

Hornepayne Housing Corporation
Procurement Policy

SECTION ONE - POLICY STATEMENT

- 1.1. The procedures in this Policy shall be followed to award a contract or to recommend to the Board that a contract be awarded.
- 1.2. The Board Treasurer shall be responsible for the execution of this policy.
- 1.3. The Project Manager or other designated by Board Resolution shall be responsible for the purchase of goods and services.
- 1.4. The Board has the authority to provide additional restriction concerning procurement where such action is considered necessary and in the best interest of the Hornepayne Housing Corporation.
- 1.5. It shall be the policy of the Hornepayne Housing Corporation to ensure a fair purchasing policy, which is easy to manage and control.

SECTION TWO - PURPOSE

- 2.1 The purposes, goal and objectives of this Policy and each of the methods of procurement authorized are:
 - ii) to encourage fair and open competition among suppliers;
 - iii) to allow opportunity for maximizing savings;
 - iv) to ensure service and product delivery, quality, efficiency and effectiveness;
 - v) to ensure accountability and transparency while protecting the financial interest of the Hornepayne Housing Corporation;
 - vi) to attempt to reduce the amount of solid waste requiring disposal through the purchase of environmentally responsible goods and services, and,
 - vii) to provide a clear process to Staff and the Board for provision of procurement services.

SECTION THREE - DEFINITIONS

“Agreement” means a formal written legal agreement or contract for the supply of goods, service, equipment or construction.

“Award”, “Awarded” and “Awarding” shall mean authorization to proceed with the purchase of Goods, Services, Equipment or Construction from a chosen supplier.

“Acquisition” shall mean the process of obtaining goods, services, or equipment.

“Approval” shall mean authorization to proceed with the purchase or disposal of goods, services, equipment and/or construction.

“Best Value” shall not be limited to the lowest price but shall be a combination of price and quality. Such determination shall be left up to the discretion of the Project Manager.

“Bid” shall mean an offer or submission from a supplier in response to a competitive bid, which may be subject to acceptance or rejection.

“Bid Bond”, “Bid Deposit” means the form of security required by the term and conditions of a Request for Proposal documentation to guarantee that the successful bidder enters into a contract with the Hornepayne Housing Corporation.

“Bidder” shall refer to a person, corporation or other entity that responds to, or intends to respond to, a competitive bid.

“Blanket Purchase Contract” means any contract for the purchase of goods and services, which will be required frequently, but where the exact quantity of goods and/or services required may not be precisely known or the time during which the goods and/or services are to be delivered may not be precisely determined.

“Capital Project” shall refer to a project that has been budgeted within the annual Capital Budget or if not budgeted, shall refer to projects that would normally appear within the capital expenditures of the Board.

“Committee” shall refer to the authorizing body (as appointed by the Board) that provides recommendation prior to seeking Board approval.

“Competitive Bid” shall refer to a formal request for bids that may be in the form of a Request for Proposal/Request for Solutions, Request for Expressions of Interest, Request for Information, Request for Quotation or Request for Tender as further defined in this section.

“Conflict of Interest” refers to a situation in which private interests or personal considerations of Officers and/or Staff members come into conflict, or appear to come into conflict, with the best interest of the Corporation. It includes using an employee’s position, confidential information or corporate time, material, or facilities for private gain or advancement or the expectation of private gain or advancement. A conflict may occur when an interest benefits any member of the employee’s or Board’s family, friends, or business associates.

“Construction” shall mean a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, soil investigation, the supply of products and materials and the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair or fixtures of a building, structure or other civil engineering design or architectural work but does not include legislated or regulated service related to the construction contract unless they are included in the specifications for the procurement.

“Consultant” shall refer to a person or entity that under agreement, other than an employment agreement, provides expert or strategic advice and related services. Consulting services do not include professional service provided by licensed professionals such as legal, and labor relations services.

“Contract” means a legal binding agreement between two or more parties that creates an obligation to provide defined goods and/or perform defined services.

“Contract Record” shall refer to a document, which summarizes the goods and/or services to be purchased.

“Corporation” shall mean the Hornepayne Housing Corporation.

“Board” shall mean the Board of the Hornepayne Housing Corporation or its successors.

“Board Approved Budgets” shall mean Board approved Corporation budgets including authorized revisions, or where applicable, Board approved budgets of Committees to which this By-Law applies.

“Disposal” shall mean the selling, trading, assigning and/or scrapping of surplus assets or assets no longer required by the Corporation.

“Emergency” shall mean any situation where the immediate acquisition of goods or services is essential to prevent serious delays, injury, damage, risk or to restore or maintain a required service.

“Immediate Family Member” shall mean a spouse, common-law spouse, same-sex partner, child, step-child, son-in-law, daughter-in-law, father, mother, father-in-law and mother-in-law.

“In House Bids” shall refer to bids submitted by internal staff in which they compete with external entities for procurement opportunities.

“Municipality” shall mean the Corporation of the Township of Hornepayne.

“Procurement Process” shall refer to the process in which goods and/or services are obtained.

“Request for Expression of Interest” or “REOI” shall refer to a process used to determine supplier interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well defined and the purchaser has clear expectations for the procurement.

“Request for Information” or “RFI” shall refer to a process to determine or collect written information about the capabilities of various suppliers.

“Request for Proposal”/ “Request for Solution” or “RFP”/ “RFS” means a process where a need or problem is identified, but the method by which it will be achieved is not prescribed at the outset. This process allows prospective suppliers to propose solutions or methods to best arrive at the desired result.

“Request for Qualifications” or “RFQUAL” means a request for list of qualified suppliers and firms who have an interest in providing services to the Board.

“Request for Quotation” or “RFQ” means a request for prices on specific goods and/or services from selected suppliers, which are submitted in writing, or as specified in the Request for Quotation.

“Request for Tender” or “RFT” means a request for sealed bids which contain an offer in writing to execute some specified services, or to supply certain specific goods, at a certain price, in response to a publicly advertised request for bids.

“Total Acquisition Costs” Shall mean the sum of all costs, including such matters as purchase price, all taxes warranties, local service facilities, life cycle costs, inventory carrying costs, operating and disposal costs incurred for determining the lowest acceptable bid meeting specifications.

“Treasurer” means any person appointed by the Corporation to perform the financial duties of the Corporation.

SECTION FOUR - GENERAL PROVISIONS

4.1 APPLICATION

The following procedures shall be followed to award a contract or to recommend to the Board that a contract be awarded.

- 4.1.1** The purchase of goods and services listed in Appendix "II" to this By-Law may be made provided that sufficient funds are available and identified in appropriate accounts within Board Approved Budgets.
- 4.1.2** All Municipally owned corporations are bound by this policy and this policy shall apply with necessary modification to allow appropriate staff authority to execute the processes within the policy.
- 4.1.3** The Project Manager may continue to use certain firms that are providing existing services to the Hornepayne Housing Corporation at his/her discretion, and where it is reasonable to do so.
- 4.1.4** Where possible, the Corporation will support local businesses through the purchasing of goods and services.

4.2 TOTAL ACQUISITION COST

- 4.2.1** Whereas this Policy prescribes dollar limits, the contract amount shall be the estimated total acquisition cost, less any rebates, and not including sales taxes.

4.3 CONFLICT OF INTEREST

- 4.3.1** Where an employee involved in the award of any contract, either on his or her own behalf or while acting for, by, with or through another person, has any pecuniary interest, direct or indirect, in the contract, the employee shall:
 - i)** immediately disclose the interest and the general nature thereof to the Board;
 - ii)** not take part in the award of the contract; and,
 - iii)** not attempt in any way to influence the award of the contract.
- 4.3.2** An employee has an indirect pecuniary interest in any contract in which the Hornepayne Housing Corporation is concerned, if:

- i) the employee or his/her spouse or same-sex partner, parent or child is a shareholder in, or a Director or Senior Officer of, a corporation that does not offer its securities to the public that has a pecuniary interest in the contract;
- ii) has a controlling interest in or is a Director or Senior Officer of, a corporation that offers its securities to the public that has a pecuniary interest in the contract;
- iii) is a member of an incorporated association or partnership, that has a pecuniary interest in the matter; or,
- iv) the employee or his/her immediate family member are in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the Contract.

4.3.3 Where a member of the Board, either on his/her own behalf or while acting for, by, with or through another person, has any pecuniary interest, direct or indirect, in the contract, that Board Member shall:

- i) not take part in the award of the contract; and,
- ii) not attempt in any way to influence the award of the contract.

4.4 RESPONSIBILITIES AND AUTHORITIES

4.4.1 The Board has the ultimate authority for all Corporation expenditures subject to Section 8.1 and bid irregularities as set out in Appendix IV of this By-Law.

4.4.2 The Project Manager has the ultimate responsibility for procurement activities, subject to Section 8.1 and bid irregularities as set out in Appendix VI of this By-Law.

4.4.3 The Project Manager shall submit recommendations to the Board for approval. All contracts are subject to Board approval unless otherwise specified in this By-Law.

4.4.4 The Project Manager may impose additional restrictions concerning procurement where such action is considered necessary and in the best interest of the Corporation.

4.5 ACCESSIBILITY

- 4.5.1 All bidders, suppliers and contractors who provide goods, services, equipment or construction to the Hornepayne Housing Corporation now or in the future, shall comply with the *Accessibility for Ontarians Act, 2005*, and all Regulation emanating therefrom.

4.6 PURCHASES GENERAL

- 4.6.1 Purchase orders are not necessary; staff that place orders or make purchases shall use their respective names as reference. The purchaser shall sign for the goods when received. The Treasurer shall indicate the appropriate account number for payment.

4.7 PETTY CASH

- 4.7.1 Petty Cash funds are intended for purchases under \$50.00 from local suppliers except in circumstances where the use of petty cash funds is not feasible. Petty Cash shall be replenished through a request to the Treasurer, which contains all receipts, account charges and a proper reconciliation of the fund. Petty Cash reconciliation is to be completed on a regular basis and filed with the Treasurer.

4.8 CO-OPERATIVE PURCHASING

- 4.8.1 The Hornepayne Housing Corporation may participate with the Municipality, surrounding communities or government agencies in co-operative purchasing where it is in the best interests of the Corporation to do so.
- 4.8.2 The policies of the surrounding communities or government agency calling the co-operative tender are to be the governing policy for that particular tender.

4.9 NON-COMPETITIVE PURCHASES

- 4.9.1 The Non-Competitive purchasing method refers to the negotiation of an agreement for the purchase of goods, services, equipment and construction from a supplier where there is no open competition. This may be defined as the use of a "Sole Source" or "Single Source".
- 4.9.2 **Sole Source Purchases:** Exemption from this policy is granted in circumstances where there is only one supplier available and no alternative or substitute exists and/or where there is a statutory monopoly on the product or service.

4.9.3 Single Source Purchases: Exemption from this policy is granted in circumstances where the Corporation deems it desirable to award a non-competitive contract for follow-on goods or services after the completion of a competitive contract provided that the possibility of a follow-on contract is identified in the original bid solicitation.

4.10 CANCELLATION OF BID SOLICITATION

4.10.1 The Project Manager may cancel a bid solicitation at any time up to the contract award.

4.11 ACCESS TO INFORMATION

4.11.1 The disclosure of information requests made in writing to the Project Manager, or other person designated by the Board, relevant to the issue of bid solicitations or the award of contracts emanating from bid solicitations shall be in accordance with the provisions of the *Municipal Freedom and Protection of Privacy Act, as amended*.

4.12 RE-ALLOCATION OF COSTS

4.12.1 If through an analysis of accounts, misallocations of funds are identified, the Treasurer, or designate, shall take all remedial action to reallocate the funds, when such reallocation is deemed necessary.

4.13 ANNUAL REVIEW

4.13.1 Year to date expenditures shall be reviewed quarterly and then monthly starting in October until year end by the Treasurer.

4.14 EMERGENCY PURCHASES

4.14.1 Circumstances may occur where the health, safety, life or convenience of the Corporation and/or its tenants may be in jeopardy.

4.14.2 The Project Manager may, under these circumstances make an emergency purchase notwithstanding any other provision in this Policy. A purchase may be made to obtain the required supplies or services regardless of the amount.

4.14.3 For all emergency purchases, the Project Manager shall be responsible to file a complete report on the circumstances of the emergency with the Treasurer and the Board, within 24 hours, where possible.

SECTION FIVE - PROCUREMENT PROCEDURES

5.1 PROJECT MANAGER'S AUTHORIZATION

5.1.1 The Project Manager is permitted to purchase goods and/or services, not exceeding \$2,500, without receiving Board approval, provided that the goods and/or services have been included in the approved annual budget.

5.1.2 The Project Manager is permitted to purchase goods and/or services not exceeding \$5,000 provided that:

- i) the goods and/or services have been included in the annual budget estimates approved by the Board;
- ii) the Project Manager adheres to informal quotation process, as follows:
 - a) obtain a minimum of two (2) written quotations, where possible and practicable;
 - b) written documentation is maintained for each quotation;
 - c) where only one supplier is available, the Project Manager shall file that supplier's quote along with details of refusals; and,

5.1.3 The purchase of goods and/or services shall be reported to the Board in accordance with the procedures set out in the Budget & Financial Controls Policy.

5.2 REQUEST FOR QUOTATION (RFQ) (\$5,001 to \$25,000)

5.2.1 The RFQ procedure shall be for purchases exceeding \$5,000 but not exceeding \$25,000.

5.2.2 Quotations may be called either by public advertising or invitation only.

5.2.3 Notification of quotation opportunities for goods, services, equipment or construction may be supplemented by other means of notification where appropriate.

- 5.2.4** The competitive method of purchase used to purchase the goods, services, equipment or construction in this total acquisition cost range shall demonstrate that Fair Market Value was achieved.
- 5.2.5** Specifications for the goods and services will be established with particularity to permit comparable quotations by suppliers.
- 5.2.6** A sufficient number of suppliers shall be requested to submit quotations on the specifications so that at least three (3) responsive quotations are received, where possible.
- 5.2.7** It is expected that negotiations with one or more bidder may be required with respect to any aspect of the requirements.
- 5.2.8** The Project Manager, in consultation with the Board Chair, reserves the right, in his/her absolute discretion, to accept or reject any submission.

5.3 REQUEST FOR TENDER (RFT) (\$25,001 to \$150,000)

- 5.3.1** The RFT procedure shall be used for purchases exceeding \$25,000 but not exceeding \$150,000.
- 5.3.2** Three (3) or more quotes for the supply of goods, services equipment, or construction are required, where possible.
- 5.3.3** Tenders may be called either by public advertising or invitation only.
- 5.3.4** Notification of tender opportunities for goods, services, equipment or construction may be supplemented by other means of notification where appropriate.
- 5.3.5** Advertisements for Tenders for all work, equipment and materials shall include the following information:
 - i)** Site meeting (if applicable) – time, date and location;
 - ii)** Contact names for technical and purchasing inquiries;
 - iii)** Location for picking up tender packages;
 - iv)** Location for dropping off tender packages;
 - v)** Deadline for submission of tender packages; and,

vi) The privilege clause: “Lowest or any bid may not necessarily be accepted”.

5.3.6 The closing date shall be a minimum of 10 calendar days after the date of advertising. However, a tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s) tendered.

5.3.7 Depending on the complexity of the item(s) being purchased, the Project Manager may obtain professional assistance from qualified individuals to assist with the preparation and completion of the tender specifications.

5.3.8 All tender submissions must be addressed to the Project Manager. Upon receipt of a tender, the Project Manager shall:

i) date and record the time on the sealed envelope/printed email submission;

ii) assign a tender number to the tender package and record the submission on the “Tender Log”; and,

iii) deposit the sealed tender in a tender envelope, box or locked cabinet.

5.3.9 The Project Manager shall refuse to accept any tender submission that is:

i) not sealed (if hard copy);

ii) received after the closing deadline. (The Project Manager or designate is to record on late tender received, the date and time received and make a copy of the sealed envelope to retain on file. Envelope is then to be returned to the bidder); or,

iii) submitted after a tender has been cancelled.

5.3.10 Requests for withdrawal of a tender shall be allowed if the request is made by the bidder, in writing, before the closing time for the contract to which it applies. A Senior Official of the company must direct requests to the Project Manager, in writing (by letter, email, or facsimile) or in person, with a signed withdrawal confirming the details. Telephone requests will not be considered. The withdrawal of a tender does not disqualify the bidder from submitting another tender on the same contract.

- 5.3.11** Tenders close at 2:00 p.m. on the appointed day.
- 5.3.12** Unless otherwise specified in the tender documents, tenders are to be opened with at least 2 other people (Board members or Officers) in attendance on the next business day.
- 5.3.13** The amount of each bid shall be recorded on the “Tender Log”, (Appendix “III”) attached to and forming part of this Policy.
- 5.3.14** The Project Manager shall submit a report for consideration by the Board and approval by Resolution. Such report shall include:
 - i) list of rejected bids and reasons for the rejection;
 - ii) a recommendation in support of one of the bids; and,
 - iii) the rationale for this recommendation.

5.4 REQUEST FOR PROPOSAL (RFP)

- 5.4.1** Requests for Proposal shall be used where the requirement is best described in a general performance specification. In this competitive method of purchase, some or all the specifications of the contract terms may not be finally determined with sufficient certainty to form the basis of final contract before proposals are solicited and submitted.
- 5.4.2** Proposals may be called either by public advertising or invitation only.
- 5.4.3** Notification of proposal opportunities for goods, services, equipment or construction may be supplemented by other means of notification where appropriate.
- 5.4.4** To achieve best value, the award selection will be made by methods involving a combination of mandatory specifications and desirable requirements.
- 5.4.5** An RFI, REOI and Request for Qualification shall follow the same award approvals as an RFP.
- 5.4.6** Depending on the nature of the requirement, suppliers are encouraged to propose innovative solutions to a problem and the selection of the supplier is based on the effectiveness of the proposed solution rather than the price alone or a combination of both the effectiveness and price.

5.4.7 It is expected that negotiation with more than one bidder may be required with respect to any aspect of the requirements.

5.4.8 The Board has the right, in its absolute, sole discretion, to accept or reject any submission

5.5 BID IRREGULARITIES

5.5.1 For the purposes of this Policy, bid irregularities are further classified as “major irregularities” or “minor irregularities”. See Appendix “IV” attached to this Policy for types of irregularities and their classification.

5.5.2 A major irregularity is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. The Corporation must reject any bid, which contains a major irregularity.

5.5.3 A minor irregularity is a deviation from the bid request which affects form rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The Corporation may permit the bidder to correct a minor irregularity.

5.5.4 The Project Manager will be responsible for all action taken in dealing with bid irregularities, and act in accordance with the nature of the irregularity:

- i) Major irregularity – automatic rejection;
- ii) Minor irregularity – bidder has option/opportunity to rectify; and,
- iii) Errors in calculations (including errors in taxes) – may be corrected and the unit prices will govern.

5.6 PROCUREMENT DOCUMENTATION

5.6.1 Procurement documentation for bid requests shall avoid use of specific products or brand names.

5.6.2 Notwithstanding Clause 6.7.1, the Board may specify a specific product or brand name for essential functionality purposes to avoid unacceptable risk or for some other valid purpose. In such instances,

the Board shall manage the procurement in order to achieve a competitive situation, if possible.

5.6.3 Awards may not necessarily be made to the lowest bidder who has complied with the terms and conditions in the Request for Quotation or Request for Tender, all other factors being equal. In addition to price, other factors may be considered for the acceptance of a bid other than the lowest bid. These factors include:

- i) Ability and experience to perform in accordance with the terms of the invitation;
- ii) Record of past performance with the Board;
- iii) Past performance with other Corporations or Municipalities;
- iv) Financial and technical resources;
- v) Knowledge of the Corporation's operations, systems and services;
- vi) Compatibility with other goods and services of the Corporation;
- vii) The percentage of local content, including supplies, materials and sub-contractors from within the Municipal boundaries;
- viii) Any other factors, including a scoring system which may be used by the Project Manager in evaluating bids received; and,
- ix) All bid requests shall include the privilege clause "The lowest or any bid may not necessarily be accepted".

5.7 GUARANTEE OF CONTRACT EXECUTION AND PERFORMANCE

5.7.1 The Board may require that a bid bond or other similar security to guarantee entry into a contract shall be submitted with all bids. Unless otherwise specified, in circumstances where a bid bond or other security is required, the refundable deposit requirements for Request for Tenders shall be a minimum of 10%.

5.7.2 Prior to commencement of the work, the successful bidder may be required to provide the following security in addition to the security provided to in Clause 6.8.1:

- i) A performance bond, percentage to be pre-determined in original tender documents, to guarantee the performance of a contract; and,
- ii) A payment bond, percentage to be pre-determined in original tender documents, to guarantee the payment for labor and materials supplied in connection with a contract.

5.7.3 The Board shall select the appropriate means to guarantee execution and performance of the contract. Means may include one or more of, but are not limited to, certified cheque, bank draft, irrevocable letter of credit, money order and, where appropriate, a bid bond issued by an approved guarantee company properly licensed in the province of Ontario, on bond forms acceptable by the Board.

5.7.4 Prior to the commencement of work, evidence of Health & Safety Policy, Safety Orientation, General Liability and Workplace Safety Insurance Board coverage satisfactory to the Corporation must be obtained, ensuring indemnification of the Corporation from any and all claims, demands, losses, costs or damages resulting from the performance of a bidder's obligations under the contract and from any risk determined by the Corporation as requiring coverage.

5.7.5 Ensuring all premiums or levies have been paid to the Workplace Safety and Insurance Board to the date of payment.

5.8 EVALUATION OF BIDS RECEIVED AND AWARD

5.8.1 The Project Manager shall review all bids against the established criteria and determine final rating results. The Project Manager shall ensure that the final rating results are kept with the procurement file.

5.8.2 The Project Manager shall submit a summary of the procurement and provide a recommendation to the Board respecting award of contract to the bidder whose bid meets all mandatory requirements as specified in the bid solicitation and provides best value to the Corporation based on the evaluation criteria specified in the bid solicitation

5.8.3 In an event that more than one bidder has submitted a tender in the same amount, the Board shall make its decision based on the merit of the bid (i.e. including such factors as time for completion and previous performance of the bidder). If the merit for each bid is equal, then the bid to be accepted shall be decided by means of a

draw. The names of the tied bidders shall be placed in a container and the bid to be awarded shall be drawn by a member of Board. The Project Manager shall set the time and location of the draw and notify all bidders in order that they may be present.

5.9 BIDS IN EXCESS OF PROJECT ESTIMATES

- 5.9.1** Where bids are received in response to a bid solicitation but exceed the project estimates, the Project Manager, with the authority of the Board, may enter negotiations with the lowest responsive bidder (if the best choice), to attempt to achieve an acceptable bid within the project estimate.
- 5.9.2** The Board may cancel a competition or call a new competition when an original bid cannot be negotiated that falls within budget limits.

5.10 CONTRACTUAL AGREEMENTS

- 5.10.1** The award of a contract shall be made by way of a contract.
- 5.10.2** The Board shall approve any and all changes in a contract that affect price or terms of the original contract.
- 5.10.3** All contracts shall specify conditions under which the contract may be terminated by either the Board or the bidder.

SECTION SIX - CONTRACT OPTIONS

6.1 EXERCISE OF CONTRACT RENEWAL OPTIONS

- 6.1.1** Where a contract contains an option for renewal, the Board may exercise such option provided that:
- i)** the supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract;
 - ii)** The Board agrees that the exercise of the option is in the best interest of the Corporation; and,
 - iii)** funds are available in appropriate accounts within the Corporation's approved estimates including authorized revisions to meet the proposed expenditure.

- 6.1.2** The authorization from the Board shall include a written explanation as to why the renewal is in the best interest of the Corporation and such written explanation shall be passed by resolution.

6.2 EXECUTION AND CUSTODY OF DOCUMENTS

- 6.2.1** The Board Chair and the Project Manager are authorized to execute formal agreements in the name of the Corporation that have been approved by By-Law.
- 6.2.2** The Project Manager shall be responsible for the safeguarding of original purchasing and contract documentation for the contracting of all goods, services, equipment or construction awards.

6.3 REVIEW AND EVALUATION

- 6.3.1** This Policy shall be a live document and shall be continually reviewed, edited and updated, when necessary by the Corporation commencing from the date of adoption. Such review of this Policy shall include the evaluation of its effectiveness and efficiency to the Corporation.

SECTION SEVEN - RESTRICTIONS AND PROHIBITIONS

7.1 RESTRICTIONS

- 7.1.1** No other forms of procurement other than the procedures set out herein shall be permitted, unless prior approval is obtained by Board resolution.
- 7.1.2** No Contract for services shall be awarded where the services would result in the establishment of an employee-employer relationship.
- 7.1.3** No employee shall purchase, on behalf of the Corporation any goods, services, equipment or construction, except in accordance with this Policy.
- 7.1.4** Only those individuals authorized to purchase on behalf of the Corporation, in accordance with this Policy, shall be permitted to contact bidders in writing as soon as practicable during the procurement process in instances where clarification about the procurement is necessary.

- 7.1.5** No one involved in the procurement process is permitted to contact bidders during the evaluation process, unless clarification is required.
- 7.1.6** Everyone associated with the Corporation, including Members of Board, will only accept gifts, hospitality or entertainment of a nominal value that could not be reasonably construed as being given in anticipation or recognition of special consideration by the Corporation.
- i) Hospitality or entertainment of nominal value shall only be accepted if the offer is infrequent and appropriate for the occasion. In these circumstances, it is assumed that the nature of the business discussed is important enough to the Corporation that reciprocal arrangements could openly be made and charged to the Corporation.
- 7.1.7** If the Project Manager considers purchasing a good or service from a Board Member, employee or immediate family member of an employee or Board Member and the purchase is more than \$1,000.00; then two (2) written quotations must be obtained from outside, independent entities and filed for future reference.
- 7.1.8** The Municipality shall not consider In-House bids as an acceptable procurement process.
- 7.1.9** All Board members shall conduct themselves in accordance with the *Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50*, as amended.

7.2 PROHIBITIONS

7.2.1 DIVISION OF CONTRACTS

- i) No employee of the Corporation shall divide a purchase or a contract to avoid the requirement of the Tender, Proposal or Quotation procedures. Nor shall purchases be split in order to circumvent prescribed spending authority dollar limit as outlined in this Policy.

7.2.2 INTERFERENCE IN THE PROCUREMENT PROCESS

- i) Appointed Board Members, Officers, Elected Officials 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 Corporation. This also includes a contract

with any other Corporation, Municipality or public body involved in the purchase of goods and/or services either jointly or in cooperation with the Corporation.

- ii) Board Members shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements.
- iii) Board Members shall not see any documents or receive any information related to a particular procurement while the procurement process is ongoing.
- iv) Board Members who receive inquiries from suppliers related to any specific procurement shall immediately direct those inquiries to the Manager.
- v) The only exception to the above relates to selection of external auditors or similar where Board Member(s) are specifically a member of the evaluation team.

Appendix “I” to Procurement Policy

Amount of Purchase	Procurement Process to be Used	Conditions/Explanation	Section
\$0 to \$2,500	Project Manager’s authority to Direct Acquisition, including Petty Cash purchases, and Authorize same	The Project Manager is permitted at his/her discretion to approve the purchase of goods and/or services without receiving Board approval and to authorize such purchases.	Section 6.1.1
\$0 to \$5,000	Written Quotations	Project Manager is permitted to purchase goods and/or services without receiving Board approval, provided that the goods and/or services have been included in the annual budget and 2 written quotations have been received.	Section 6..1.2
\$5,001 to \$25,000	Quotations (Request for Quotations-RFQ)	<ul style="list-style-type: none"> ✓ Project Manager shall obtain a minimum of 3 quotations, where possible and practicable. ✓ Expenditures must be made so as to obtain the best value for the Corporation. ✓ Where only one supplier is available, Project Manager shall file that supplier’s quote along with details of refusals. ✓ Copies of quotations are provided to the Board with a recommendation. 	Section 6.2
\$25,001 to \$150,000	Tendering (Request for Tenders –RFT)	Expenditures that exceed \$50,000 must be tendered in accordance with Section 6.3 of this By-Law.	Section 6.3
No \$ Limit	Proposal (Request for Proposal-RFP)	Used when a unique proposal designed to meet a broad outcome to a complex problem or need for which there is no clear or single solution.	Section 6.4

Note: The purchase of goods and/or services exceeding \$150,000 requires Board approval. Board may authorize such purchases by means of RFQ, RFT or RFP.

Appendix “II” to Procurement Policy

Notwithstanding the purchasing methods described in this Policy, the Project Manager may purchase or contract for the following goods and services without following the procedures set out herein and subject to Section 8.1:

1. Training and Education:

- a) Registration and Tuition fees for conferences, conventions, courses and seminars (excluding travel expenses),
- b) Magazines, books and periodicals unless the purchase of such magazines, books and periodicals are subject to value-added services, and,
- c) Subscriptions and Memberships.

2. Refundable Employee/Board Expenses:

- a) Advances,
- b) Meal Allowances,
- c) Travel and Entertainment, and,

d) Miscellaneous – Non – Travel.

3. Employer’s General Expenses:

- a) Payroll and Payments to Government Agencies, Carriers and/or Unions,
- b) Licences, Certificates and other approvals required,
- c) Debenture Payments; and,
- d) Petty Cash Replenishment.

4. Utilities including, hydro, telephone, gas, propane, etc.

5. Advertising Services required by the Hornepayne Housing Corporation on or in but not limited to radio, television, newspaper and magazines.

6. Bailiff or Collection Agencies fees.

- o Board and Committee Levies.
- o Board Honorariums (if applicable)
- o Shipping & Postal charges.
- o Ongoing maintenance for existing computer hardware and software.
- o Banking services where covered by Agreement

Appendix “III” Procurement Policy

HORNEPAYNE HOUSING CORPORATION

TENDER LOG

Project Name:	
Tender Deadline:	

Name of Bidder	Envelope No.	Date Submitted	Time Submitted	Tender Amount*
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*To be completed when tenders are opened.

Appendix “IV” to Procurement Policy

Description of Irregularity	Major	Minor	Action to be Taken
Late bid (by any amount of time)	X		Automatic rejection
Bids completed in pencil	X		Automatic rejection
Bid surety not submitted with the bid when the bid request (or any addenda) indicated that such surety is required	X		Automatic rejection
Execution of Agreement to bond: a) bond company corporate seal or equivalent proof of authority to bind company or signature missing b) surety company not licensed to do business in Ontario	X		Automatic rejection
Execution of Bid Bonds: a) corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b) corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X		Automatic rejection
Other Bid Security: Cheque has not been certified	X		Automatic rejection
Bidders not attending mandatory site meeting	X		Automatic rejection
Unsealed tender envelopes	X		Automatic rejection
Proper response envelope or label not used		X	Acceptable if officially received on time
Pricing or signature pages missing	X		Automatic rejection
Insufficient financial security (i.e. no deposit or bid bond or insufficient deposit)	X		Automatic rejection
Bid received on documents other than those provided in request	X		Not acceptable unless specified otherwise in the request
Execution of bid document — proof of authority to bind corporation is missing	X		Automatic rejection
Part bids (all items not bid)	X or	X	Acceptable unless complete bid has been specified in the request
Bids containing minor clerical errors		X	2 Working days to correct errors and initial changes. Hornepayne Housing Corporation reserves the right to waive by initialing and accept bid

Other mathematical errors which are not consistent with the unit prices		X	2 Working days to correct errors and initial changes. Unit prices will prevail
Pages requiring completion of information by vendor are missing	X		Automatic Rejection
Bid documents which suggest that the bidder has made a major mistake			Consultation with a solicitor on a case-by-case basis and referenced within the staff report if applicable.

NOTE: The above list of irregularities should not be considered all-inclusive. The Project Manager will review minor irregularities not listed. The Project Manager may then accept the bid, or request that the bidder rectify the deviation.