

ADMINISTRATIVE POLICY ON
CENTRALIZED PURCHASING AND MATERIALS MANAGEMENT

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PART 1

INTERPRETATION

Definitions

- 1.1 In this policy, unless a contrary intention appears,
- "agreement" means a formal written legal agreement or contract for the supply of goods, services, equipment or construction;
- "bid deposit" means currencies, certified cheques, bond surety issued by a surety company or other form of negotiable instrument to ensure the successful bidder will enter into an agreement'
- "contract" means any formal or deliberate written agreement for the purchase of goods, services, equipment or construction;
- "Manager" means the Purchasing & Materials Manager if not stated as such
- "goods" includes supplies, materials and equipment of every kind required to be used to carry on the operations of a department;
- "informal bid" means a bid containing an omission or variation which does not adhere to the Instructions to Bidders and which may be cause to disqualify the bid;
- "irrevocable letter of credit" means an irrevocable letter on the City's standard form containing a request that the party to whom it is addressed pay the bearer or a person named therein money as a result of failure to perform or fulfil all the covenants, undertakings, terms, conditions and agreements contained in a contract;
- "labour and materials payment bond" means a bond issued by a surety company to ensure that the contractor has paid his or her suppliers and thereby protects the Corporation against items which might be granted to suppliers should the contractor not make proper payments;
- "performance bond" means a bond issued by a surety company executed in connection with a contract and which secures the performance and fulfillment of the undertakings, covenants, terms, conditions and agreements contained in the contracts;
- "proposals" means a sealed bid which contains an offer to perform a specified function or service or supply goods at a particular price where specifications may be difficult to define or are restrictive in nature;
- "purchase order" means the purchasing document used to formalize a purchasing transaction with a vendor;
- "qualified bid" means a limited or conditional offer that modifies or does not meet some important terms, condition or specification of the bid invitation, which limitation or condition may constitute grounds to disqualify the bid;
- "quotation" means a sealed bid received as a result of a written or verbal request by the City for the supply of goods and services;

"requisition" means a written or electronically produced request in an approved format and duly authorized to obtain goods or services;

"sealed bid" means a formal sealed response received as a part of a quotation, tender or proposal;

"tender" means a sealed bid which contains a written offer made on a special form for the supply or acquisition by the City of goods or services at a particular price and which is opened publicly and subject to final approval by Council.

PART II

AUTHORITY AND RESPONSIBILITY

Adherence To Accepted Practices

- 2.1 (1) Except as otherwise stated herein, all purchases of goods, services or equipment shall be made by the Purchasing Division of the Financial Services Department on a competitive basis in keeping with accepted public purchasing practices and procedures and in accordance with applicable laws, this policy, and any directions or regulations made pursuant hereto.
- 2.1 (2) This policy does not apply to the purchase of goods, services and equipment considered necessary or advisable by the City Clerk to carry out the requirements of the Municipal Elections Act but the City Clerk shall wherever possible be guided by the provision of this policy.

Authorized Expenditure Limits

- 2.2 (1) Sales taxes, excise taxes, goods and service taxes and duties shall be excluded in determining the price of a contract for the supply of goods or services for the purpose of determining if the purchase qualifies as a Tender.

Authority, Responsibility and Limitations of Purchasing and Materials Manager

- 2.3 (1) (a) The "Purchasing and Materials Manager" is responsible for the Purchasing of all goods, supplies, equipment and contracted services.
- (b) The purchase of all goods, equipment or services shall be purchased or negotiated for by the "Purchasing and Materials Manager" upon authority of a resolution of Council and/or written and properly authorized requisition within the limits and conditions set out in the by-law.
- (c) The "Purchasing and Materials Manager" shall develop and recommend purchasing and material management policies, regulations and tendering procedures in consultation with other departments.
- (d) The "Purchasing and Materials Manager" shall be responsible for maintaining good vendor relations and for the conduct of all negotiations with vendors. All inquiries regarding materials, prices,

services, delivery, terms and condition, adjustments, are to be conducted by or through the "Purchasing and Materials Manager".

- (e) The "Purchasing and Materials Manager" shall have the authority to join or participate with other units of government or government agencies in co-operative Purchasing, plans, and tendering when in his opinion the best interest of the City of Owen Sound would be served.
- (f) The "Purchasing and Materials Manager" shall confer with Department Heads regarding the preparation of plans and specifications for goods or services required and whether or not the proposed plans and specifications are practicable from the viewpoint of the supplier.
- (g) The "Purchasing and Materials Manager" shall have the authority to request from all Department Heads, a list of equipment and projects to be tendered or quoted during the year for the purpose of setting up a master schedule.
- (h) The "Purchasing and Materials Manager" shall be responsible for obtaining from suppliers all prices, catalogues, demonstration etc, as required by various City Department Heads.

LIMITATIONS

- (i) Except as otherwise stipulated in this by-law all purchases of goods, services or equipment shall be made on a competitive bases, in keeping with accepted public purchasing practices and municipal laws and where consistent with quality and services, all things being equal, preference be given first to goods offered by local suppliers.
- (j) The "Purchasing and Materials Manager" shall purchase goods, equipment, or services required to replenish stock items.
- (k) Authorization of capital work by Council constitutes authorization for purchase of materials and services necessary to carry out such work.
- (l) Where the requirement for goods or services has an estimated value not in excess of \$ 5,000.00, the "Purchasing and Materials Manager is empowered to make the purchase on his own authority, provided he has obtained and documented no less than three telephone quotations or written quotations.
- (m) Where the requirement of goods or services is estimated to exceed \$ 5,000.00 but is less than \$ 25,000.00, the purchase may be made on the authority of the "Purchasing and Materials Manager" provided he has obtained three written quotations and has obtained written approval of the Department Head or Designate who initiated the requirement. Where three written quotations cannot be initiated, approval to purchase must be given by the City Treasurer.

TENDERS / QUOTATIONS

- (n) All requirements for goods or services estimated to exceed \$25,000.00 in value shall be obtained by calling for Sealed Tenders or Quotations, by advertising in at least one local newspaper. Sealed Tenders and Quotations will be opened publicly at a designated time.

PURCHASING BY NEGOTIATION

- (o) The "Purchasing and Materials Manager" may, under the conditions as hereinafter set out, purchase by negotiating with one or more sources or bidders and in such case the requirements for inviting tenders and quotations may be waived. The method of negotiation shall be those accepted as standard negotiating procedures that employ fair ethical practices, (set out in the text – Negotiated Purchasing by Louis J. DeRose).
1. When due to market conditions and in the judgement of the "Purchasing and Materials Manager" goods in short supply.
 2. Where there is only one source of supply for the goods or services.
 3. Where two or more identical bids have been received.
 4. Where the lowest bid meeting specifications is excessive in total cost and/or substantially exceeds the estimated costs.
 5. When all bids received fail to meet the specifications and/or tender terms and conditions and it is impractical to recall tenders or quotations.
 6. Any negotiated purchase contract exceeding \$10,000.00 shall be subject to resolution of the City Council except when an emergency situation occurs at which time the goods will be purchased and the results reported to the next meeting of Council.

Procurement of Engineering Consultants, Architects, Property Appraisers, Surveyors)

- (a) Assignments for projects which are general recurring, are not of a complex nature and have estimated fees of \$10,000.00 or less shall be assigned to Grey & Bruce qualified area professional service provider firms on a rotational basis, having regard for their competency, expertise and costs, on City projects and the size of their operation. The Department Head shall issue specifications for the approved budget item and the Purchasing & Materials Manager shall negotiate the fee.
- (b) Assignments for projects which are more complex (in terms of specifications) and in nature but which are within the capability of Grey & Bruce qualified area established firms and have estimated fees greater than \$ 10,000.00 but less than \$ 25,000.00 shall be assigned on the basis of a proposal submitted by a minimum of two or more, (if applicable) qualified firms stating their approach to the proposed project and their experience and knowledge of projects of a similar nature.
- (c) Assignments for complex projects and major studies with estimated fees greater than \$ 25,000.00 shall be awarded on

the basis of detailed proposal submissions based on the procedures outlined herein and shall be open to any competent consulting firm.

- (d) The assignments outlined in part (b) and (c) above shall be subject to the approval of the City Council.
- (e) A consulting firm which has partially completed a project for which subsequent phases require Municipal Council approval may be awarded the balance of the project subject to satisfying all financial and other conditions contained herein, noting that this should be to the financial advantage of the Municipality due to the fact that such a consultant has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected.

Procurement in Emergencies

- 2.4 (1) In Subsection 2.4 (2) "emergency" includes
- (a) an imminent or actual danger to the life, health or safety of an official or an employee while acting on the City's behalf
 - (b) an imminent or actual danger of injury to or destruction of real or personal property belonging to the City
 - (c) an unexpected interruption of an essential public service;
 - (d) an emergency as defined by the Emergency Plans Act, 1983 and the emergency plan formulated thereunder by the City; and
 - (e) a spill of a pollutant as contemplated by Part IX of the Environmental Protection Act
- 2.4 (2) Where, in the opinion of the City Manager or a Department Head acting reasonably, an emergency occurs,
- (a) the Purchasing and Materials Manager on receipt of a requisition authorized by a Department Head and the City Manager may initiate a purchase order in excess of the pre-authorized expenditure limit; and
 - (b) any purchase order issued under such conditions together with a source of funding provided by the City Treasurer shall be justified and reported to the next meeting of City Council following the date of the requisition.

Construction Tender Call Before and After Approvals Received

- 2.5 Following the adoption of the capital budget by City Council and the receipt of the necessary approvals from the Ontario Municipal Board, the City Engineer and the Purchasing & Materials Manager authorized to call tenders for municipal construction projects and the acquisition of equipment.
- 2.6 Notwithstanding section 2.5 the City Engineer and the Purchasing & Materials Manager may call tenders for municipal construction projects and the acquisition of equipment following the adoption of the capital budget by City Council and before the receipt of the necessary approvals from the Ontario Municipal Board provided the

call and award of such tenders are specifically subject to receipt of such approvals.

Request To Tender (approval)

- 2.7 Prior to any Tender being undertaken by the Purchasing & Materials Manager for the acquisition or replacement of any vehicles or equipment, a "Request To Tender Report" shall be sent to and approved by City Council. This procedure will provide the City Council with the required information on why this vehicle or vehicles or equipment is being added or replaced. Only after City Council's approval will the Purchasing & Materials Manager proceed to tender.

Conditional Bid Before Capital Budget Adoption

- 2.8 The Purchasing & Materials Manger is authorized to obtain, prior to the adoption of the capital budget by the City Council, sealed bids for additional and replacement mechanical equipment, provided that the documents include a clause specifically stating that the acceptance of a bid and placing of the order is subject to budget approval by City Council and the items specified are subject to change in quantity and or deletion.

Authorization Required for Certain Tender Calls

- 2.9 Written authority to obtain tender bids shall be requested from the proper Department Head in the following cases:
- (a) sale of City-owned property;
 - (b) demolition of City-owned buildings;
 - (c) sale and/or removal of City-owned buildings;

Sealed Bids for Annual Supply Items

- 2.10 The Purchasing & Materials Manager is authorized to obtain sealed bids for annual supply items as required taking into consideration changes in the City's requirements, market conditions and product availability.

Where Requests For Proposal Appropriate

- 2.11 Requests for Proposals may be issued when the requirements for services cannot be definitively specified and where such proposals could results in specific offers by the bidders to fulfil the requirements, services or function at a particular price. Requests for proposals shall conform to all standard sealed bid procedures.

PART III

DISPOSAL of SUPPLUS OR SCRAP MATERIALS AND EQUIPMENT

Items Considered Obsolete or Surplus by Departments.

- 3.1 (1) All departments shall notify the Purchasing & Materials Manager when items become obsolete or surplus to their requirements.

- 3.1 (2) The Purchasing & Materials Manager shall be responsible for ascertaining if the items can be of use to another city department rather than disposed of.
- 3.1 (3) Items that are not claimed for use by other departments may be disposed of by the Purchasing & Materials Manager by either advertising for sealed bids, public auction or other public sale, depending in the opinion of the Purchasing & Materials Manager on which method is most suitable for the equipment or material involved.
- 3.1 (4) An auction shall be held as required dependant upon individual circumstances such as delivery of replacement vehicles and storage capacity, etc.
- 3.1 (5) The revenue from the sale of obsolete material shall be credited to the appropriate account(s).

Disposal of Scrap Material

- 3.2 (1) Where scrap material is available for disposal, the relevant Department Head shall inform the Purchasing & Materials Manager who shall be responsible for the disposal of all scrap material belonging to the City.
- 3.2 (2) The Purchasing & Materials Manager, after determining the value and possible alternate uses of the scrap material, may dispose of the material by
 - (a) general advertising to secure sealed bids;
 - (b) direct contact with the appropriate dealers to view the scrap and submit offers to purchase;
 - (c) public auction; or
 - (d) other methods as deemed appropriate.
- 3.2 (3) The revenue from the sale of scrap material shall be credited to the appropriate account.

PART IV

SPECIFICATIONS

General Responsibility For Specifications

- 4.1 When required, specifications will be prepared and developed by the Purchasing Division in consultation with the relevant department for goods, services and equipment as required by the City.

PART V

Pre-bid Conference To Review Specifications

- 5.1 The Purchasing & Materials Manager may at his or her discretion in consultation with the relevant Department Head call a pre-bid conference to review any specification the preparation and development of which the Purchasing Division is responsible.

Assistance of Department Heads

- 5.2 Department Heads or their designate shall outline clearly the requirements of their department for submission to the Purchasing & Materials Manager so that specifications may be prepared to permit calling a tender of sealed bids for goods, services, materials, supplies, implement and machinery, for the use of the City.

Non-Fulfillment of Specifications

- 5.3 The Purchasing & Materials shall report to the City Treasurer whenever the specifications cannot be met by two or more suppliers.
- 5.4 The Purchasing & Materials Manager in conjunction with the Department Head shall have authority to prepare tender documents for goods and services, including construction work, on the basis of
- (a) a price for a complete job, or
 - (b) a price for a part of the job, or
 - (c) a price for the complete job and a price for part of the job,
- as he or she may deem advisable.

Resolution of Difference By City Manager

- 5.5 Whenever there is a difference of opinion between the Purchasing & Materials Manager and the Department Head on specification which they are unable to resolve, the question will be resolved by the City Manager.

Waiver of Tender Procedure

- 5.6 If a department requires goods, services or equipment deemed to be available from only one source of supply, the Department Head with the concurrence of the Purchasing & Materials Manager shall initiate a report to City Council requesting that the tendering procedure be waived and that the Purchasing & Materials Manager be authorized to negotiate with the source of supply for the goods, services or equipment required.

PART VI

BID DEPOSITS

Bid Deposits Generally

- 6.1 Bid deposits form a integral part of overall sealed bidding procedures.

Where Bid Deposits Required

- 6.2 A bid deposit shall be required to accompany and be included in the envelope containing the bid documents in the following circumstances:
- (a) all bid for municipal construction projects in excess of \$ 25,000
 - (b) all demolition contracts;
 - (c) proposals for the sale and/or removal of City-owned buildings;
 - (d) sale of City-owned property;

Where Bid Deposits Optional

- 6.3 In Circumstances not mentioned in section 6.2 the Purchasing & Materials Manager in consultation with the Department Head, as appropriate is authorized to determine whether or not a bid deposit is required prior to the calling of sealed bids.

Amount of Bid Deposit In Specified Cases

- 6.4 In clauses 6.2 (a) and (b) the Purchasing & Materials Manager shall determine the amount of the bid deposit which may be 10 per cent of the estimated value of the work prior to bidding or an amount equal to 10 per cent of the bid submitted.

Form of Bid Deposit

- 6.5 A bid deposit shall consist of one of the following:
- (a) a bid bond issued by a bonding agency currently licensed to operate in the Province of Ontario;
 - (b) a certified cheque drawn on any bank named in Schedule I or II to the Bank Act (Canada), any truly or loan company registered under the Loan and Trust Company Act (Ontario), the Province of Ontario Savings Office, or a credit union as defined in the Credit Unions and Caisses Populaires Act (Ontario);
 - (c) an irrevocable letter of credit prepared in accordance with the City's standard form;
 - (d) Canadian currency; or
 - (e) such other security in a form satisfactory to the City Treasurer.

Steps Required When Bid Deposit Void

- 6.6 A tender requiring an appropriate bid deposit shall be void if such security is not received in the manner specified in section 6.2, and, if not other bid is valid, the Purchasing & Materials Manager shall direct what action is to be taken with respect to the recalling tenders.

Forfeiture of Bid Deposit

- 6.7 The Administration is authorized to cash and deposit any bid deposit cheques in the City's possession which are forfeited as a result of non-compliance with the terms, conditions and / or specifications of a sealed bid.

PART VII

OTHER SECURITIES AND DOCUMENTATION REQUIREE FOR SEALED BIDS

Definitions

- 7.1 In this part,
- "certificate of clearance from the Worker's Compensation Board" means a certificate issued by an authorized official of the Worker's Compensation Board certifying that the Board waives its rights under subsection 9 (3) of the Worker's Compensation Act;

"declaration respecting Workers' Compensation/Corporation Tax Act" means a declaration that the bidder has paid all assessments or compensation payable and has otherwise complied with all requirements of the Workers' Compensation Boards and that the bidder has paid all taxes and/or penalties imposed on it pursuant to the Corporation Tax Act (Ontario);

"executed agreement" means a form of agreement, either incorporated in the bid documents or prepared by the City or its agents, to be executed by the successful bidder and the City;

"insurance documents" means certified documents issued by an insurance company licensed to operate in the Province of Ontario certifying that the bidder is insured in accordance with the City's insurance requirements as contained in the bid documents; and

"letter of agreement to bond" means a letter or other form issued by a bonding agency licensed to operate in the Province of Ontario advising that, if the tender is successful, the bonding agency will issue the required performance bond.

Performance Bonds Generally

- 7.2 Performance bonds form an integral part of overall tendering/sealed bidding procedures.
- 7.3 All bidders shall include in the tender/sealed bid envelope the following:
- (a) the tender/bid form issued by the City or its agents; and
 - (b) the statutory declaration, if applicable.

Bidder's List of Sub contractors

- 7.4 All bidders may be requested to supply a list of all subcontractors to be employed on a project. Any changes to the list of subcontractors or addition thereto must be approved by the Department Head responsible for the project.

Documentation For Construction Projects Exceeding \$ 25,000

- 7.5 The successful bidder for a municipal construction project shall submit the following documentation in a form satisfactory to the City within 10 working days after being notified in writing to do so by the City:
- (a) executed performance bonds and labour and material bonds;
 - (b) executed agreement;
 - (c) insurance documents in compliance with the tender documents;
 - (d) declarations respecting the Worker's Compensation; and
 - (e) certificate of clearance from the Worker's Compensation Board

Documentation In Other Circumstances

- 7.6 In all other circumstances not mentioned in sections 7.5. The Purchasing & Materials Manager in consultation with the Department Heads is authorized to determine which documents are necessary and at what point in the bidding process each should be required.

Amount of Performance and Labour and Material Bonds

- 7.7 When a performance bond or labour and material bond is required, the amounts shall be 100% of the tender bid for the performance bond and 50 per cent of the amount of the tender bid, for the labour and material bond and a further 25% 2 year maintenance bond to be added to the labour and material bond, unless the Department Head recommends and the Purchasing and Materials Manager approves a higher level of bonding.
- 7.8 The tender documents shall clearly specify what action shall be taken with respect to informal or unbalanced bids and what penalties shall be imposed if the bidder fails to submit the appropriate documents in the manner specified, and the Purchasing & Materials Manager shall report such failures with the concurrence of the Department Head to City Council.

Letter of Agreement To Bond

- 7.9 In all circumstances with respect to tenders the Purchasing & Materials Manger is authorized to determine whether or not a letter of agreement to bond is to be submitted with the bids.
- 7.10 When the requirements of a letter of agreement to bond have been determined, the failure of a bidder to provide said letter of agreement to bond shall result in the bid being rejected.

PART VIII

TENDER OPENING PROCEDURES

Applicability of Part VIII

- 8.1 The provisions of this part apply to requests issued by the Purchasing & Materials Manager for tender bids.

Arrangement And Personnel For Opening

- 8.2 The Purchasing & Materials Manager shall be responsible for arranging for the public opening of tender bids at the time and date specified by the tender call.

Closing Time For Tenders

- 8.3 (1) The closing time for receiving tender bids shall be 1:00 p.m. on the specified day.
- 8.3 (2) The opening of the bids shall commence at 2:00 p.m. unless the Director acting reasonably postpones the start to some later hour, but the opening shall continue, once started, until the last bid is opened.

Evaluation and Recommendation After Tender Opening

- 8.4 After opening of Tenders, the bids shall be referred to the Purchasing & Materials Manager for evaluation and checking and then reviewed by the Department Head for a joint recommendation to the City Council.

Conditions Applicable To All Tenders

- 8.5 The following conditions with respect to the condition of Tender documents apply to all sealed bids:
- (a) Tender bids received by the Purchasing Division later than the specified closing time shall be returned unopened to the bidder.
 - (b) A bidder who has already submitted a tender bid may submit a further tender bid at any time up to the official closing time. The last tender bid received shall supersede and invalidate all bids previously submitted by that bidder.
 - (c) A bidder may withdraw his or her tender bid at any time up to official closing time by letter bearing his or her signature and seal as in his or her bid submitted to the Purchasing & Materials Manager
 - (d) The City reserves the right to accept or reject any tender bid.

Additional Conditions Applicable to Construction Projects

- 8.6 In the case of municipal construction projects, the conditions set out in section 8.5 shall apply and the following additional conditions shall also apply:
- (a) Tender bids which are incomplete, illegible or obscure, or which contain additions not called for, erasures, alteration, errors or irregularities of an kind may be rejected as informal.
 - (b) Wherever in a tender the amount bid for a unit price item does not agree with the extension of the estimated quantity and the bid unit price or the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly.
 - (c) Wherever in a tender both the unit price and the total price are left blank, both shall be considered as zero.
 - (d) Wherever in a tender the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity.
 - (e) Wherever, the total price if left blank for a lump sum item, it shall be considered as zero.
 - (f) Wherever in a tender an error in addition subtraction and/or transcription occurs in calculating the total contract price, the error shall be corrected and the corrected total contract price shall govern.
 - (g) Tenders containing prices which appear to be so unbalance as to likely affect the interest of the City adversely may be rejected.

Steps Where Only One Bid Received

- 8.7 (1) In the event only one bid is received in responses to a request for tenders, the Purchasing & Materials Manger may return the unopened bid to the bidder when, in the opinion of the Department Head and the Purchasing & Materials Manager, using criteria based on the reasonable number of bids which might reasonably be expected on a given type of bid, additional bids could be secured. In returning the unopened bid the Director shall inform the bidder that the City may be recalling the tenders at a later date.
- 8.7 (2) In the event that only one bid is received in response to a request to tenders, the bid may be opened and evaluated in accordance with the City's usual procedures when, in the opinion of the Department Head and the Purchasing & Materials Manager, the bid

should be considered by the municipality. If, after evaluation by the Department Head and the Purchasing & Materials Manager, the bid is found not to be acceptable, they shall make a recommendation to the City Council as to which of the following courses of action should be taken:

- (a) The Purchasing & Materials Manager should be authorized to negotiate with the sole bidder;
- (b) the Purchasing & Materials Manager should be authorized to recall tenders; or
- (c) the Purchasing & Materials Manager should modify the original specifications and re-tender
- (d) the Purchasing & Materials Manager could recommend that the one bid is acceptable .

Time of Public Release of Tenders and Proposals

8.8 All tenders and proposals, except certain proprietary information mentioned in sections 8.10 and 8.11 below, shall be public information at the time City Council is in receipt of a report submitted by the Purchasing & Materials Manager

Limited Public Release of Sealed Bids

8.9 With respect to sealed bids under the Tender expenditure limit, prices shall remain confidential except that all bidders shall be notified in writing of the successful bidder and the price that is accepted.

Confidentiality of Proprietary Information

8.10 All records and information pertaining to tenders, proposals and other sealed bids, which reveal a trade secret or scientific, technical, commercial, financial or other labour relations information, supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:

- (a) prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of person, or organization;
- (b) results in similar information no longer being supplied to the City where it is in the public interest that similar information continue to be so supplied;
- (c) result in undue loss or gain to any person, group, committee or financial institution or agency; or
- (d) result in information whose disclosure could reasonably be expected to be injurious to the financial interest of the City.

Financing Reports on Tenders

8.11 With respect to all reports initiated for Tenders, the Finance Department will provide the information on the sources of financing, allocation of revenue, (and other financial commentary as considered appropriate) in the same report.

PART IX

DEMOLITION

Demolition Costs Under The Tender Requirement Amount

- 9.1 Sections 9.2 to 9.5 apply to the demolition or removal of buildings on City-owned property where the estimated cost of such demolition or removal does not exceed the Tender expenditure limit.

Responsibility of Director of Purchasing and Supply

- 9.2 The Director, upon receipt of approval from the Department Head to demolish buildings on City-owned property, is authorized to obtain prices and award contracts for the said demolition.

Bid Deposit Required

- 9.3 Each bidder shall be required to submit to the City with his bid a bid deposit equal to 10 per cent of the bid price for the demolition or removal of the building or buildings.

Time For Demolition and Removal

- 9.4 The successful bidder shall be required to execute a contract with the City in connection with the demolition or removal of the building or buildings within 10 days following the acceptance of the bid by the City. The contract shall provide for the completion of the demolition or removal within 30 days from the date of the execution of the contract with a proviso that, if the demolition is not completed within a 30 day period, the City may either accept another bid or complete the work by City forces. The failure of the bidder to execute the contract with the City shall result in forfeiture of the bid deposit.

Demolition Costs Over The Tender Requirement Amount

- 9.5 Sections 9.3, 9.4, 9.6 and section 9.7 apply to the demolition or removal of buildings on City-owned property where the estimated cost of such demolition or removal is more than the pre-authorized expenditure limit.

Responsibility of Purchasing and Materials Manager

- 9.6 The Purchasing & Materials Manager upon receipt of approval from the Department Head to demolish buildings on City-owned property, is authorized to call for sealed bids in the form of tender for such demolitions.

Performance Bond For Demolition Costs Over the Tender Requirement Amount

- 9.7 After the acceptance by the Purchasing & Materials Manager of the bid but before the contract mentioned in section 9.4 is executed, the successful bidder shall be required to submit to the City a performance bond in the amount of 100 per cent of the bid price for the demolition or removal of the building or buildings.

PART X

GENERAL

No Direct Solicitation of Departments

- 10.1 All Solicitations by vendors of any City department or requests from vendors to contact any City department whether orally or in writing, including distribution of descriptive brochures, general information or price lists, shall not be made by the vendor without prior consultation with the Purchasing & Materials Manager. In exceptional circumstances only, direct contact may be made with suppliers, provided the Purchasing & Materials Manager is aware, in advance, of such contact.

Authority of Purchasing & Materials Manager To Pay Statutory Holdbacks

- 10.2 The Purchasing & Materials Manager is authorized, upon the City receiving the statutory declaration respecting construction liens and payment of accounts, and satisfactory certificates from the Workers' Compensation Boards for final holdbacks, to arrange payment of holdbacks for various projects covered by contracts with the City upon necessary approval from the Department Head and the City Treasurer.

Annual Comparative Data for Significant Cost Changes

- 10.3 Whenever there is a significant change in the cost of items being purchased by tendered sealed bids over the cost of the same items purchased in the previous year, the Purchasing & Materials Manager shall supply such cost comparison data to the City Council when submitting recommendations to the Council in regard to the disposition of bids.

Resolution of Questions of Policy

- 10.4 Any question involving the meaning or application of this by-law is to be submitted to the City Manager who will resolve the question.

Advertising

- 10.5 To be in compliance to the Inter-Provincial Trade Agreement 1997, all Construction Tenders over \$ 100,000.00 must be advertised on an approved Electronic Internet. the City shall use (at this time) the Electronic Tendering Network (ETN) due to its reach and also there is no cost for this service from this company.

Local Preference

- 10.6 In case there ever should occur a tied bid for a Quotation/Tender, the City shall exercise a tied bid preference where all things being equal (including price) the award shall be made to the local bidder if applicable.

Amendment or Rescinding of Policy

- 10.7 This policy or any provision of it may be rescinded, remade or amended by the Purchasing & Materials Manager from time to time and resubmitted to City Council for approval.