

- (b) The Department Head reviews and approves the Procurement Authorization Form.
- (c) If the procurement value is in the range \$100,000 - \$500,000, the Department Head authorizes the procurement and delegates the authority to procure in accordance with Table 1 above.
- (d) If the procurement value is greater than or equal to \$500,000, the Department Head submits the Procurement Authorization Form to the CAO for authorization and delegates the authority to procure in accordance with Table 1 above.
- (e) No procurement may be authorized unless sufficient funding is available in an approved budget, unless authorized by Council.

2. Delegated Authority to Procure

The delegation of authority to procure includes the authority to:

- (a) conduct a procurement process in accordance with this by-law and applicable protocols within the Procurement Manual
- (b) approve the procurement document(s) for a competitive process;
- (c) approve the selection of qualified bidders in a multi-stage open competition;
- (d) approve the establishment of qualified supplier rosters in an open framework competition; and
- (e) approve the award of a contract.

3. Conditions of Delegated Authority to Procure

Delegated authority to procure is subject to the following conditions:

- (a) No procurement may be initiated unless approved funding in an amount sufficient to cover the procurement value is available.
- (b) In the case of a multi-stage open competition or an open framework competition, qualified bidders are selected in accordance with the evaluation and selection process set out in the solicitation document.
- (c) No contract award may be approved unless:
 - i. sufficient funding is available in an approved budget;
 - ii. the procurement process was conducted through the standard procurement method, as determined in accordance with this by-law and all applicable protocols; and

PROCUREMENT

- iii. in the case of a competitive process, the contract is awarded to the top-ranked Bidder, as determined in accordance with the evaluation and selection process set out in the Solicitation Document.

Where the authority to procure is delegated to multiple individuals, all those individuals must be satisfied that the above conditions of delegated authority are met.

4. Council Authority

If any of the applicable conditions of delegated authority are not met, Council approval must be obtained before proceeding with any Procurement activity.

B. NON-STANDARD PROCUREMENT

Table 2 - Table of Authority

Procurement Value	Authorize Procurement	Delegated Authority to Procure
< Open Competition Threshold	Department Head	Division Head and Procurement Services
≥ Open Competition Threshold	CAO	Department Head and Procurement Services

1. Authorization Process

- (a) The Division Head and Procurement Services completes the non-standard Procurement Authorization Form within the Procurement Manual and submits it to the Department Head.
- (b) The Department Head reviews and approves the non-standard Procurement Authorization Form within the Procurement Manual.
- (c) If the Procurement Value is less than the applicable open competition threshold, the Department Head may authorize the procurement and delegate the authority to procure to the Division Head and Procurement Services.
- (d) If the procurement value is equal to or greater than the applicable open competition threshold, the Department Head submits the non-standard procurement authorization form within the Procurement Manual to the CAO. The CAO may authorize the Procurement and delegate the authority to procure to the Department Head and Procurement Services.
- (e) No procurement may be authorized unless sufficient funding is available in an approved budget, unless authorized by Council.

PROCUREMENT

2. Delegated Authority to Procure

In the case of a non-standard procurement, the delegation of authority to procure includes the authority to negotiate and finalize the contract with the selected supplier.

No contract may be finalized unless sufficient funding is available in an approved budget.

PROCUREMENT

C. CONTRACT ISSUANCE OR EXECUTION

1. Authorized Signatories

Procurement Services has delegated authority to issue purchase orders on behalf of the City.

The following individuals have delegated authority to execute legal agreements on behalf of the City:

Table 3 - Authorized Signatories

Procurement Value	Authorized Signatory
< \$100,000	Division Head
≥ \$100,000 & < \$500,000	Department Head
≥ \$500,000	CAO

2. Review and Execution Process

- (a) In accordance with the delegated authority to procure, the authorized individual(s):
 - i. Approve(s) the award of the contract;
 - ii. Confirm(s) all pre-conditions of award are met; and
 - iii. Assemble(s) all contract documents and provides the contract documents to Legal Services for review.
- (b) If the contract is to be formed through the issuance of a purchase order without a signed agreement, Legal Services shall request Procurement Services to review the purchase order.
- (c) Agreements other than standard form will be directed to Procurement Services and forwarded to Legal Services for review as required. Legal Services shall review and approve the agreement for signature and sends the agreement to the Authorized Signatory.
- (d) The agreement is signed by the Authorized Signatory.

PROCUREMENT

3. Pre-Approval of Standard Term Contracts

- (a) Legal Services may approve standard term contract documents, including purchase order terms, standard forms of agreement, and supplementary terms and conditions for use in specified circumstances and subject to established conditions.

Where pre-approved standard term contract documents are used in accordance with specified circumstances and established conditions, and without modification to any terms and conditions, Procurement Services may review the purchase order and the Authorized Signatory may sign the agreement without further review by Legal Services.

D. CONTRACT AMENDMENTS

Table 4 - Table of Authority if Total Cumulative Increase is Less Than 20% of Original Procurement Value

Total Cumulative Increase	Authorize Amendment
< Open Competition Threshold	Division Head
≥ Open Competition Threshold	Department Head and CFO/City Treasurer

Table 5 - Table of Authority if Total Cumulative Increase is Equal to or More Than 20% of Original Procurement Value

Total Cumulative Increase	Authorize Amendment
< Open Competition Threshold	Department Head and CFO/City Treasurer
≥ Open Competition Threshold	CAO

“**Total Cumulative Increase**” means the total value of all increases to the original procurement value, including the value of all previously approved amendments and the value of the proposed amendment.

1. Authorization Process

- (a) The Contract Administrator completes a contract amendment authorization form.
- (b) If the procurement value is less than the applicable open competition threshold (schedule C) the Contract Administrator obtains the appropriate authority based Table 4 and 5 above. If the amendment must be authorized by the Division Head and CFO/City Treasurer, the contract amendment authorization form must first be approved by the Division Manager.

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- (c) If the total cumulative increase is equal to or greater than the applicable open competition threshold, the contract amendment must be treated as a non-standard procurement and the contract amendment authorization form from the Procurement Manual must be approved by the Division Head. The contract amendment authorization form must be authorized by the CAO, Department Head and CFO/City Treasurer.
- (d) No contract amendment may be authorized unless sufficient funding is available in an approved budget, unless authorized by Council.

PROCUREMENT

SCHEDULE “E” SUPPLIER CODE OF CONDUCT

The City requires its suppliers to act with integrity and conduct business in an ethical manner. The City 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 City 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 City 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 City’s officers, employees, appointed or elected officials, or any other representative of the City;
- (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 City’s ability to run a fair procurement process.

The City 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. Conflicts of Interest

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

The term “conflict of interest,” when applied to suppliers, includes any situation or circumstance where:

- (a) In the context of a procurement process, the supplier has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to:

PROCUREMENT

- i. Having, or having access to, confidential information of the City that is not available to other suppliers;
 - ii. Having been involved in the development of the procurement document, including having provided advice or assistance in the development of the procurement document;
 - iii. Receiving advice or assistance in the preparation of its response from any individual or entity that was involved in the development of the procurement document;
 - iv. Communicating with any person with a view to influencing preferred treatment in the Procurement process (including but not limited to the lobbying of decision-makers involved in the procurement process); or
 - v. Engaging in conduct that compromises, or could be seen to compromise, the integrity of an open and competitive procurement process or render that process non-competitive or unfair; or
- (b) In the context of performance under a potential contract, the 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 judgment; or,
 - ii. could, or could be seen to, compromise, impair, or be incompatible with the effective performance of its contractual obligations.

Where a supplier is retained to participate in the development of a solicitation document or the specifications for inclusion in a solicitation document, that Supplier will not be allowed to respond, directly or indirectly, to that Solicitation Document.

C. ETHICAL BUSINESS PRACTICES

In providing deliverables to the City, 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.

PROCUREMENT

Delegated Procurment Authority - Schedule "F"

All Procurements Authorities Assume Sufficient Funding Has Been Approved to Cover the Procurement Value

Procurement (Note 1)	Procurement Value	Typical Format	Minimum # of Suppliers Required	Initiator	Solicit By	Authority to Approve the Award of Contract (Note 3)	Authority to Issue Purchase Order or Execute Agreement	
							Issue PO or Cheq Req for Low Value Procurement (Note 2)	Execute Agreement (if required)
Low Value Procurement								
	Up to \$10,000	Non-Competitive	Single	Div/Dept	Informal	Div Head or Mgr/Supr	Div Head	Div Head or Mgr/Supr
	\$10,000 - \$25,000	Non-Competitive	Single	Div/Dept	Informal	Div Head or Mgr	Div Head & Procurement	Div Head
Invitational Competition								
	\$25,001 - \$50,000	Invitational RFQ	3 Quotes	Div Head or Mgr	Formal	Div Head or Mgr	Div Head & Procurement	Div Head
	\$50,001 - \$100,000	Invitational RFQ	3 Quotes	Procurement or Div Head	Formal	Div Head or Mgr	Div Head & Procurement	Div Head
Open Competition								
	\$100,000 - \$500,000	RFP, RFQ or ITT	Open Competition	Procurement and Div Head	Bidding system	Dept Head and Procurement	Dept Head & Procurement	Dept Head
	> \$500,000	RFP, RFQ or ITT	Open Competition	Procurement and Div Head	Bidding system	CAO	Dept Head & Procurement	CAO & Dept Head
	Any Value	RFSQ - Establish Roster/ Standing Offer	Open Competition	Procurement and Div Head	Bidding system	Div Head and Procurement	n/a	Dept Head
Roster Competition from Qualified Supplier Roster								
	\$0 - \$100,000	Invitational RFQ	# suppliers specified	Procurement and Div Head	Formal	Div Head or Mgr/Supr and Procurement	Dept Head & Procurement	Dept Head
	\$100,000 - \$500,000	RFQ (Low Bid)	All Qualified Suppliers	Procurement and Div Head	Bidding system	Dept Head and Procurement	Dept Head & Procurement	Dept Head
	> \$500,000	RFP, RFQ or ITT	All Qualified Suppliers	Procurement and Div Head	Bidding system	CAO	Dept Head & Procurement	CAO & Dept Head
Order from Standing Offer								
	<\$100,000	n/a	n/a	n/a	n/a	Div Head or Mgr/Supr and Procurement	Dept Head & Procurement	n/a
	\$100,000 - \$500,000	n/a	n/a	n/a	n/a	Dept Head and Procurement	Dept Head & Procurement	n/a
	>\$500,000	n/a	n/a	n/a	n/a	CAO	Dept Head & Procurement	n/a
Non-Standard Procurement								
	\$25,000 - \$100,000	Invitational RFQ	< 3 Quotes	Div Head or Mgr if <\$50,000	Formal	Div Head and Procurement	Div Head & Procurement	Dept Head
	> \$100,000	n/a	1 Quote	Div Head	n/a	CAO	Dept Head & Procurement	Dept Head
Contract Amendments < 20% of Original Procurement Value								
	< \$100,000	n/a	n/a	n/a	n/a	Div Head	n/a	n/a
	≥ \$100,000	n/a	n/a	n/a	n/a	Dept Head and CFO	n/a	n/a
Contract Amendments ≥ 20% of Original Procurement Value								
	< \$100,000	n/a	n/a	n/a	n/a	Dept Head and CFO	n/a	n/a
	≥ \$100,000	n/a	n/a	n/a	n/a	CAO	n/a	n/a

Note 1: Procurement must be conducted in accordance with applicable Procurement Protocols found in the Protocol Manual.

Note 2: Purchase Cards to be used wherever possible and based on the cardholders limits.

Note 3: All invoices must be approved by the receiver of goods/services and supervisor.